



**ANNUAL REPORT
TRUST FUND FOR ENVIRONMENTALLY AND
SOCIALY SUSTAINABLE DEVELOPMENT
(TFESSD)**

FEBRUARY 1, 2007 TO JANUARY 31, 2008

Acknowledgements

This annual report to the donors draws on the contributions of all the many task teams working with TFESSD funding. Based on their inputs, the window managers prepared the window reports: Nenuca M. Robles and Mani Muthukumara (ENV); Aliya Hussain and Vera A. Wilhelm (POV); Raiden Dillard and Valerie Kozel (SP); and Myrtle Diachok (SDV). Rasmus Heltberg coordinated the report and wrote the overview and secretariat sections with inputs from Carine Clert. Other contributors include Vishy Ramanathan and Carol Bonney (Financial Management); Tanja Winther and Desmond McNeil (Reference Group); Syed Abdul Salam (web statistics); Loreta Williams (proofreading and formatting).

TFESSD ANNUAL REPORT

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I. INTRODUCTION

1. This document is the Annual Report of the TFESSD covering the period *February 1, 2007 to January 31, 2008*. In this period, TFESSD crossed the \$100 million mark in terms of cumulative donor contributions.

Overview

2. TFESSD is a multi-donor trust fund supported by Finland and Norway that provides grant resources for World Bank activities aimed at mainstreaming the environmental, social and poverty reducing dimensions of sustainable development into the World Bank's work. It develops Bank and client country capacity, promotes inclusion of sustainable development issues into Bank operations, and fosters cooperation between different units in the World Bank and with external groups. Since inception, TFESSD has supported 367 ongoing and closed activities in low and lower middle-income countries. Fifty percent of the funding is earmarked to Sub-Saharan Africa.

3. Since its inception in 2000, cumulative donor contributions to the TFESSD have reached \$101.28 million of which 78% has been committed or disbursed. TFESSD activities are managed in four Windows which correspond to the four Sector Boards (Environment, Poverty, Social Development, and Social Protection). Activities in the Environment Window primarily support strategic environment work across the World Bank Group. Activities in the Social Development Window aim to mainstream the social development agenda into World Bank lending and advisory support. Activities in the Poverty Window support the development of poverty reduction strategies, poverty analysis, and the design, implementation, monitoring, and evaluation of poverty reduction. Activities in the Social Protection Window primarily support thematic and cross-cutting work on social protection, disability, and labor.

4. Funding new activities is awarded on a competitive basis through an annual open call for proposals and review by a technical committee and vetted by the four Sector Boards. For FY09, the Bank and the Donors agreed to focus on adaptation to climate change. Fifty-three concepts were received, of which thirty-eight were approved spanning across a variety of sectors and issues related to adaptation to climate change, including agriculture, environment, fisheries, forests, energy, disasters, migration, poverty, rural institutions, human rights, and indigenous people. The approved proposals promise a challenging multisectoral work program spanning all the regions and all of the major social, economic, and environmental issues surrounding adaptation to climate change in developing countries.

5. Looking forward, the FY09 allocations on adaptation to climate change offer strong potentials for broadening the Bank's approach to climate change and development beyond environmental dimensions, bridging knowledge and policy gaps on impacts on and responses of people and communities, especially the most vulnerable.

6. An external evaluation of TFESSD concluded that “...TFESSD has managed to influence the mainstreaming of selected sustainable development approaches, concepts and methods in Bank policy and operations. This is a significant achievement....It confirms the rationale of the fund.”

7. This report contains the following main sections: ***I. Introduction (including overview of the evaluation and the team behind TFESSD); II. Window Reports (with summaries of ongoing and recently completed activities); III. Administration and Governance; and IV. Financial Summary.***

8. During the last year, TFESSD has continued to finance a wealth of important, innovative, and cross-cutting work focused on the needs of mainly low-income countries. While the portfolio is too wide to be easily summarized, some of the important areas of work in which TFESSD funded activities across the four windows have achieved strong impacts include:

- More and better in-country capacity and analysis of poverty, risk, vulnerability, and employment, with results influencing Country Assistance Strategies, Poverty Reduction Strategies, national Social Protection strategies, and Bank lending and non-lending programs.
- Bringing empowerment in focus, and providing better tools and monitoring indicators.
- Mainstreaming Poverty and Social Impact Analyses into Bank operations and policies and influencing policy choices and reforms in several countries.
- Greater awareness and capacity for environmental management in many countries, including the costs of pollution, the need for better land administration, and improving coastal and marine resources management in several countries, particularly in Africa.
- Strong support for Community Driven Development (CDD) and local governance activities has informed the large CDD lending portfolio and helped the Bank scale up its engagement on demand-side governance and anti-corruption.
- Ensuring that the most vulnerable groups, including persons with disabilities and street children, are not left out in the development discussions.
- Good results are also starting to emerge in climate change and adaptation to natural disasters, including on social protection responses hereto.

9. TFESSD activities have continued to disseminate results, build partnerships, and grow strong networks of practitioners. One activity supported the African natural resource management community. Several activities have supported regional networks of practitioners and researchers working on social accountability in many parts of the world. The TFESSD often helps fund consultations with, and capacity-building of, local communities and civil society that otherwise would be hard to fund. While the impacts of these efforts are inherently difficult to measure and aggregate across the program, many reports from the field indicate that TFESSD funds represent crucial support—sometimes the only support—helping teams working on environmentally and socially sustainable development.

Conclusions of the External Evaluation

10. The external evaluation of the TFESSD was carried out by COWI A/S as a joint evaluation commissioned by Norad on behalf of the Evaluation and Audit Unit in the Finnish Foreign Ministry and the Evaluation Department in Norad. The Evaluation Department in Norad managed the evaluation and ensured consultation through an Advisory Panel of stakeholders that was invited to comment at several stages of the process.

11. The findings of the evaluation confirmed the relevance and influence of TFESSD. The report¹ concluded that "...TFESSD has managed to influence the mainstreaming of selected sustainable development approaches, concepts and methods in Bank policy and operations. This is a significant achievement.... It confirms the rationale of the fund, that is, with an appropriately designed trust fund mechanism and with relevant themes and criteria for project selection, it has been possible to influence the Bank". The report further concluded that "Several of the assessed country-specific projects have influenced country-level policies and projects....Some of the projects have contributed to set the stage for future Bank policy/operations... others are relatively small projects, mainly complementing other efforts and aimed at contributing to widening and deepening the Bank's policy dialogue." The report further finds that "Several non-country specific projects have influenced Bank policy and operations. Through the development of strategies, tools and guides, the projects have developed, catalyzed and mainstreamed sustainable development approaches and practices in Bank policy and operations.... The relevance of the assessed trust fund projects has been high vis-à-vis their respective contexts.... The effectiveness of the assessed projects has been satisfactory." (page 12)

12. The report also notes the inherent difficulty of evaluating a trust fund such as the TFESSD. Many of the funded activities are relatively small, complement other funding sources, and form part of a larger work program. It is therefore hard to ascribe causality and trace influence.

13. Given the difficulty of assessing results and influence of many small and diverse activities, the report chooses to pay more attention to the positive impacts of some of the larger and more visible clusters of activities, including the TFESSD-funded work on the Social Development Strategy and Social Policy; Poverty and Social Impact Analysis (PSIA); Country Environmental Analysis (CEA) and Strategic Environmental Assessment (SEA); and Social accountability and demand for good governance.

14. The Bank welcomed the evaluation and appreciated the report's explicit and well-presented recognition of the many relevant and successful contributions of the fund. The Bank agreed with a number of its recommendations:

- The Annual Report should be less descriptive, more analytical and more cognizant of challenges.

¹ Norad, Joint evaluation of the Trust Fund for Environmentally and Socially Sustainable Development, Evaluation Report 2/2008, page 12.

- The Role of the Reference Group (RG) throughout the cycle should be better defined.
- Impact would be enhanced by a programmatic approach to themes with enhanced predictability and therefore enhanced follow-up and commitment by Bank teams and clients. To preserve room for flexibility for unexpected developments that the Bank and the donors may want to respond to, occasional Blue Sky (highly strategic and innovative) proposals could be considered.
- The need to step up our efforts on dissemination and outreach to Norwegian and Finnish ESSD communities. While the RG will have to play a crucial role in facilitating dialogue with relevant Norwegian and Finnish communities, the Bank and especially the Secretariat sees it as its responsibility to broaden outreach and engage in dialogue. Moreover, while dissemination is explicitly built in to proposals, it might be useful with a small dedicated amount available to the Secretariat to disseminate results from cross-sectoral themes on high-profile, high impact issues.

15. The Bank also commented that the evaluation report would have gained in effectiveness if it could articulate clearly the factors which account for the success. What are the factors that have influenced the performance of this trust fund? Such analysis would have allowed the report to deepen its recommendations for possible improvements of the governance, management, and administration of the trust fund. This being said, the Bank is looking forward to discussions with the counterparts on how to take forward the recommendations of the report.

16. The report was officially launched at a public seminar in Oslo on 17 April, 2008 hosted by Norad. A rich discussion followed the presentation of the conclusions. Many participants discussed the trust fund objective of influencing World Bank policies and programs, and noted the positive combination of financial support, technical dialogue, and partnership continuity in TFESSD.

The team behind the TFESSD

17. The governance structure of the TFESSD includes a Reference Group consisting of Finnish and Norwegian development experts that advise the donors on strategic directions and dialogue with the Bank on environmentally and socially sustainable development. On the Bank side, the Fund is managed by a Director, on behalf of the Vice-President of the Sustainable Development Network. The Sustainable Development Network was created on January 1, 2007, through a merger of the former Infrastructure and Environment and Socially Sustainable Development Networks.

18. From July, 2007 to March, 2008, Kristalina Georgieva was the director in charge of the TFESSD. With the promotion in March, 2008 of Kristalina Georgieva to Vice President and Corporate Secretary, Steen Lau Jorgensen took over as the director in charge, a position he also held prior to July, 2007.

19. A small Secretariat is responsible for coordinating and liaising with the donors. Carine Clert is the Task Manager of the fund and Rasmus Heltberg, the Administrator (since August 2007 when he replaced Ann Ingeborg Hjetland). Further, each of the four windows is managed by a window manager reporting to the four sector boards.

THE WORLD BANK TFESSD TEAM	
NAME	TITLE
<i>Steen Lau Jorgensen</i>	<i>Director-In-Charge</i>
<i>Carine Clert</i>	<i>Task Manager</i>
<i>Rasmus Heltberg</i>	<i>Administrator and Senior Technical Specialist</i>
<i>Myrtle Diachok</i>	<i>Social Development Window Manager</i>
<i>Valerie J. Kozel</i>	<i>Social Protection Window Manager</i>
<i>Vera A. Wilhelm</i>	<i>Poverty Window Manager</i>
<i>Muthukumara S. Mani</i>	<i>Acting Environment Window Manager</i>
<i>Nenuca Muñoz Robles</i>	<i>Environment Window Focal Point</i>
<i>Carol Fillar Bonney</i>	<i>Trust Fund Coordinator, SDN VP</i>
<i>Vishweshwaran (Vishy) Ramanathan</i>	<i>Resource Management Analyst, TFESSD</i>
<i>Trilok Lalit Raheja</i>	<i>Program Accountant</i>

THE REFERENCE GROUP	
NAME	TITLE
<i>Desmond McNeill</i>	<i>Research Professor, Head, RG</i>
<i>Berit Aasen</i>	<i>Researcher</i>
<i>Hildegunn Tobiassen (on leave 06-07)</i>	<i>Adviser</i>
<i>Eva Kløve</i>	<i>Research Fellow</i>
<i>Hans Olav Ibrek</i>	<i>Senior Adviser</i>
<i>Brita Slettemark</i>	<i>Senior Adviser</i>
<i>Olav Seim</i>	<i>Senior Advisor, Government of Norway</i>
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<i>Tanka Winther</i>	<i>Researcher, RG Secretary</i>
<i>Matti Nummelin</i>	<i>Adviser</i>
<i>Leena Viljanen</i>	<i>Counselor, Government of Finland</i>
<i>Pekka Hukka</i>	<i>Director</i>
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<i>Anita Kelles-Viitanen</i>	<i>Pol. Lic., Chairperson</i>
<i>Ari Huhtala</i>	<i>Senior Environmental Expert</i>
<i>Ronald Wiman</i>	<i>Senior Social Development Advisor</i>

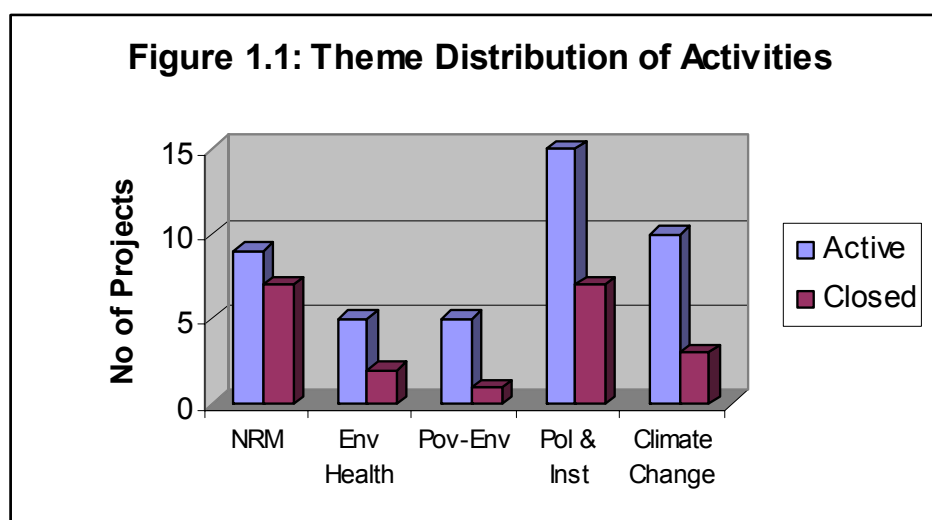
II. WINDOW REPORTS

A. ENVIRONMENT WINDOW REPORT

1 Summary

1. TFESSD continues to support the Bank's work towards meeting the objectives of the Bank's Environment Strategy and in particular, enable analytical innovation and capacity development. Combined with other trust fund programs and the Bank's own budget, TFESSD is facilitating knowledge sharing in client countries and in many instances fostering strong collaborative programs and partnerships.

2. Ongoing environment activities are grouped under five key strategic themes and one integrated country program in Mozambique. The five themes are: (a) Natural Resource Management (NRM); (b) Environmental Health (EH); (c) Poverty-Environment Linkages; (d) Environmental Policies, Governance and Institutions; and (e) Reducing Vulnerability to Climate Change and Natural Disasters. In terms of the distribution of the activities across these themes, more than half of the active portfolio falls under the Natural Resources Management; Environmental Policies, Institutions and Programs; and Climate Change (see Figure 1.1).



3. Under the Natural Resources Management theme, there are currently 9 active and 7 recently closed activities. Activities under this theme focus on policy, sustainability and governance aspects of natural resources management. For example, analytical work on the cost of environmental degradation and public environmental expenditure funded by TFESSD helped client countries identify their environmental priorities and integrate their environmental concerns into policy dialogue and key sectoral reforms.

4. Under the Environmental Health theme, there are 5 active and 2 recently closed projects. Projects under this theme are designed to help create upstream analysis and interventions to raise awareness on the impact of air pollution and particulate matter on health, provide strategies to policy-makers and help clients develop an action plan aimed at reducing mortality rate caused by indoor and outdoor pollution.
5. Poverty-Environment Linkages theme, has 5 active and 1 recently closed projects. Activities under this theme focus on setting priority interventions that address poverty reduction, through empowerment and capacity building of local communities through hands-on training, and community participation.
6. Currently, the Environmental Policies, Governance and Institutions theme has the most active activities with 15 ongoing and 7 recently closed activities. The activities under this theme focus on improving and strengthening institutional governance and accountability and encourage transparency by promoting participatory planning and providing toolkits to help practitioners, including governments, policymakers and other relevant constituencies, to better understand some of the most important and difficult issues related to Sustainable Development.
7. Activities under the Reducing Vulnerability to Climate Change and Natural Disasters theme are growing; there are currently 10 active and 3 recently closed projects. This shift in our portfolio shows that mitigation and adaptation to climate change is a growing concern not only for the Bank, but for its clients, donors, and the international community (see Box II.1). The activities under this theme focus on mainstreaming climate risk management and adaptation to climate change in the design and development of projects through technical analysis and development of mitigation and adaptation tools.

Box II.1: Mainstreaming Climate Change and Hazard Risk Management

Prior to TFESSD, no thorough analysis of past or future climate trends in Madagascar had been conducted and the Bank's country program has not focused on adaptation or risk management. TFESSD has provided a platform for national capacity building in adaptation and hazard risk management in Madagascar by supporting the hiring of a core national facilitation team who helped national champions in various core Ministries (Environment, Agriculture, Public Works, and Finance, etc.) establish links with international experts and centers of excellence. In addition, TFESSD was a catalyst in establishing other national initiatives in disaster risk management such as a \$1.2 million grant from the Global Facility for Disaster Reduction and Recovery to strengthen risk assessment and upgrade cyclone norms, set up a contingency fund of \$150,000 from ProVention, flood management assistance from GTZ and capacity building in Damage and Loss Assessment (ECLAC) from Track III GFDRR. TFESSD also helped in the initial stages of formulation of a GEF Special Climate Change Fund of about \$3 million.

2 Strategic objectives and value added

2.1 TFESSD's role and value added in the sector (compared to other TFs and BB financed work)

8. The World Bank's overarching objectives in addressing environmental sustainability center on articulating the linkages between poverty alleviation, the quality of growth, and the synergies between local and global challenges. A stock-taking of progress made since the 2001 Environment Strategy indicates that the institution has made significant progress on various fronts. First, the volume and depth of analytical work linking poverty with environment and natural resources has increased and is informing the design of poverty reduction programs. Second, policy dialogue and analytical tools, such as Country Environmental Analyses, have enhanced policy advice on priority environmental issues at the country level. This is facilitating the integration of key environment issues in policy decisions and investments intended to promote economic growth, such in infrastructure, energy, agriculture, and water supply. This has also played a key role in building up analytic work to support the implementation of Operational Policy (OP) 8.60 on Development Policy Lending. Lastly, the Bank's convening power and resource mobilization capabilities have placed it at the center of key global environmental issues, such as climate change, deforestation, and fisheries management.

9. This progress has by no means been automatic and without significant effort. The technical complexity, cross-sectoral and inter-generational nature of environmental issues coupled with the tremendous institutional weaknesses facing clients demanded securing and deploying significant resources to properly study, plan, and implement suitable responses. The Bank has combined its own resources, including approximately 200 environment staff with a deliberate effort to raise external funds to meet the demand for its environmental work. In particular, funds provided by TFESSD are combined with those from the Bank Netherlands Partnership Program (BNPP) (approximately \$6 million each CY) for support in four key priority themes:

- **innovative analytical work at the country/sector level:** engaging very early in assessing a country's key environmental issues in the context of future policy reforms and/or major investment plans;
- **mainstream environmental health and natural resources management into Bank projects and programs:** developing tools and methodologies for improved environmental management which are later adopted by governments;
- **climate change analysis with particular attention to adaptation costs and options;** and;
- **analysis of poverty-environment links, with emphasis on women, youth and disadvantaged groups.**

10. The net result is improved quality in policy dialogue and improved Bank operations. While there is no fixed formula for how these resources complement each other, staff use the results from one program as a platform for subsequent work. One example is the BNPP activity on health and rural water supply and sanitation in South Asia (see Box II.2).

Box II.2: Trust Fund Complementarities with Bank-Netherlands Partnership Program (BNPP)

TFESSD has set the stage for South Asia Region to advance its work in high priority areas within the overall poverty-focused program. As a result, the South Asia region was able to move from diagnosis of issues to action planning, consensus building and implementation. In view of the increased recognition of the importance of addressing environmental issues for growth and poverty reduction South Asia's pipeline of environmental lending and non-lending operations has increased from zero to 19. TFESSD also leveraged additional resources from the Bank, BNPP, UNICEF, and NGOs to complement and conduct studies started with TFESSD funds (*TF024692 & TF053892 South Asia Strategic Program*). For example, BNPP funding obtained to do a study on "Health Outcomes on Rural Water Supply, Sanitation (RWSS) and Hygiene" to follow-up on the findings from a study carried out under TFESSD on reducing vulnerability of the rural poor to environmental health risk associated with lack of clean water and sanitation. The TFESSD study increased the Government of India's commitment to improve health outcomes and strengthen the monitoring and evaluation of rural water supply and sanitation projects and a sound methodology for assessing health impacts of community-driven RWSS interventions was developed.

2.2 Impact on the Bank and in client countries

11. As for the results at the country level and its influence on Bank operations, the active portfolio of TFESSD-supported analytical work has had clear contributions. The examples provided below illustrate the nature of the impacts achieved with TFESSD support:

- **Ethiopia:** The work on Sustainable Land Management & Tenure Security laid the foundation for a thorough description of the different ways in which the rigorous evaluation and the certification program implemented across the region provided poor land owners/users, who are often women, the option to have their rights documented. As a result land administration has been included as a major activity in the Bank's strategy for sustainable land management.
- **Mozambique:** The analytical work on the health sector led the Ministry of Health to start implementing a new health service delivery model that does not rely on fixed facilities but also on outreach and community health services. The government of Mozambique requested the Bank to finance the Health

Service Delivery project to implement this strategy in the three poorest northern provinces of Mozambique.

- **Tanzania:** The work on linkages between coastal and marine resources management and poverty helped raise awareness that poverty leads to increased usage of destructive fishing gear and on the other hand, marine protected areas have positive influence in the choice of fishing gear.
- **Georgia and Uzbekistan:** TFESSD supported the preparation of a sector note “*Community Empowerment for Cultural Tourism and Heritage Protection.*” The sector note informed a larger evaluation of World Bank investments in cultural tourism and heritage protection.

12. In addition to obtaining results at the country level, some regions have used TFESSD strategically to achieve business development goals. For example, the Latin America and Caribbean Region has successfully integrated environmental concerns into policy dialogue and key sectoral reforms by supporting client countries in identifying environmental priorities and developing interventions (see Box II.3 below).

Box II.3: TFESSD’s Impact in the Latin America and Caribbean Region

The assessments of the cost of environmental degradation and public environmental expenditure reviews supported by TFESSD have increased regional awareness of the linkages between environment and health. For example, the estimate of the cost of environmental degradation in Honduras and Ecuador show that the most significant environmental costs to the country are associated with inadequate water supply, sanitation, hygiene and indoor air pollution and it disproportionately affects the health and productivity of the poor. These analyses are being utilized by governments to develop interventions to address these environmental priorities – a number of cross-sectoral policies and programs including environmental health programs, transport policies, mining and energy policies are under preparation.

2.3 Capacity Building, Knowledge Sharing and Partnerships

13. It is apparent that knowledge sharing and dissemination, capacity building, and partnership all go hand-in-hand if we are to achieve our objective to improve management of natural resources, environmental governance and institutions, poverty-reduction and achieve growth. Strengthening national and local governments, empowerment of local communities and civil societies are an integral part of all the activities under the environment window. For example, a knowledge database on environment and natural resources management was created under the “*Building Local Capacity and Institutions for Decentralized Natural Resource Management (TF052914)*” project, the database was tailor-made for the African NRM community, particularly members of project implementation units, government officials, regional policy makers, NGOs, and World Bank staff as a means of disseminating information, exchanging experiences and expertise among the. The original target group of this

networking system has remained intact and continues to communicate, in addition the number of participants now include high level policy makers and the participating countries has also expanded. This program has strengthened the capacity of project teams and policy-makers in the NRM field, it has increased the demand for economic information on Payment for Environmental Services, Carbon Finance and Carbon Sequestration. The program has also resulted in additional funding from the Dutch. The project will be succeeded by a complimentary capacity building program entitled “*Sustaining Natural Capital for Growth and Poverty Reduction in Sub-Saharan Africa.*”

14. One notable example of a successful partnership was the project on “*Adaptation of Agro-Ecological Systems to Climate Change in Africa (TF052552).*” The project funded by TFESSD and GEF was managed by the World Bank Institute (WBI) in collaboration with the Agriculture and Rural Development department (ARD) and the Center for Environmental Economics and Policy for Africa (CEEPA) developed analytical methods and procedures to assess how climate affects current agricultural systems in Africa, and how these systems may be affected in the future by climate change under various global warming scenarios. TFESSD supported clinics and workshops for building technical capacity of local institutions in 11 countries (Burkina Faso, Cameroon, Egypt, Ethiopia, Ghana, Kenya, Niger, Senegal, South Africa, Zambia and Zimbabwe) on crop and agro climatic modeling, environmental valuation and survey methods. Those trained will then participate as resource persons. While GEF funded the implementation of activities under the “*Regional Climate, Water and Agriculture: Impacts on and Adaptation of Agro-Ecological Systems in Africa*” to assess the economic and social impact of climate change on the agricultural and agro-ecological sector of African countries and determine the economic and social development aspects of various adaptation options. In addition, CEEPA established a post-graduate research and training program at the University of Pretoria on impacts of and adaptation to climate change, thereby establishing a sustainable community of practitioners who will help improve agricultural productivity in light of the changing climatic conditions.

2.4 New Challenges: Climate Change Adaptation and Mitigation

15. It is being increasingly recognized that addressing climate change is central to the development and poverty reduction agenda. Climate change has the potential to reverse the development gains that have been earned by developing countries over the past decades, and progress towards achieving the MDGs, such as eradicating poverty, combating communicable diseases and ensuring environmental sustainability. Early mitigation of Green House Gas (GHG) emissions will significantly decrease future adaptation costs, and especially the burden on the poor. Even if efforts to stabilize GHG concentrations are successful, some degree of warming and related impacts will continue to occur in the next decades. An effective response to climate change must combine both mitigation—to avoid the unmanageable—and adaptation—to manage the unavoidable.

16. In response to this growing issue, the World Bank is developing a Strategic Framework on Climate Change and Development (SFCCD) as a means to articulate the WBG’s vision on how to integrate climate change and development challenges, without

compromising growth and poverty reduction efforts through its country operations, including policy dialogue, lending, and analytical work in client countries, and through its regional and global operations. In addition, the newly approved FY09 proposals will help scale up the Bank's action for (a) a continued priority for economic growth, poverty reduction in achieving the MDGs in developing countries, (b) an understanding that access to energy services and increased energy use by developing countries are fundamental to these goals, and (c) a recognition that adaptation to climate variability and change is critical to sustaining and furthering development gains in the majority of developing countries (see Box II.4). Through the FY09 Call on adaptation to climate change, TFESSD will provide important support to this agenda.

Box II.4. Strategic Framework on Climate Change

Reflecting the multi-sectoral and multidimensional nature of the challenge, the SFCCD will encompass activities in many sectors, covering energy, transport, urban development, water, agriculture, forestry, industry, economic policy, and social and human development. The SFCCD also acknowledges and will address multiple dimensions through which changing climate affects development: economic, financial, social, gender and environmental, including impacts on other global environmental goods such as biodiversity.

Given that knowledge about climate change, particularly the economic and social aspects, is continuously evolving and uncertainties remain, the design of the SFCCD will be flexible so as to incorporate new knowledge and support actions, whose benefits are robust under any future scenarios of climate change negotiations and impacts.

The development of the SFCCD is also guided by the principles of: (a) supporting the UNFCCC process; (b) being neutral to any negotiating party position; (c) helping developing countries manage the challenges of climate change and realize opportunities of climate action; (d) considering climate change an overarching development and economic issue, not only an environmental issue, which requires involvement and leadership by the ministries of development and finance, in addition to environment ministries; (e) recognizing the importance of partnerships given the many actors on the international arena with different mandates on the issue; and (f) building the SFCCD as an integral part of the Bank's strategy on inclusive and sustainable globalization.

Source: World Bank (2008). Toward A Strategic Framework On Climate Change And Development for the World Bank Group: Concept and Issues Paper.

3 Summaries of ongoing and recently completed activities

3.1 Ongoing activities

17. The key focus areas of the Environment Window activities encompass five major themes, i.e., Natural Resources Management; Environmental-Health; Poverty-Environment Linkages; Environmental Policies, Institutions and Programs and Climate Change. The Mozambique Integrated project is presented at the end of this section.

Natural Resources Management

18. Several natural resources management activities funded by TFESSD have led to environmental interventions, improvements of the enabling environment for sustainable natural resources management, local participant, and gender equity. Below are activities TFESSD has financed under this theme.

19. **TF055858 Program for Sustainable Fisheries (PROFISH), (FY06), \$392,500:** The overall objective of PROFISH is to strengthen governance of the world's marine fisheries. TFESSD supports PROFISH in Sub-Saharan countries by improving the quality of investments made by public and private sectors by including sustainable fisheries initiatives in their national plans and poverty reduction strategies. The grant would also assist countries and sub-regions establish roadmaps to achieve effective fisheries governance and reform and align donor interventions. During a mission in Madagascar consensus on fisheries and aquaculture sector policy was reached. It was agreed that preservation of the fish resources would provide food security, foster economic growth thereby alleviate poverty. The consultation mission emphasized the need to prioritize the sector approach on the management for the shrimp industry to overcome the crisis. It was recognized that it is essential to strengthen the human and financial resources of the fisheries administration in order to address the problems in the fisheries sector. Fish for All: <http://www.fishforall.org/ffa-summit/africasummit.asp>

20. **TF056130 Managing Key Natural Resources in Africa (FY06), \$250,000:** The objective of this activity is to expand the analytical base related to key issues in natural resources and environmental management in Nigeria and Kenya. The analysis will give particular emphasis to sustainability of natural resources, impacts on poverty and governance issues related to key resources (e.g., land, forests and minerals and environmental services e.g., solid waste). The studies cover growth potential and links to poverty; assessments of the existing regulatory frameworks of each sector and flag issues such as rent-seeking and lack of transparency. The three studies supported by TFESSD have provided valuable analytical material for subsequent Bank operations and introduced a level of economic analysis that was new to the issues of land management, mining and municipal solid waste management (MSW) in Nigeria and Kenya. The land management study in Nigeria has informed the design of the FADAMA III irrigation and community-driven development project; and the mining study provided basis for the environment component of the mining SIL which is under preparation. The two studies on land and mining will be finalized and disseminated. The solid waste study in Kenya has led to the inclusion of a SIL for MSW in the country program. However, the work in Kenya was suspended due to the political unrest.

21. **TF057147 Ethiopia Sustainable Land Management & Tenure Security (FY07), \$140,000:** The project aims to understand the characteristics, including the costs of land certification in Ethiopia and determinants as well as magnitude of the program's impact on (i) land-related investment, (ii) productivity of land use, (iii) land market activity; (iv) women's asset ownership; and (v) conflict which provides a basis to modify and/or expand the program and inform similar efforts at designing interventions that could help increase land tenure security in other African countries. In collaboration with the Ethiopian Economic Association, a nationwide survey of 2,300 households was

completed. This laid the foundation for a thorough description of the different ways in which the certification program was implemented across regions and a rigorous evaluation of the program's impact. The results of the survey will also provide a basis for the evaluation of the program's impact. The Norwegian University of Life Sciences will put together a paper which will explore in more detail the structure of land market functioning and the welfare impact of land market participation for single women. The results of the analysis has influenced the Bank's and the client's thinking, land administration is now included as a major activity in the Bank's strategy and in Government's strategy for sustainable land management. Ethiopia also used the results of the analysis to rally more support from other donors (Finland, Sweden, Netherlands, GEF, and USAID) for a stand alone land administration project, entitled "Sustainable Land Management." This \$20 million IDA project plus \$9 million GEF grant is in negotiation stage.

22. TF057349 Yemen – Land Tenure for Social and Economic Inclusion (FY07), \$150,000: The objective of this activity is to develop an action plan for land policies reform and related institutional reforms to enhance equitable and secure access to productive land and greater inclusion of vulnerable groups. A report on state and customary land tenure, property rights and legal framework was completed. However, a delay in the consultant selection process has impacted the timeline of the grant outputs so a six-month extension, to December 31, 2008 will be necessary to complete all the activities. The household data analysis and reporting will be available in May 2008 and the background studies and policies will be finalized in August 2008.

23. TF090685 Natural Resources Management (NRM) Decision Tools (FY08), \$450,000. The main objective of this activity is to enhance the integration of NRM into local government and community institutions in Sub-Saharan Africa by harnessing and improving existing planning and implementation processes and tools. It is expected that this will foster improved local governance and enhanced efficiency of local government, community-level and informal institutions to promote sustainable NRM thereby improving livelihoods. Taking into account the need to better address planning constraints in local government institutions, there is interest to use the work undertaken within the context of the ongoing Tanzania Agricultural Sector Development Program (ASDP). It is anticipated that follow-up activities could include a Bank financed investment in Sustainable Land Management /Land Use Planning in Tanzania.

24. TF090780 Contractual Arrangements in Forest Management, (FY08), \$150,000. The objective of this activity is to provide a comprehensive analysis of contractual and institutional arrangements that are necessary to capture desired development outcomes, e.g., poverty alleviation through increased community participation and investments in the forest sector. This project is at its early stage of implementation but some progress has been made. Intensive dialogue with a wide variety of internal and external stakeholders to obtain data and background information on contractual arrangements in the NRM sector has been conducted. Several units in the Bank (e.g., Legal, IFC, Carbon Unit, the regions, etc) underscored the need for analytical work and the relevance of the results for their work. Potential follow-up to support the

emerging work on Payments for Ecological Services and delivery of global public goods (e.g., carbon payments) have already been suggested.

25. **TF090840 PROFISH and ARD Fisheries Specialist (FY08), \$200,000:** This grant will fund a Fisheries Specialist that will work under guidance of the Sector Manager and the PROFISH team leader to implement the PROFISH work program and the continued strengthening of the World Bank's activities to meet the growing demands for support and assistance from its member countries for improvement of sustainability of the fishing sector. The Fisheries Specialist will also contribute to the role of the Agriculture & Rural Development (ARD) in supporting fisheries and related aquaculture, ocean and coastal activities and product development at country, regional and global levels. The fisheries specialists participated in several missions and helped design sector management strategies and implement sector programs and projects in fisheries and integrated coastal management. For example, a new DGF grant on *Alliance for Responsible Fisheries* is under preparation, an ESW on mainstreaming fisheries into poverty reduction strategies is also under preparation.

26. **TF090878 India: Community-Managed Approaches to Sustainable Livelihoods (FY08), \$150,000.** This activity will aim to develop knowledge and learning base for sustainable agriculture practices, managed by Community Organizations through documenting and promoting "Sustainable Agricultural Practices" which exhibit strong evidence that Non-Pesticide Management (NPM) practices can bring both environmental and economic benefits for farmers and communities. The activity is trying a new approach for developing a pesticide-free brand for agricultural products being aggregated and procured by community organizations to get higher value addition through organic and sustainable agriculture. Audio-visual aids on various aspects of NPM practices is being developed and a regional conference to disseminate the NPM and Organic Farming practices will be held in the second half of 2008. TFESSD is instrumental in carrying out the very first large scale NPM intervention in India. TFESSD is also facilitating the preparation of Learning Notes which highlights the issues, challenges, and approaches in introducing NPM technology in an environment prone to use high levels of pesticides is being prepared. The findings from the analytical work conducted under this activity will feed into the Sustainable Agriculture initiatives in various ongoing Rural Livelihoods Projects in the South Asia region, particularly in India.

27. **TF090971 Caspian Fisheries Management (FY08), \$300,000:** The main objective of this grant is to assist the recovery of Caspian sturgeon and sustainable management of the fisher, and introduce economically attractive alternatives to unsustainable practices at the community level. This activity is closely linked to the planned GEF Caspian regional project and TFESSD would provide support to the design and advisory services for the monitoring and economic development activities which would be financed from the GEF project. The project is on track and good progress has been made. Recent evidence of political will on the part of countries to coordinate policies, most notably through the entry into force of the Caspian Framework Convention last year and stated agreement to consider developing a fisheries protocol under the

Convention. Investment in sturgeon hatchery production and enforcement has also increased in some countries

Environmental Health

28. One of the objectives of the Bank's Environment Strategy is to improve the quality of life in our client countries by reducing environmental risks and pollution, thereby reducing child mortality, respiratory disease, blood lead levels, deaths due to malaria, and exposure to toxic substances. Several TFESSD activities have been influential in strengthening the focus on environmental health issues, facilitating a better understanding of, and developing tools to address, environmental-health linkages. Activities that fall under this theme are listed below.

29. **TF052820 LCR Strategic Program on Environmental Mainstreaming, Phase II (FY04) \$750,000:** The three main areas of LCR's environment strategy identified for TFESSD support are (i) Health - Environment Linkages; (ii) Natural Resource Management linkages with Environment and Forestry; and (iii) Environmental Sustainability Indicators and Public Disclosure. The program continues to successfully achieve its objective of integrating environmental concerns into policy dialogue and key sectoral reforms by supporting countries in identifying environmental priorities and developing interventions to address them. As a result of the analytical work (e.g., assessments of the cost of environmental degradation and public environmental expenditure reviews), supported by TFESSD regional awareness of the linkages between environment and health and country capacity for priority setting has increased. These recent analyses are being utilized by the governments to develop interventions that address the environmental priorities identified.

30. **TF090915 Integrating Ecosystem and Species Data into Disease Forecasting Models (FY08), \$200,000:** The objective of this grant is to better understand the relationship between the incidence of vector-borne diseases and biological and environmental variables thereby enhancing disease forecasting capabilities. In communities where funds are limited for participatory interventions and policies, policy makers will be able to utilize the forecasting tool to predict what areas are most vulnerable to the incidence of dengue and thus direct their resources to prevention of dengue in these areas. The government of Nicaragua has recognized the importance and uniqueness of this project and support is being obtained from the Ministry of Health, the Ministry of Environment and the National Environmental Information Center (SINIA). The Dengue forecasting toolkit will be a valuable tool in view of the rising temperatures due to Climate Change which has facilitated better ecological conditions for the survival of the mosquito vector. The project implementation is progressing well, with several activities already underway (e.g., work plans have been developed, the variables to be monitored have been defined, base maps to be used to visualize these variables have been obtained, etc.).

31. **TF090972 China Air Pollution Control Program: Improving Environmental Health (FY08) \$500,000:** The objective of this project is to develop an integrated air pollution policy in China aimed at reducing mortality and morbidity associated with air pollution. It will build on the findings of a previously completed TFESSD activity, TF055878, which has brought to the surface strong national and international attention to the Cost of Pollution in China. This project is intended to be the upstart and “nucleus” for a new China Air Pollution Control Program that will gradually involve several national and international funding sources, many Chinese departments and several World Bank units (both within and outside SDN), focusing on environmental-health. Activities have started to take shape, a detailed design of the program has been completed. The implementation has focused on identifying target areas in China and the development of a particulate matter plan for China.

32. **TF090974 Lead Pollution Abatement in India and Bangladesh (FY08), \$167,000:** The objective of this activity is to pioneer a new independent lead-acid battery certification program in India to reduce emissions and encourage proper and environmentally sound battery recycling. The intended impact of this project is to improve and protect the health of children, workers, and vulnerable populations exposed to lead pollution and to level the playing field between plants operating in developed and developing countries, which lack adequate technical or financial capacity to enforce comprehensive pollution control measures. Considering that this activity just started, it has achieved substantial milestones. For example, through TFESSD funding, the Better Environmentally Sustainability Targets (BEST) certification standard was completed and launched in January 2008 – this received broad media coverage. India has just adopted the new BEST standard. In view of this, TFESSD will provide support to raise awareness on lead poisoning and provide instructions to companies on the necessary steps to achieve compliance. In addition, several large battery producers already signed up to get accredited. Vietnam has also expressed interest to replicate this program in their country, however, funding is still being sorted out.

33. **TF091250 Addressing Indoor Air Pollution in Sub-Saharan Africa (FY08), \$400,000:** The main objective of this grant is to collect, analyze and disseminate data on the cost-effectiveness and health benefits of reductions in Indoor Air Pollution (IAP) in Madagascar as a result of the introduction of ethanol as a domestic fuel to replace the use of biomass. It was decided during the concept review discussions to include a broader economic assessment of Madagascar’s ethanol fuel and stove program in this study. The inclusion of this component and the overall design of the research program was also discussed and agreed with government representatives of Madagascar and civil society. A formal concept review meeting will be held in April 2008.

Poverty-Environment Linkages

34. Recognizing the imperative of linking good environmental management and poverty reduction, this priority theme strongly emphasizes the need for better

understanding of poverty-environment linkages in setting priority interventions. Below are activities that fall under this theme.

35. TF053885 Integrating Environmental Issues in PRSs, Country Policies and Programs in the EAP Region (FY05) \$300,000: The main objective of this proposal is to evaluate existing key policies and programs that address poverty alleviation and environmental issues, suggest improvements and identify good practices for potential replication within the East Asia and the Pacific (EAP) region. The progress and utilization of resources has been slower than planned due to changes in task management. In view of this, the closing date of this activity was extended for another year. Some activities like the flagship on rural and urban linkages did not materialize as it was decided that it would be best to wait for the results of the 2008 World Development Report. However, it is worth noting that in view of the increasing demand for DPLs in the region, the demand for CEAs has also increased. As such, two additional CEAs (Timor Leste and Philippines) are underway. The East Asian Seas Congress confirmed the demand in South East Asia for capacity building on programs of public information provision related to beach and coastal resource quality. TFESSD enabled policy makers from Thailand, Cambodia, Vietnam and Philippines to participate in a workshop held in Malaysia on March 2007. The workshop provided the basic tools to assist these countries in their efforts to improve beach water quality monitoring and information dissemination. Information on the workshop can be found at:

<http://igcc.ucsd.edu/research/environment/waterquality.php>

36. TF53903 Community Empowerment for Cultural Tourism and Heritage Protection in Georgia and Uzbekistan (FY05), \$415,000: This activity empowers communities, and youth in particular, to participate and benefit from tourism linked to cultural heritage. Several outcomes have been achieved since implementation started. For example, communities were empowered in development decision-making through enhanced awareness of cultural tourism; capacity building for Traditional Arts and Crafts for Youth involved an apprenticeship program for 335 unemployed young people in 67 crafts workshops throughout Uzbekistan; and TFESSD supported the preparation of a sector note on “Community Empowerment for Cultural Tourism and Heritage Protection in Georgia and Uzbekistan. In addition, the activities in Uzbekistan will inform the development of a new cultural tourism project, now under consideration for inclusion in the new CAS, and the activities in Georgia had a significant influence in the decision to accelerate re-development in the town by the private and public sector. The activity has produced two websites: <http://craftart.uz> and www.sighnaghi.org.ge.

37. TF057168 Central America Integrated Indigenous Land Administration and Natural Resources (FY07), \$200,000: This activity aims to strengthen the capacity of indigenous communities in Central American countries where the Bank has a strong land administration portfolio to fully participate in creating a common property regime, articulated with the respective national regulatory frameworks, within which viable economic alternatives could be developed. The activity is well underway and deliverables are on schedule. The program is helping to improve existing and future Land Administration operations dealing with processes of Indigenous Peoples land

regularization by helping articulate social and cultural criteria; and using already generated land survey and information technology to create more sustainable institutional arrangements. TFESSD is financing technical assistance and policy dialogue to support land administration projects in Guatemala and Nicaragua by establishing a participatory monitoring and evaluation tool to assure transparency in the land regularization process and facilitate auditing of project activities related to communal rights. Before this TFESSD initiative, none of the land administration projects in the region had deepened support on this level.

38. **TF057388 Liberia: Using a Sustainable Livelihoods Approach to Define Land Tenure Priorities in a Post-conflict Environment (FY07), \$120,000:** The main objective of the proposed activity is to develop an action strategy for land reform and related institutional reforms that would enhance and create sustainable livelihood opportunities for disenfranchised post-conflict communities. The findings from a land legislative study undertaken through this grant are being used by the Government Reform Commission to help its formation of a Lands Commission to guide the land reform process in Liberia. As a result of the study, the Government is requesting the Bank for support to develop their land tenure strategy.

39. **TF057612 Pro-Poor Tourism in Zambia and Ethiopia (FY07), \$100,000:** The overarching objective of this activity is to build knowledge on the linkage between tourism and poverty reduction. It will assess the extent to which tourism benefits the poor and examines how the different types of tourism can affect development and reduce poverty. It will also define policy interventions needed to enhance the livelihood benefits to the poor and highlight these dimensions through policy recommendations. In view of the reduced grant amount (requested \$400k), the team felt that the best use for the TFESSD funds would be to implement/pilot a methodology that would contribute to the design of the Ethiopia Sustainable Development Tourism program and an investment project is being prepared for delivery in FY09. A joint program with the Africa PREM will fund a literature review: *“How does tourism impact poverty reduction? a review of the evidence,”* The final report will be published jointly with the Overseas Development Institute (ODI) by end-April 2008. The analytical framework to be piloted in Ethiopia will emerge from the report. Despite the slow engagement of the government of Ethiopia which caused some delay, substantial progress has been achieved. The government of Ethiopia has developed a policy statement on tourism which was incorporated into their poverty reduction strategy.

Environmental Policies, Institutions and Programs

40. A key tool of the Bank’s work on integrating the environmental dimension of development is the Country Environmental Analysis (CEA). With over 10 CEAs completed, this tool is proving essential for designing priority interventions, including those supported by DPLs. Below are activities that fall under this theme.

41. **TF053858 Implementing Environmental and Social Accountability and Governance in SMEs (FY05) \$155,000:** This project will support local small and medium-sized enterprises (SMEs) implement their environmental and social accounting and governance structures, leading to increased firm-level competitiveness by working closely with existing and/or selected local partners in SME intermediaries. This program experienced a few set-backs. Initially the program intended to work in Russia and Ghana, however, due to the political situation in Ghana, the program was moved to Ethiopia. Ethiopia suffered the same fate and the program was not supported by the new government and the team was asked to drop its planned activities. After consultations with the local Private Sector Development counterparts, it was agreed that the program would focus on Tanzania. These changes caused significant delay but the program is now on track and has made satisfactory progress. The series of activities delivered in Russia contributed to the enhancement of the capacity of SMEs to develop viable and appropriate governance and accountability structures that will improve their environmental and social performance and ultimately their competitiveness. The workshops organized in Tanzania strengthened the capacity of local SMEs to develop and implement appropriate management and reporting structures thereby improving their environmental and social performance. This grant will be completed by June 30, 2008. In view of the success of this program, an expanded training course was developed and the activities were scaled-up to include the development of related practical learning tools on key environmental and social issues, including gender, waste management and HIV/AIDS. These activities will be supported by TFESSD (TF090697: Enhance SME Competitiveness in East Africa) and implemented in partnership with the African Capacity Building Foundation, and in-country partners.
<http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/CGCSRLP/0,,contentMDK:20296032~pagePK:64156158~piPK:64152884~theSitePK:460861,00.html>

42. **TF053902 Environmental Governance in Upstream Environmental Analytical Tools (CEA & SEA) (FY05), \$350,000:** The objective of this grant is to strengthen the application of CEA and policy-based SEAs and help mainstream environment into CASS, PRSCs, and other programmatic lending. The activity will support the methodological development and practical application of environmental governance and environmental vulnerability analyses in upstream country- and policy-level studies. The SEA pilot program will primarily focus on 3 sectors; i.e., mining, forest, and transport. On CEAs, progress on strengthening methodologies and providing training for institutional assessment continue. However, progress has been slower in strengthening vulnerability analysis in CEAs.

43. **TF057150 Land Distribution and Access to Tenure Security in Africa (FY07), \$100,000:** This activity will respond to the increasing demand for capacity-building and policy dialogue in the area of land reform and administration in Sub-Saharan Africa through regional land course toward an inclusive and client driven partnership. This initiative will increase information sharing and dissemination on land and property rights issues between practitioners and stakeholders of land reform and administration at regional and national levels. Significant progress has been made towards achieving the projects planned outcomes and objectives. A regional course for

Southern Africa on “Land Redistribution: Towards a Common Vision” was delivered in July 2007. The course facilitated an exchange of experience amongst Southern African countries that have implemented major redistributive land reforms. Case studies and background issues papers on the diverse views and experience on land redistribution were compiled in collaboration with the Africa Region, DEC, ARD and WBI. These papers are now being edited and will be published as a World Bank manuscript, expected to be ready by summer of 2008.

44. **TF057155 Strengthening Social Accountability in Vietnam’s Hydropower Sector (FY07), \$200,000:** The objective of this activity is to assist the Government of Vietnam’s implementing authorities and affected communities to develop, pilot and replicate effective practices for social accountability in Vietnam’s hydropower sector and thereby support the sustainable development of the country’s water resources. After a promising start, this project experienced unexpected delays due to one of the partner’s, Electricite du Vietnam (EVN), indecision to participate in this initiative. This has caused substantial delay in the execution of the consultation research studies and the overall work program. Nevertheless, it is important to note that other government partner, Ministry of Environment and Natural Resources (MONROE) is still strongly committed to the activity as it relates to their priorities for public consultations, information disclosure and involvement of communities in planning large infrastructure. In addition, the work remains highly relevant to donor harmonization issues in Vietnam relating to safeguards practices. Despite the delays a field visit to the hydropower facility in North Vietnam was conducted. The visit confirmed the need and relevance of the TFESSD grant and that the local people rarely have the opportunity to understand the nature and scope of large development projects such as this. The visit also confirmed the lack of training provided to those who must implement the social and environmental plans. The team is working closely with MONROE to develop an alternative work program and an extension of the closing date will most likely be sought.

45. **TF057343 Nigeria: Social Inclusion in Water Resource Management and Irrigation (WRMI) (FY07), \$75,000:** This grant will identify, document and systematize information on existing definitions and indicators of inclusion of vulnerable groups at the community and local levels and compare with international practices then analyze the factors that influence existing practices. Unless sufficient measures are taken, WRMI initiatives could benefit more middle income and richer groups at the expense of poorer and vulnerable groups such as women, small farmers and pastoralists. Under this trust fund, the inclusion/exclusion practices of two major WRMI programs would be studied, and new guidelines regarding better and more inclusion of vulnerable groups would be developed. Several studies were completed and the findings were incorporated in the design and preparation of the FADAMA III project, particularly on empowering the rural poor.

46. **TF057353 Valuing and Protecting Water Services (FY07), \$500,000:** Funded by FY07 earmarked resources, this activity seeks to use the results of the Millennium Ecosystem Assessment at the national level by developing necessary information to allow interventions in addressing degradation of water resources. This information will enable

adequate economic valuation of ecosystem services. This trust fund will systematically assess the location, nature, and value of water services in Ghana and Madagascar to develop prioritized interventions to enhance natural resources management and reduce poverty. Initially, Tanzania was considered as one of the countries, however, during the early implementation stage, the team determined that the proposed activity in Tanzania overlaps with work already being done under the Tanzania CEA. It is also likely that more funds have to be allocated to Madagascar than earlier planned, therefore, the team decided to drop Tanzania and focus on Ghana and Madagascar. Field visits in Ghana and Madagascar were undertaken in March and July 2007, respectively.

47. TF090242 Guidelines for Management of Environmental Information (FY08), \$40,000: The objective of this grant is to develop and disseminate the guidelines for the adequate collection, management, and storage of environmental and biological data collected under Bank projects in the Latin America and the Caribbean (LAC) Region. This activity is coordinated with the Inter-American Development Bank (IADB) and the inter-governmental biological information network of the LAC countries.

48. TF090512 Western Indian Ocean Fisheries (WIOFish), (FY07) \$200,000: Western Indian Ocean Fisheries is a regional partnership, established by NORAD, whose main objective is to promote the protection of the Eastern Africa marine and coastal biodiversity and the sustainable exploitation of the resources in order to maintain ecological integrity and equitably provide quality goods and services. This grant will support the collection and dissemination of data on coastal fisheries in the Western Indian Ocean and help countries analyze and interpret these data. Prior to TFESSD, WIOFISH was just a technical cooperation on data storage and retrieval and very little happened until TFESSD came on board. One significant contribution of TFESSD is the creation of a live database, managed by Oceanographic Research Institute-South Africa (ORI). This WIOFish database is designed as a knowledge sharing platform and data warehousing which will help build capacity of community leaders, fishery management practitioners, fisheries scientists and donors who may wish to support the development of artisanal fisheries and regional fisheries bodies. The database will also increase the understanding of the small-scale traditional fisheries of the western Indian Ocean by providing holistic descriptions of the fisheries including attributes such as catch composition, vessels and gear used, habitats within which the fisheries operate, management strategies and socio-economics and provide semi-quantifiable indicators of the status and progress of these fisheries which will increase the understanding of the threats to biodiversity of the WIO fisheries. The WIOFish database can be accessed at: <http://www.wiofish.org>

49. TF090581 Kyrgyz Republic: Support to Development of the National Strategy on Secondary Use of Rangeland Resources (FY08), \$130,000: The overall objective of this grant is to formulate recommendations for legal framework, policy and institutional changes to ensure that maximization of economic benefits, social equity and sustainable use of rangeland resources, with particular emphasis on overlapping and competing users and the protection of the rights of traditional users and the poor. Initial work has started; key stakeholders, policy issues and assessment of issues in stakeholder communities have been identified.

50. TF090664 Nigeria & Mali: Improving Governance for Scaling Up Sustainable Land Management (SLM) (FY08), \$400,000: The development objective of the proposed activity is to fill key knowledge gaps in governance needed for SLM up-scaling, with an emphasis on institutions, public finance, and costs and benefits of land management approaches in Mali and Nigeria. This knowledge is critical to strengthen the SLM profile in Poverty Reduction Strategies (PRSs) and donor assistance strategies (CAS, UNDAF, etc.) in the countries. This knowledge will directly inform the preparation of multi-sector SLM investment frameworks and priority interventions that specifically target weaknesses in the enabling environment that hinder SLM uptake. The knowledge will be acted upon by country decision makers, the Bank and its partners such as UNDP, UNEP, FAO, and NEPAD acting collectively via the TerrAfrica platform. This is critical for engaging in a comprehensive and catalytic dialogue on SLM scale up in Sub-Saharan Africa.

51. TF090697 Enhance SME Competitiveness in East Africa (FY08), \$185,000: The main objective of this activity is to improve the mainstreaming of environmental and social sustainability in business organizations and local SMEs in East Africa towards the reduction of negative environmental and social impacts. Good progress has been made. The project has already been requested to scale up to Mozambique and Ethiopia and to build on the existing capacity of national business coalitions against HIV/AIDS. A participatory review on the environment and social response needs of companies in Uganda and Kenya was organized jointly with the World Bank Institute (WBI), African Capacity Building Foundation (ACBF), Enterprise Uganda, and the Center for Corporate Governance in Kenya. The participants made recommendations for action for a localized response framework and the development and piloting of training materials in the local context. A first draft of the step-by-step manual to help companies get organized and started on their Environmental and Social Response Programs was developed. Due to the current political situation in Kenya, follow-up activities have been delayed for several months.

52. TF090726 Project Level Institutional Analysis (FY08), \$200,000: The main objective of this activity is to improve the knowledge and skill base of operational staff in the Bank and client countries, relating to institutional analysis of environmental and natural resource management (ENRM) issues to strengthen project design. The grant will support the development of practical guidance on how to assess institutional and governance constraints linked with the management of environmental and natural resource issues in investment projects, across different sectors. Emphasis will be given to the development of the environment licensing and test how this environmental management tool can be more effectively strengthened in the context of lending operations. Consultation with World Bank regional staff, safeguards team, and those involved in past Quality Assurance Group (QAG) reviews of investment projects were undertaken. Inputs from these consultations fed into the draft guidance note. The pilot project in Pakistan on Clean Production Technical Assistance loan was delayed due to the ongoing political situation, an alternative project is being identified.

53. **TF090908 Strengthening Institutions for Better Environmental Outcomes in South Asia (FY08), \$750,000:** This activity builds on previous TFESSD supported programs (TF053892) and focuses in strengthening South Asia Region's engagement with its client countries to build capacity, improve governance and mainstream environmental issues in the development agenda. This grant will enable local institutions, top international experts, and grass-root NGOs get involved in the generation of an upstream analysis. With the increasing challenges posed by climate change, TFESSD activities will support the institutional development to enhance client country's resilience to natural disasters by identifying and assessing risks and vulnerabilities through GIS mapping and assessment of cost effective strategies for enhancing disaster resilience. TFESSD funding was instrumental in increasing the Bank's environmental program in the region from zero to 12 projects and still expanding. TFESSD-funded activities have led to a deeper dialogue and engagement at all levels of government and local institutions and increased awareness of environmental management concerns.

54. **TF090916 West Africa Mineral Sector Strategic Assessment (WAMSSA) (FY08), \$400,000:** The objective of the WAMSSA is to identify key environmental and social issues associated with mining growth in the West Africa countries of Guinea, Sierra Leone, Liberia, Ghana, Mali, Burkina Faso, Mauritania and Cote d'Ivoire. The results of the study will be used to formulate specific policy, institutional, and governance recommendations and interventions to be included in the West Africa Regional Mining Sector project which will ensure environmental and social sustainability of mining growth. The project experienced delay at the start-up but is now underway. A Bank-led scoping mission to Ghana and Guinea took place to meet with stakeholders and development partners to get an understanding of the issues associated with mining growth in West Africa. During the West Africa Mining Forum held in February 2008, the discussions with client countries confirmed that the WAMSSA study would be an integral instrument for the discussion and agreement of regional issues related to mining development in West Africa.

55. **TF091074 Egypt: Measuring Impacts of Public Disclosure Systems for Pollution Abatement Performance (FY08), \$250,000:** This grant will aim to test the validity and efficiency of Public Disclosure Systems in generating stakeholder support for pollution abatement, and test the assumption that better informed civil society can result in optimal choices regarding pollution abatement. This activity is closely coordinated with an ongoing Finnish trust-funded project, "*Second Pollution Abatement Project (SPAP)*". This activity will try to bridge the gap between the actual pollution measured by monitoring devices and the perceived pollution which is heavily predicated on the availability of information. Due to change in task team leadership and the delay in the client's response regarding their involvement this project, this project experienced some setbacks but the client's agreement has now been secured and implementation has started.

Climate Change and Disaster Risk Management

56. Activities under this theme focused on helping client countries improve understanding of the development risks associated with climate change assessing risk-mitigation measures, and identifying and implementing adaptation responses to reduce vulnerability to current and future climate change. Below are activities that fall under this theme.

57. TF055594 Social Development Outcomes of Rural Finance (FY06), \$190,000:

This activity will assess key social development outcomes including reduction in vulnerability, resulting from access to financial services on clients and other stakeholders of rural financial institutions in Malawi, India, and Kyrgyzstan. The on-site surveys for the country case studies have been completed and the questionnaires have been analyzed. Following the completion of the research work, the first dissemination workshop was held in January 2008 in Malawi, a second dissemination workshop is planned in India in spring. The analysis of the data from Kyrgyzstan was delayed because the survey results were stolen, and all the data had to be restructured. The outcomes of the case studies indicate that there are social benefits from rural finance, especially regarding increased expenditures for education for girls and health expenditures for households with access to credit. The results provide statistical support to the argument that rural finance generates additional social and economic benefits. The results of the research work will be synthesized and published in an Agriculture and Rural Development (ARD) report scheduled to be finalized by June 15, 2008.

58. TF057211 Rural Hazard Mitigation and Management Strategy (FY07), \$80,000:

The objective of this grant is to support to the Government of Moldova in designing, facilitating and synthesizing the outputs of a participatory process, involving multiple stakeholders, to develop a national strategy and draft policy for reducing the vulnerability of rural areas and agriculture to natural hazards and climate change. It will help strengthen the policy framework, enhance capacity for inter-sectoral cooperation and coordination between the national and local levels to improve preparedness to mitigate risks and respond to the impacts of natural hazards. In collaboration with Government, the Bank undertook analytical work to assess the impacts and costs of the various hazards impacting rural areas, and the findings will be used as a key reference to inform the debate in the context of the participatory process. Government has established a national hazard mitigation strategy committee to work with stakeholders and the Bank in overseeing the execution and supervision of the process and the development of its outputs.

59. TF057243 Madagascar: Mainstreaming Hazard Risk Management (FY07), \$200,000:

This activity aims to assist the Government and Bank operations to mainstream hazard risk management into Madagascar's key economic and social sector with a special focus on prevention and adaptation. This project has achieved substantial impact since the last report, progress of the grant components has evolved with the capacity of the Government to implement. Hence, rather than producing major studies relying heavily on international Technical Assistance, TFESSD was used to hire a core

national facilitation team, who helped national champions selected among civil servants in the various core Ministries, establish links with international experts or centers of excellence. The Bank's assistance to Madagascar had not focused on adaptation or risk management and there has been no thorough analysis of past or future climate trends in Madagascar prior to TFESSD. The grant has provided a major platform for national capacity building in adaptation and hazard risk management in Madagascar and has helped catalyze numerous other national initiatives in disaster management which has leveraged over \$4.0 million additional funding from various donors and agencies. The experience of Madagascar has been presented at the ProVention Forum in Dar al Salaam in February 2007 (link below) and at the World Bank Sustainable Development Network (SDN) Week in February 2008. <http://www.proventionconsortium.org/forum2007>.

60. TF057355 Computerized Tools for Contingency Planning and Fund Management (FY07), \$140,000: This project aims to enhance national and local capacity for disaster management by equipping key decision-makers in each sector and organization with the tools, skills and funding mechanisms to be able to manage disasters effectively. The Government's of Uganda, Kenya and Ethiopia are not equipped to manage drought and disasters, the extensive training provided to the governments under this program will greatly improve their capacity to manage risk and vulnerability. Initial consultation with the governments of Kenya and Uganda has started. However, work in Kenya was stopped due to the political situation but has now been resumed, an extension of closing date might be necessary to complete the activities. The level of engagement in Ethiopia will be determined in the next coming months. It is expected that the capacity of the countries to manage drought and disasters will be enhanced through the studies and extensive training carried out under this grant. The results from the country studies will inform the Kenya Arid Lands project, and Ethiopia Food Security and Pastoral Development project.

61. TF057357 Responding to Climate Changes in West Africa (FY07), \$300,000: This activity will aim to develop a strategy including a framework of actions for adaptation to Climate Change in the Senegal and Niger River Basin. Progress has been slow due to difficulty in collecting data in Guinea with the political unrest but things have started to pick up. The climatic and hydrology assessments were completed as well as the climatic changes scenario report. Based on the findings from these assessments, a strategy and an action plan is under preparation.

62. TF057358 Adaptation to Climate change in the MENA Region (FY07), \$200,000: The objective of this project is to improve the policy makers' understanding of how and where MENA's rural populations might be affected by climate change (with emphasis on the increasing frequency and severity of drought events); and of the conditions in which existing adaptation mechanisms may not be resilient to climate change. The issues addressed are relevant for the region as a whole, but they will be investigated with particular regard to Morocco, Tunisia and Yemen. In Morocco, climate change scenarios are completed and the simulation on impacts on crop yields are being developed in collaboration with FAO and the framework for economic analysis is being finalized. It is expected that this work would contribute to the review of the sector

strategy currently underway. In Yemen, climate change scenarios are also being developed and options for addressing the impacts on water resource management are being identified. It is expected that the results will inform the evaluation and revision of the National Water Strategy (NWSIP). In view of the innovative nature of the analytical activities, the team feels that better impact will be achieved by limiting the scope of the activity and concentrate efforts and resources to two countries only (i.e., Morocco and Yemen).

63. **TF057385 Natural Disasters and Risk Management in Rural Vietnam (FY07), \$150,000:** The objective of this grant is to strengthen the Government of Vietnam's move towards integrated disaster risk management based on sound data-based disaster risk analysis and evaluation. The data collected will be analyzed against various dimensions of risk preparedness, mitigation and response, and actions to address current institutional and policy weaknesses will be developed. The analytical work was slightly delayed because the government was reluctant to give access to the data, but with the help of the World Bank field office, this has now been resolved. Data collection has been finalized and the survey is expected to be completed before the end of FY08.

64. **TF090528 Institutional Preparedness for Managing Natural Hazards and Environmental Change in Sub-Saharan Africa (FY08), \$520,000:** The objective of this activity is to improve the institutional capacity within the World Bank and its client countries by identifying and comprehensively managing the effects of climate change on disaster risk exposure. The project will explore through case studies how to systematically capture the impact of climate change through upstream risk analysis to guide development activities and ensure sustainability. The lessons learned and methods developed from these case studies will help build a common approach towards integrating the dimension of global change into risk management strategies in SSA. TFESSD were committed later than initially planned, partly because the work program on climate change was adjust based on the inputs from management and other cofinancing resources were mobilized first to fund the initial activities.

65. **TF090698 The Social Policy Dimensions of Climate Change (FY08), \$400,000:** The goal of this grant is to contribute to setting a global agenda and vision for the social policy response to climate change outlining policy and institutional responses at the global, national and local level. The program supported the development of materials and arrangements for a major international workshop on the "*Social Dimensions of Climate Change*" which was held here in Washington, DC on March 5-6, 2008. The workshop has successfully achieved its objective to stimulate attention globally and within the Bank on key social issues in climate change. The International Peace Institute of Oslo (PRIO), through TFESSD's support, produced two papers, i.e., "*The Implications of Climate Change for Armed Conflict*" and "*Assessing the Impact of Climate Change on Migration and Conflict.*" These papers will form the basis for a flagship Economic Sector Work (ESW) which will be carried out in FY09.

66. **TF091350 India: Coastal Cities and Adaptation to Climate Change and Sea Level (FY08), \$350,000.** The overall objective of this activity is to identify the most

vulnerable population and infrastructure in selected large coastal cities in India and assess the cost of adaptation and mitigation measures and assist the municipal governments to identify and develop a plan of priority actions for reducing vulnerability to impacts of climate change. The study that will be undertaken will support the knowledge base and raise awareness to help the state government and city agencies to make informed decisions in adaptation planning of Kolkata. This activity is still in its early stages, a concept review meeting was held on January 22, 2008 and the first mission took place in mid-February. The mission identified the requirements for completing data collection which will be led by the Climate Change cell of West Bengal Pollution Control (WBPC). The consultant to work on the impact model and analysis has also been identified. The study for Kolkata has the full support of the Government of West Bengal and Ministry of Environment and Forest. The team is waiting for the Government of India to confirm the second city.

Integrated Country Proposal

67. **TF055906 Mozambique Integrated Country Proposal (FY06), \$500,000:** The objective of this activity is to help the Government of Mozambique ensure that long term policy reform and consequent development programs embedded in its national poverty reduction strategies (PARPA) carry effective and sustainable long term positive impact on the poor, vulnerable, civil society and the private sector. Most of the analysis under this grant has already been completed. A report entitled, *“Better Health Spending to Reach the MDGs”* was presented to government and disseminated in the provinces and donors. The analytical report on health has influence the Ministry of Health to start implementing a new health service delivery model that does not rely on fixed-based facilities but also on outreach and community services. The government has requested the Bank to finance the Health Service Delivery project to help implement this strategy in the three poorest northern provinces of Mozambique. Other donors, Switzerland, Canada and Russia will contribute to the project. As noted in last year’s report, other resources became available for the analysis on Poverty and Social Impact Analysis of Urban Land Lease Marketability and due to staffing change, the review of the Legal and Institutional Environment for Natural Resource Management will not be carried out. The funding for these two activities will be reallocated to the Health related activities and to the Poverty, Social and Gender Analysis. In view of these changes and the upcoming elections in Mozambique, an extension of the closing date may be necessary.

3.2 Completed activities

68. During the reporting period, twenty projects closed and 17 more are scheduled to close on June 30, 2008. As noted in the summaries below, although not all the recently closed activities (TF051328) met their full objectives, the majority have successfully met their development objectives. Below are summaries of these closed activities.

Natural Resources Management

69. **TF051328 Mauritania, Technology Fosters Tradition (TFT) (FY03 - December 31, 2007), \$184,500:** The objective of this project was to document the totality of property and user rights to natural resources in a given locality, both sedentary and migratory land use, in eastern Mauritania. Specifically, TFT aimed to facilitate the clarification and formulation of traditional property use and access rights determined by the local population and then monitor the area to determine if the target population would respect their own rules. TFT's objectives were only partially achieved. Initiatives and activities such as TFT cannot succeed without the effective involvement of key stakeholders, i.e., the local people, the local government and the central government ministries of environment and rural development. The lack of administrative and managerial support for the TTL to manage the task and the lack of a World Bank resident mission counterpart has contributed to the partial success of this project. Data collection was completed, preparatory activities, project documentation and data, logistics and printing of base maps were completed and the final report was delivered in June 2007. The other objectives, e.g., getting the local population involved, negotiating a land use agreement and monitoring implementation of that agreed failed to be accomplished. Publications on the project can be accessed at: <http://ssrn.com/abstract=906985> and http://dlc.dlib.indiana.edu/archive/00001939/00/Kirsch_Jung_Karl.pdf. A website was developed, <http://www.supras.biz/library/web/tft/>

70. **TF051598 Egypt, Poverty and Natural Resources (FY03 – June 30, 2007) \$300,000:** This activity has contributed to a better understanding of the role of improved water resources management in reducing poverty, improving household health through prevention of waterborne diseases in rural Egypt (Qena and Damietta). The costing options of environmental degradation in 4 priority areas (i.e., agriculture degradation, solid waste, rural water supply, sanitation and hygiene, indoor air pollution), funded by TFESSD will be carried out in Damietta and Qena. A quantification of environmental impacts, including cost of environmental degradation, was done for the first time at the local level. This activity helped inform the decision making process and in prioritizing investments on the basis of costs-benefits. The results of the Qena report was used for the preparation of the Upper Egypt Water and Sanitation project and the Damietta report was used as a background report for the Rural Water and Sanitation project which was recently approved by the Board.

71. **TF052540 Mainstreaming WB/WWF Forest Alliance Targets in Africa Regional Country Programs (FY04 - September 30, 2007) \$600,000:** The objective of this activity was to help reduce the rate of loss and degradation of all forest types to meet the diverse objectives of forest conservation, poverty reduction, biodiversity conservation, protection of the rights of forest-dependent communities, and adequate resources for forest dependent industries. This activity was done in partnership with the WWF Alliance for Forest Conservation and Sustainable Use and the World Bank's Africa Region. TFESSD supported various initiatives in several countries, e.g., in Kenya, the grant supported its initiative on forest certification, in Tanzania, it facilitated the implementation of the Yaoundé Declaration. Several follow-up activities have already

emerged as a result of the activities supported by TFESSD, e.g., the Government of Tanzania requested the World Bank's support in the development of a strategy on sustainable woodfuels, IFC investments are increasingly considering options for private investments in the forestry sector in the southern Africa region, and the intensive work in the Congo Basin has provided the basis for current strategy development and implementation of the Forest Carbon Partnership Facility (FCPC). The implementation of this grant also contributed significantly to the dissemination of new knowledge and best practice through the South Africa Forest Investment Forum. The partnership approach to forest management proved to be a valuable asset for implementing innovative activities in the forestry sector for the Africa region. TFESSD was a catalyst in bringing together a wide variety of partners from the public and private entities to work jointly on sustainable forest management. The flexible seed funding afforded by TFESSD has proven that funds which can be mobilized in a relatively short-term basis through annual programming with regional and country specific needs has enormous potential to start processes that have long-term positive impacts with significant downstream investments. TFESSD has also leveraged additional resources from various partners, e.g., the Program for Forest (PROFOR).

72. TF052914 Building Local Capacity and Institutions for Managing Natural Resources at an Ecosystem Level (FY04 - June 30, 2007) \$300,000: The objective of the project was to enable stakeholders involved in Natural Resources Management and rural development in Sub-Saharan Africa to identify and implement practical institutional structures and instruments for participatory sustainable environmental and NRM at an ecosystem scale. The program has achieved considerable outcomes, e.g., increased awareness for the need for ecosystem level environmental policy and planning in the target countries (Senegal, Burkina Faso, Chad, Burundi, Cameroon, Nigeria, Liberia, Ghana); strengthened local capacity to implement the relevant policies for an ecosystem approach to NRM; and established an active network for regional policy makers, project implementers and World Bank staff to exchange experiences, expertise, and lessons learned. It also worth noting that the participating countries are now well beyond the awareness raising stage of the benefits of an ecosystem approach and are quickly moving to the application of strategies for an integrated approach. TFESSD was instrumental in leveraging additional funds for a follow-up program entitled, *"Sustaining Natural Capital for Growth and Poverty Reduction in Sub-Saharan Africa"* funded by the Dutch.

73. TF054302 Community-based Drought Management for the Sustainable Use of Pastoral Resource in the Arid and Semi-Arid Zones in SSA (FY05 - December 31, 2007), \$110,700: This project directly addressed the first pillar of African Livestock ("Alive") Partnership devoted to securing the assets of the poor. It focused on the community-based drought management for the sustainable use of pastoral resource in the arid and semi-arid zones of Africa. The grant permitted elaboration of two out of the six Alive Policy Notes, i.e., on pastoral mobility and the community-based drought management. These policy notes are being developed as toolkits for livestock specialist and development partners and will be included in the livestock PRSP methodology developed by ALIVE. It should be noted that bring together stakeholders from different backgrounds take a lot of energy and time but in the end has paid off since the products

from this activity have been validated by a panel of experts from FAO, OIE, AU-IBAR, Regional Economic Communities, ILRI, and LEAD. While it is too soon to assess the impact of this activity, the participation of key stakeholders in the development of the policy notes will strengthen the capacity of livestock experts/producers, private and public sector. The quality of the policy notes and the process used has encouraged donors to support the field testing. The experience gained from this trust fund will be replicated by Alive to develop the four additional policy notes. The e-discussion has been led by the Livestock, Environment and Development (LEAD) platform available at (<http://www.virtualcentre.org/en/ele/default.htm>). The policy notes are available on ALive's website:

<http://www.alive-online.org/web/page/488/sectionid/341/pagelevel/2/interior.asp>

74. TF054364: The Catalytic Role of Women in Effecting Sustainable Development in Egypt (FY05 – December 31, 2007), \$100,000: The objective of this project is to build capacity of local communities, particularly rural women, to conserve, rehabilitate, and use their water resources in a sustainable manner. With TFESSD support, stakeholders and rural women participated in skills building workshops and outreach programs that focused on the causes and effects of water pollution inside and outside the household, sanitation and related diseases and hygiene promotion. In addition, cooperative partnership with the media was established to raise environmental awareness and disseminate lessons learned. The findings from this activity will be mainstreamed into the natural resources component of the Egypt CAS and into the CEA business plan for Egypt.

75. TF055456/TF056786 Zambia Nature Tourism (FY06 - December 31, 2007) - \$305,000. In Zambia, tourism is registered as the third pillar for economic development. TFESSD supported the analytical work to estimate the potential contribution of nature-based tourism to economic growth and poverty reduction in Zambia. The activity was implemented with two separate trust funds under a single proposal. TF055456 (\$170,000), Bank-executed; and, TF056786 (\$135,000) executed by the beneficiary, the Central Statistic Office (CSO)—mainly to collect and enter household data. Primary analysis of the tourism data has already demonstrated some of the impacts of nature-based tourism on the economy and potential priorities for investment and policy decisions. The study has influenced the Zambia CAS, it has provided better argument linking conservation to economic growth, and has demonstrated that the current wildlife policy did not help fight poverty and may re-open a national debate towards a new policy. Moreover, the study has equipped the Ministry of Tourism, Environment and Natural Resources in Zambia with better information to negotiate for a bigger budget from the Ministry of Finance. The result of study also trickled down to Gabon, it has triggered the Government's interest to engage in a dialogue with the Bank on tourism.

Environmental Health

76. TF052912 Diesel Pollution Reduction Strategies for Cities (FY04 - June 30, 2007) (\$152,248): TFESSD together with Energy Sector Management Assistance

Program (ESMAP) supported the *Developing Integrated Emission Strategies for Existing Land-Transport (DIESEL)* program in developing a comprehensive diesel pollution management strategy for urban transport in Bangkok, Thailand and assess affordable policies and measures to reduce diesel vehicle emission and maintain or improve overall accessibility of the transport system. This activity studied and tested technologies that are commercially available and quantified the scope for emissions reduction, and assess the operational challenges in real-world conditions. An analytical tool, *Informed Decision-Support for Evaluating Alternative Strategies (IDEAS)*, was developed to assist decision makers evaluate an array of interventions with public health on particulate matters and green house gas emissions. The IDEAS methods are being integrated into a model for fuel and energy use of alternative transport policy scenarios as part of the World Bank's Comprehensive Development Partnership activities with the Government of Thailand. Some of the outputs from the study included Bangkok emission database, policy and technical options to reduce fine particulate matters from diesel emission, and an integrated air quality management methodology to formulate action plans that will serve as a basis for similar activity in other cities. Although the ultimate outcome is difficult to verify, there are positive signs indicating that the air quality in Bangkok is improving as the particulate matter pollution level have stabilized and somewhat decreased in spite of the increase in traffic and energy use. The four technical options proposed, e.g., retrofitting, inspection/maintenance, alternative fuels, and transportation management seem to be effective in reducing air pollution from diesel vehicles. Not all the activities proposed were completed due to difficulty in getting specific vehicles for testing, the several modifications of the testing sequence and length of the test cycle that limits the testing to 1 vehicle per day. In addition, implementing many aspects of the program proved to be difficult coordinating with many partners also added to the complication as each had a slightly different objective. More work is needed to study the effect of diesel emissions in human health, and raise the awareness of the public on the real threat diesel.

77. TF055878 Deepening the China Mainstreaming of Environmental Sustainable Development (MESD) Program (FY06 - December 31, 2007) \$407,650,: The objective of this activity was to deepen the impact of MESD by supporting policy integration, refining methodologies, enhancing institutional effectiveness, and facilitating cross-sectoral coordination among the government agencies such as Health, Water and Environment. The report on "*The Cost and Management of Air and Water Pollution in China,*" was presented at a MESD conference in China on March 27, 2007. In connection with the MESD conference and to further raise public awareness on the cost of pollution, an environmental cultural event was held under the auspices of the Norwegian Embassy in Beijing and the World Bank on March 2, 2007. These events and the findings of the report have intensified the Government's focus on the Cost of Pollution in China (CoPC) and put pressure on China to declare in the China Country Partnership Strategy its mortality rate due to air pollution. The findings of the report will inform the development of an Environmental Health Action Plan in China. The results of this grant will be followed-up in a subsequent TFESSD activity (TF090972: China Air Pollution Control Program Improving Environmental Health) The *Cost of Pollution in China and China Water Quality Management and China SEA application and China Cost of Indoor Air Pollution*" reports can be found at www.worldbank.org/eapenvironment

Poverty-Environment Linkages

78. **TF052779 Africa Strategic Environment and Poverty Program (FY04 – June 30, 2007), \$1.233 million:** This activity helped build the analytical basis and the capacity of key stakeholders for improved understanding of the relationships between environmental improvements and poverty outcomes in two key areas: (i) the management of natural resources (particularly soil fertility, water, and biomass) and poverty and health outcomes; (ii) policies and institutional rules (including improved understanding of trade and environment issues; access to information, participation, and justice in decision-making; better environmental management and governance systems; and mainstreaming environmental issues into NEPAD. The work program is completed. The upstream analytical work supported by this grant helped strengthen dialogue with client countries and identify lending operations and areas of further work. In addition, the analytical work undertaken strengthened the knowledge base within the Bank and in client countries thereby improving the quality of operations. For example, TFESSD helped respond to a GoZ request to carry out an update of the Zambia Wildlife Authority (ZAWA) strategic plan covering the years 2007-2011—the report fed into the country’s tourism strategy and is expected to be implemented in the near future. The work in Ethiopia led to a policy dialogue and development of an investment program in Sustainable Land Management, currently in appraisal stage. In Ghana, the work led to the development of a Public Disclosure of Corporate Environmental Performance (<http://www.epaghana.org>)

Environmental Policies, Institutions and Programs

79. **TF051310 Preparation of a Toolkit for Country Environmental Analysis (CEA) (FY03 - March 31, 2007), \$690,000:** The main objective of this activity was to support guidance and methodology development for CEAs, support CEA pilots, facilitate dissemination of lessons and good practices across regions, and support collaboration between development partners relating to CEA preparation. TFESSD facilitated mainstreaming of environment in CASS, PRSPs and other large structural programs and operations through the development of a CEA toolkit. There were no CEAs prior to TFESSD, now 35 CEAs have been completed. The toolkit has allowed for extensive knowledge exchange within the Bank, with other development partners and client countries which have resulted in changes in policies and program implementation. Based on lessons learned, the Environment Department continues to provide training and cross-support to regional task team leaders in initiating and implementing CEAs. A CEA workshop co-hosted by NORAD will be held in Oslo towards the end 2008. TFESSD was instrumental in leveraging additional resources, Denmark committed about \$1.4 million to a multi-donor CEA trust fund. A CEA review paper, expected to be completed by June 2007, will provide more details. CEA website: www.worldbank.org/ceatoolkit.

80. **TF053892 South Asia Environment Strategy Implementation (FY05 – June 30, 2007), \$595,223:** The South Asia Environment Strategy Implementation program is an umbrella program that continues to deepen and expand efforts initiated under the

South Asia Strategic Program supported by TF024692. Its main focus was to improve governance and reduce vulnerability related to the management of environment and natural resources with the view to promoting sustainable broad-based growth. The activity was successful in engaging with government institutions at different levels toward creating and consolidating environmental management strategy. TFESSD enabled a more effective dialogue and engagement with the countries at various levels of government. The grant established collaboration with local institutions, introduced innovative analytical and dissemination tools and strategies and it improved dialogue between the government and NGOs. It has also built a robust program of Analytical Advisory Activities (AAA) and lending operations, e.g., Dhaka Water Environment project; Air Quality Management in Bangladesh; and a pilot non-lending TA program on Addressing Indoor Air Pollution in Bangladesh. In addition, the outputs from this grant provided valuable contribution to the formulation and implementation of the environment section of the South Asia Regional Strategy.

81. TF053901 Support to Participatory Planning in Chinese Cities (FY05 – December 31, 2007), \$176,000: The main objective of this activity was to support the efforts of the Government of China and the Bank in strengthening accountability and transparency of urban governance by promoting participatory planning processes that enable inclusion of citizens in the local policy-making processes, and to ensure the creation of a sustainable urban environment. TFESSD supported the development of pilot projects to assess the effectiveness of a participatory approach for urban management. The success of the earlier pilot roundtables generated strong interest from local governments; thereby the project scope was substantially expanded from 5 cities to 10. By the end of 2006, 20 participatory dialogue meetings with over 500 participants were held. In addition, the project also monitored a participatory pilot approach in two Bank lending projects, i.e., Chongqing Small Cities Project and the Liaoning Urban Transport Infrastructure Project -- this triggered the involvement of 10 more cities/districts in the pilot project. Several reports were also supported by TFESSD, e.g., *Public Participation Sources Book for Planning Activities (Jan 2005)*, *Environmental Public Participation and Information Disclosure in China (March 2006)*, *Public Participation in Urban Governance: Theoretical Foundation and Practical Experiences (March 2006)*. The media coverage can be viewed at: www.hbj.hd.gov.cn/hbj/product.asp?id=2656 & www.xlhb.gov.cn/articleview/2006-8-7/article_view_1655.htm

82. TF054365 Good Governance for Sustainable Development (FY05 – December 31, 2007), \$200,000: The program helped familiarize stakeholders with approaches that integrate social, economic and environmental considerations for good governance of resources; promote institutional changes that encourage transparency, accountability, and inclusion; enhance the capacity of decision makers to design and implement sustainable policies in environmental and non-environmental sectors. This activity has achieved its objective to build local capacity. Particularly in China, the workshop delivered in China was adopted by National Development Research Commission (NDRC), a high level government agency in charge of informing political leaders on development policy issues. In addition, the Tsinghua University has included a course on sustainable development in their graduate level program. This is expected to

create a cadre of future public officials who will be more engaged in promoting good governance for sustainable development.

83. **TF055650 Africa Building Environmental Sustainability (FY06 - December 31, 2007), \$275,000:** This project was designed to deepen and expand the initial collaboration with Alliance for Religions and Conservation (ARC) and develop a more systematic framework for African Faith Based Organizations (FBO) to work with governments and donors. The grant was structured as a single contract with the Alliance for Religions and Conservation as a follow on activity of other grants. As a result of the November 2006 Oslo Meeting which was funded by TFESSD, a partnership between ARC, the World Bank and UNDP was form. This meeting was attended by leaders from FBOs, academics, government representatives, and representatives from multi-lateral organizations. The meeting was designed to launch a process which addressed the suspicion of religion amongst secular agencies and the barriers this placed in the way of proper partnerships between the faiths and secular agencies. This is significant because faith based organizations have never been before asked to partner with the UN at such a high level. The role of civil society in addressing the pressing issues of climate change and other environmental issues has increasingly been recognized as fundamental to any change in human behavior. In light of the growing awareness of the challenges posed by climate change, ARC in partnership with UN launched an ambitious and innovative three and a half year program to work with the world's major faiths to tackle climate change. This project successfully achieved its objective and was completed ahead of schedule, with \$35,000 left unspent. Details on the UN and ARC program can be found at www.arcworld.org (December 7, 2007 update).

84. **TF055775 Policies and Incentives for Miombo Management (FY06 – December 31, 2007), \$250,000:** The objective of this activity was to develop a framework for an improved understanding of the linkage between rural livelihoods and miombo woodlands, to better inform the development of social and economic policies which have poverty alleviation as their primary objective. Overall implementation performance is satisfactory. The activities have generated new policy research linkages with regional organizations in Southern Africa, including the Center for Scientific and Industrial Research (CSIRO) and with the WWF-SARPO Miombo Ecoregion Conservation Program. TFESSD support has leveraged additional support from the Program on Forests (PROFOR), for publication and dissemination of the research findings. A final workshop of all the researchers who have worked on these studies is planned for end-October, 2007 will be held in Zambia.

85. **TF055946 South Asia Environment and Governance Program (FY06 – December 31, 2007), \$247,000:** This grant strengthened and deepened the Bank's engagement with countries in the South Asia region on the environment and governance agenda through integration of environmental sustainability considerations including vulnerability to climate risks with rapid growth, massive infrastructure investments and poverty reduction efforts. The grant achieved its objective in strengthening environmental institutions at the national, state, provincial and local levels in Bangladesh, Bhutan, India, North East India, and Pakistan and towards broad-based recognition and understanding of

the need to manage risks related to climate change through mitigation and adaptation in India and Andhra Pradesh. TFESSD's support has allowed the South Asia region to adopt a programmatic approach to support the strategic priorities in environmental management, it also leveraged additional resources from other donors (e.g., BNPP), and it enabled the Bank to combine all the resources to achieve outcomes in a most effective manner. For example in Pakistan the SCEA funded by TFESSD influenced the dialogue between the Bank and the Ministry of Industry in formulating and implementing cleaner production strategy with non-lending TA support from the Bank. The strategy is part of Pakistan's industrial policy of rapid industrialization accompanied by pollution abatement and prevention as well as other environmental health and safety measures.

Climate Change

86. **TF052552 Adaptation of Agriculture to Climate Change in Africa (FY04 - June 30, 2007) \$400,000:** The goal of the overall project was to build capacity of experts from the participating countries and the region to assess the impact of climate change on agriculture, and facilitate the exchange of findings and policy alternatives. This project, jointly funded by GEF and WBI/TFESSD, developed multipliable analytical methods and procedures to assess quantitatively how climate affects current agricultural systems in Africa, predict how these systems may be affected in the future by climate change under various global warming scenarios, and suggest what role adaptation could play in 11 countries (Burkina Faso, Cameroon, Ghana, Niger, Senegal, Egypt, Ethiopia, Kenya, South Africa, Zambia, and Zimbabwe). The project was implemented in 11 countries, Burkina Faso, Cameroon, Ghana, Niger, Senegal, Ethiopia, Kenya, South Africa, Zambia, Zimbabwe and in Egypt. This activity has created capacity in the network of professionals from the 11 countries, post-graduate degrees accomplished and increased interest in and plans to continue conducting further research in this area is taking place in the various countries. The project has influenced national and regional efforts to design strategies to manage impacts and adaptation to climate change. The project's experience clearly showed that regular meetings for joint planning and training, sharing of experiences and technical support to involved research teams was crucial to the success of this project. The results of the studies will feed-in to the ongoing project by WBI on "*Sustaining Natural Capacity for Growth and Poverty Reduction*," in eight Sub-Saharan countries. This project is also being replicated in Latin America. http://www.ceepa.co.za/climate_change/index.html

87. **TF053884 Adaptation Screen and Design Tool (FY05 – December 31, 2007), \$275,000:** To reduce the vulnerabilities of poor people to the impacts of climate variability and change, a screening tool would be developed to raise awareness and provide a method for project designers to identify risks and opportunities posed by climate change to projects. During the course of implementation of this grant, interest in understanding the potential impacts of climate change have increased enormously and there is now a huge demand for a wide range of climate related information. The screening tool has become a focal point of interest both within the Bank and externally, it is now embedded within a more comprehensive climate change portal to allow project designers access to a wide range of climate related information. The screening tool was a

core part of raising awareness within the Bank which has led to the mainstreaming of adaptation to climate change in Bank activities. The tool has also helped users understand the cross-sectoral linkages between agriculture, water and infrastructure.

88. **TF055510 Policy Research Report on Forests, Livelihoods and Environment (FY06 - June 30, 2007) \$142,500:** The grant's objective was to contribute to the production of a Policy Research Report on Tropical Forests, entitled "*At Loggerheads? Agricultural Expansion, Poverty Reduction, and Environment in the Tropical Forests.*" The report aimed to promote a broader understanding among stakeholders and policymakers of policy-induced trade-offs and complementarities between poverty alleviation and maintenance of forest environmental benefits with particular attention to identifying and evaluating new institutions and mechanisms that align global and local incentives. The Report was able to propose a simple but powerful three-way typology of forest, mosaic lands, frontiers and areas beyond the frontier which captures policy-relevant differences in social, economic, and environmental characteristics. The Report's most topical policy contribution was to explain in detail the rationale for promoting reduced deforestation as a means of combating climate change and to propose mechanisms for tapping carbon finance to promote forest conservation, sustainable land use, and reduced greenhouse gas emissions in developing countries. The Report's forest typology and data is being used by researchers at the International Institute for Applied Systems Analysis (IIASA). TFESSD was crucial in leveraging additional funding from the Bank and other trust funds (e.g., Knowledge for Change Program) for the production and dissemination of the Report and the grant supported the collaborative participation of Center for International Forestry Research (CIFOR). The Report was published and widely disseminated and has received praise from leading experts on forest issues. Its dissemination has coincided with and has influenced a dramatic internal shift in the attitude towards incorporating reduced deforestation into the global climate change architecture. The Report's findings and analysis have been used and cited in the Stern Review of Climate Change, it was cited in the European Commission's Green Paper on "Limiting Climate Change to 2 Degrees Celsius," and informed negotiators for the Coalition for Rainforest Nations. Within the Bank, the Report has provided the analytical framework for the development of the Forest Carbon Partnership Facility (FCPF) and in the policy dialogue on Reduced Emissions from Deforestation (REDD) with the government of Indonesia. The full document can be accessed at www.worldbank.org/tropicalforestreport.

4 Overall implementation progress of the Environment window

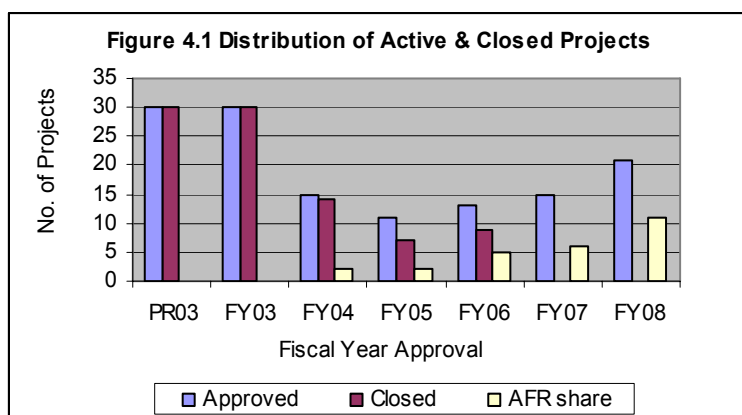
4.1 Overview of activities

89. Overall progress of all ongoing projects has been satisfactory in terms of strategic alignment and financial performance. Since inception, TFESSD has funded 135 activities. After FY03 when TFESSD began to support other sectors, the number of approved Environment activities has remained steady at about 15 projects. All the earlier approved (PR03 & FY03) activities are now completed and fully disbursed. The

remaining FY04 activity (TF052820) will complete its second phase of implementation on June 30, 2008.

Table 1: TFESSD Environment Window activities as of January 31, 2008

Call/year	Approved Activities	Ongoing Activities	Closed Activities	Activities in Africa
FY00-02	30	0	30	0
FY03	30	0	30	0
FY04	15	1	14	2
FY05	11	4	7	2
FY06	13	4	9	5
FY07	15	15	0	9
FY08	21	21	0	11
Total	135	45	90	29



4.1.1 Progress of ongoing activities

90. The 45 ongoing activities under the Environment Window are mostly on track. Some activities have taken some time to begin implementation due to country factors and normal inception time requirements, but overall, activities are progressing well.

4.1.2 Closed activities

91. During the reporting period, 20 projects closed (see list below). The majority of these activities have made significant impacts in the countries/regions that they have worked on as noted in the summaries above.

TF051310	Preparation of Toolkit for CEA
TF051328	Mauritania: Technology Fosters Tradition
TF051598	Egypt: Poverty & Natural Resources
TF052540	Mainstreaming WB/WWF Alliance Targets into AFR Country Programs
TF052552	Adaptation of Agro-Ecological Systems to Climate Change in AFR

TF052779	Africa Strategic Environment & Poverty Program
TF052912	Diesel Pollution Reduction Strategies for Cities
TF052914	Building Local Capacity & Institutions for Decentralized NRM
TF053884	Adaptation Screen & Design Tool
TF053892	South Asia Environment Strategy Implementation
TF053901	Support to Participatory Planning in Chinese Cities
TF054302	Community Based Drought Mgmt for the Sustainable Use of Pastoral Resource in the Arid and Semi-Arid Zones of SSA
TF054364	Catalytic Role of Women in Effecting Sustainable Development in Egypt
TF054365	Good Governance for Sustainable Development
TF055456/TF056786	Zambia Nature Tourism
TF055510	Policy Research Report on Forests, Livelihoods & Environment
TF055775	Policies & Incentives for Miombo Management
TF055650	Africa Building Environmental Sustainability
TF055878	Deepening the China Mainstreaming of Environmental Sustainable Development (MESD) Program
TF055946	South Asia Environment and Governance Program

4.2 Disbursements and commitments

92. The Environment Window portfolio is performing very well. As of January 31, 2008, the Environment Window received \$35.8 million of which \$34 million (95%) has been committed and disbursed. Of the \$34 million disbursed, \$15.3 million (45%) was allocated to Africa activities. Although the percentage of Africa activities is still below the 50% target, we are optimistic that this number will increase in view of the growing the number of approved Africa activities in the FY07 & FY08 as shown in Figure 4.1 (above) and Table 2 (below).

Table 2: Disbursements and Commitments

Environment Window	Receipts (US\$)	Cumulative Disbursements/ Commitments as of 01/31/08	Cumulative Disbursement as of 01/31/08	% of receipts disbursed / committed	Africa Portion of Disbursements/C ommitments	Africa % of cumulative disbursements/ commitments
Activities approved prior to FY03	13,783,645	13,783,645	13,783,645	100%	6,095,312	44%
Activities approved in FY03	6,867,332	6,867,332	6,867,332	100%	2,385,707	35%
Activities approved in FY04	5,986,494	5,919,602	5,904,185	99%	2,905,820	49%
Activities approved in FY05	2,705,223	2,518,332	2,325,949	93%	669,232	27%
Activities approved in FY06	3,100,399	2,824,775	2,635,811	91%	1,913,833	68%
Activities approved in FY07	1,496,000	1,130,276	677,093	76%	779,914	69%
Activities approved in FY08	1,550,100	884,206	175,396	57%	447,692	51%
Window account (TF024369)	311,745					
Grand Total	35,800,938	33,928,167	32,369,410	95%	15,197,510	45%

4.3 Actions taken or recommended

4.3.1 Annual strategic review by sector board

93. Although the Environment Sector Board has not yet conducted a thorough strategic portfolio review, issues related to quality and timeliness of reporting were presented to the Sector Board this has set some ground rules that would be strictly adhered to by the Environment Window. A more thorough review will be done around the first week of May 2008 and we will report on the outcome of the review at the donors' meeting.

4.3.2 Extensions, fund reprogramming and cancelled activities

94. Seventeen projects are expected to close by June 30, 2008 (see list below) of which 3 projects (TF053902, TF057155, and TF057349) have indicated in their progress reports that an extension of closing date will be sought in order to achieve its proposed objective. These requests for extensions will be reviewed by the Environment Sector Board as part of the strategic review.

Projects Scheduled to Close by June 30, 2008

TF052820	LCR Strategic Program on Environmental Mainstreaming, Phase II
TF053858	Implementing Environmental and Social Accountability and Governance in SMEs
TF053885	Integrating Environmental Issues in PRSs, Country Policies and Programs in the EAP Region
TF053902	Environmental Governance in Upstream Environmental Analytical Tools
TF053903	Community Empowerment for Cultural Tourism and Heritage Protection in Georgia and Uzbekistan
TF055594	Social Development Outcomes of Rural Finance
TF056130	Managing Key Natural Resources in Africa
TF057155	Strengthening Social Accountability in Vietnam's Hydropower Sector
TF057211	Rural Hazard Mitigation and Management Strategy
TF057343	Nigeria Social Inclusion in Water Resource Management and Irrigation
TF057349	Yemen – Land Tenure for Social and Economic Inclusion
TF057355	Computerized Tools for Contingency Planning and Fund Management
TF057357	Responding to Climate Changes in West Africa
TF057385	Natural Disasters and Risk Management in Rural Vietnam
TF057388	Liberia – Using Sustainable Livelihoods Approach to Define Land Tenure Priorities in Post-Conflict Environment
TF090242	Guidelines for Management of Environmental Information
TF090878	India – Community-Managed Approaches to Sustainable Livelihoods

B. POVERTY WINDOW REPORT

1 Summary

1. The poverty window implementation has proceeded well during the reporting period. Five activities have been successfully completed while 19 activities continue under implementation. While those ongoing do not report major implementation issues, some projects have experienced delays mostly as a result of in-country circumstances.

2. The Trust Fund is focused on four strategic areas: Poverty Analysis, Monitoring, and Impact Evaluation; Poverty reduction programs and their linkage with other sectors; Empowerment; and Labor Market Issues.

3. Trust Fund activities have focused on strengthening in-country capacity and analytics. Most of these activities are upstream (Bank studies that influence policy formulation and assessment) but the Trust Fund also supports downstream monitoring and evaluation, using participatory and quantitative mechanisms. Increasingly, the window is also funding activities to strengthen monitoring & evaluation systems, impact evaluations, and, more recently, labor market issues.

4. **Poverty Analysis, Monitoring, and Impact Evaluation:** Activities have focused on developing practical guidance tools and country examples for the design and implementation of PRS monitoring systems and identifying more effective policies for addressing and preventing extreme poverty in low income countries. The poverty window has increasingly supported impact evaluations throughout the Bank.

5. **Poverty Linkages with Sectors:** Poverty issues are by definition cross-sectoral. Projects have focused on linkages with gender, environment, and social issues. Climate change is slowly being embraced as a new topic. One activity, for example, is looking at establishing disaster management data systems in countries.

6. **Empowerment:** These activities have contributed to developing a methodology for measuring empowerment and social inclusion (MESI); monitoring and analyzing the empowerment and social inclusion impact of Bank-supported CDD projects; and piloting diagnostic tools that measure and analyze how specific country programs have impacted empowerment. Two projects have provided financing for 16 comparative country studies, research and outreach programs to explore how people move out of poverty permanently from the perspective of those who have experienced it first-hand.

7. **Labor Market Issues:** These activities examine employment and migration issues. Two address labor market issues in Africa, one is focused on youth employment in Bangladesh, and a fourth addresses the linkages between employment and poverty. As all of these projects were approved in FY07 they remain at an early stage of implementation and it is too early to discuss their impact.

2 Strategic objectives and value added

2.1 TFESSD's role and value added in the sector (compared to other TFs and BB financed work)

8. The World Bank mission is to deepen understanding of the relationship between policies, institutions, and the poverty reduction process. Bank support for sustainable poverty reduction centers on action to broaden opportunity, enhance empowerment, and strengthen security. Within this framework, promoting broad-based growth is a critical priority, considering its proven importance in reducing poverty. Through its Poverty Window, the Trust Fund supplements the World Bank budget for poverty-focused analytical work and non-lending services as well as activities within the following areas:

- **Strategic Guidance in Understanding Poverty:** to feed into the conceptualization and design of Bank operations and analytical work;
- **Poverty Reduction in Practice:** target implementation of CASs, PRSs, PRSCs, and other assistance operations;
- **Poverty Analysis, Monitoring and Evaluation:** measuring and understanding poverty as well as helping clients track the results and evaluate the impact of development initiatives.

9. The Poverty Window supports activities related to the development of poverty reduction strategies, to poverty analysis, and to the design, implementation, monitoring, and evaluation of poverty reduction programs.

10. The trust fund has helped in addressing the analytical needs of country teams when supporting countries to prepare and implement second generation PRSPs and related operations. Unlike the Bank Netherlands Partnership Program (BNPP) (financed by the Netherlands for priority topics in gender and governance) and the Diagnostic Facility for Shared Growth (DFSG- focus on growth analytics), which support other thematic priorities, only TFESSD focuses on core priorities within the poverty sector, including empowerment, PSIA, and support for the PRSP process in countries.

11. TFESSD supports a number of activities within the PREM Poverty Anchor unit. These include work on impact evaluations, monitoring & evaluation, empowerment and the “moving out of poverty” study. In addition, TFESSD is particularly important to the Africa region. Nine of the nineteen ongoing activities deal exclusively with African countries, while two other ongoing activities partially address issues in Africa.

12. Trust Fund activities have also focused on strengthening in-country capacity and analytics. Activities have funded research to define and measure empowerment, as well as training and capacity-building activities to support the decision-making and planning processes at the grassroots level. Most of these activities are upstream-Bank studies that

influence policy formulation and assessment. The Trust Fund also supports downstream monitoring and evaluation, using participatory and quantitative mechanisms.

2.2 Dissemination, Impact on the Bank and in client countries, Capacity Building

13. TFESSD projects have had an impact on in-country dialogue and on knowledge generation. The key vehicle for this has been dissemination. TFESSD projects build local capacity mostly in the form of ongoing, hands-on involvement with local counterparts and by undertaking joint work with government agencies and other local partner institutions. They also develop partnerships by including dissemination activities for donors and partner organization. The findings of much of the analytical work carried out under the activities are disseminated via workshops, publications, distance-learning videoconferences, study tours, and the web.

14. Many projects have fed into country work and dialogue, including Bank lending, ESW, and the PRS process both through improved analytics and capacity building in-country. Projects which had strong collaboration with governments and in-country stakeholders were particularly successful in this endeavor. For example, under TF053918 (Good Governance for Poverty Reduction Strategies), the project has led to a useful debate on Social Accountability in Central America through the institutional strengthening of social accountability and access to information legislation. Various stakeholders have come together towards demanding transparency and accountability at a regional level. In TF052913 (East Africa Poverty and Data Analysis Initiative), the results fed into the Kenya CAS and into lending operations through the use of poverty mapping techniques. TF055629 (Chad Integrated Country Poverty Gender and Social Analysis), TF055795 (Uganda Poverty and Inequality Analysis of Growth Strategies), and TF057151 (Mauritania Strategic Country Gender Assessment) fed into their country's PRS process. The findings of the Uganda study which provides analysis of spatial inequality also fed into the country's Poverty Reduction Support Credit (PRSC). Under TF054275 (Conflict, Poverty, and Social Inclusion in Nepal) results from four different analytical studies fed into the poverty assessment and the PRSP.

15. Dissemination is a key feature in many projects. Under TF053878 (Poverty Monitoring Systems), three books (one on PRS monitoring, another on poverty maps, and a third on PRS and budget links) have been published and disseminated.¹ The book on linking PRS with budgets (jointly funded with GTZ) has been used--among other things--for teaching purposes at the Harvard Kennedy School of Government. TF053900 (Nepal Empowerment and Social Inclusion) has built local capacity by training graduate students

¹*Beyond the Numbers: Understanding the Institutions for Monitoring Poverty Reduction Strategies* by Tara Bedi*, Aline Coudouel*, Marcus Cox[†], Markus Goldstein* and Nigel Thornton; *More than a Pretty Picture: Using Poverty Maps to Design Better Policies and Interventions*, Edited by Tara Bedi, Aline Coudouel, and Ken Simler; and *Minding the Gaps: Integrating Poverty Reduction Strategies and Budgets for Domestic Accountability*.

from Nepal who spent 6 months in villages and worked on a baseline survey and detailed case studies. MESI Phase I findings were disseminated through numerous publications.¹ TF057110 (Promoting Shared Growth from the Bottom-Up in Africa) and TF053886 (Moving Out of Poverty [MOP], jointly funded with DFID) benefited from collaboration with local research institutions, government and senior experts. Results are being disseminated via workshops. Under TF055589 (Library of Resources for Impact Evaluations), a series of papers was published and disseminated via the impact evaluation website (<http://go.worldbank.org/169GZ6W820> under “Doing Impact Evaluation Series”) Preliminary findings of the Data for Disasters Study (TF057649) were presented at Harvard University at a humanitarian health conference.

3 Summaries of ongoing and recently completed activities

3.1 Ongoing activities

Poverty Analysis, Monitoring, and Impact Evaluation

16. **TF053878, Poverty Monitoring Systems (started in FY05)-\$215,000:** This work program is making progress on achieving its objectives. The cornerstone of this work, an overview and country case studies on institutions for poverty monitoring (in the context of the Poverty Reduction Strategy (PRS)), has been published as a book called *Beyond the Numbers* (see <http://go.worldbank.org/G8SGV1ZI50>) and the team is now engaged in active dissemination. Building on this cornerstone, they have broadened the focus to look at two additional areas of institutional arrangements for poverty monitoring which are of concern to our client countries. The first of these looks at the policy uses of poverty maps, examining how they inform the poverty dialogue and the resource allocation. To meet this goal, the project has prepared a series of 12 country case studies, which illustrate examples of how poverty maps have changed the nature of the policy dialogue and informed policymaking and resource allocation. These country case studies and syntheses have been published in the book *More Than a Pretty Picture* (<http://go.worldbank.org/PABC47B1T0>) which has been widely disseminated via the web and the World Bank Infoshop. In addition, the team is working with the India country team to look at poverty mapping in the context of a decentralized system. The second initiative aims to examine the experience of integrating the PRS with national budgets with the aim of providing recommendations on how to bridge the gap between PRS and budget processes in poor countries. The activity consists of a nine country case studies exploring the challenges of better linking PRS and budget which was published as

¹ (1) *Unequal Citizens: Gender, Caste and Ethnic Exclusion in Nepal*, <http://siteresources.worldbank.org/EXTSOCIALDEV/Resources/3177394-1168615404141/3328201-1172597654983/Nepal.pdf>; 2) Lynn Bennett and Kishor Gajjaral, "Negotiating Social Change: Gender, Caste and Ethnic Dimensions of empowerment and Social Inclusion in Rural Nepal" (chapter 11, pages 193-217), IN *Empowerment in Practice: From Analysis to Implementation*, Ruth Alsop ed- chapter 11, World Bank, Washington DC.) See also http://siteresources.worldbank.org/INTEMPowerment/Resources/Empowerment_in_Practice.pdf

a book *Minding the Gaps*, and widely disseminated. Results are available at (<http://go.worldbank.org/O0AD1SDZX0>).

17. **TF053879, Impact Evaluation of Tanzania Social Action Fund 1 (Started in FY05) - \$380,000:** The project seeks to evaluate the poverty and social impact of the Community Driven Development (CDD) mechanism of financing development in Tanzania. The survey instrument for the TASAF villages is ready; consultant procurement will be completed shortly for this last task. Work on the overview report will begin once the new data for the cost study are in. A VC to discuss the revised cost study will be held in June or July 2008, and a broader in-country workshop in the fall. A final, summary report is under preparation, and will be discussed with the Government in May 2008. These findings were included in the Africa Region CDD stocktaking. Bank Management has decided not to fund another CDD project, but to use decentralization projects instead, to build up local capacity. The results from this study support this decision. A follow-on study on the impact of the TASAF social protection programs is under way (the design work was financed under this trust fund). The Government and donors are considering what will be the follow-up to TASAF II; the findings of this analysis are expected to be used in this discussion.

18. **TF055589, Library of Resources for Quality Impact Evaluations (started in FY06) - \$142,500:** The proposed activities are part of a broader program to support teams in the implementation of impact evaluations. The main objectives are to enhance the capacity of Bank staff and their counterparts to evaluate the development impacts of their activities and, as a result, to increase the number of quality evaluations informing Bank operations. There has been a sharp increase in the number of impact evaluations under way at the World Bank (for many reasons, not just due to this activity). As part of the program of activities supported under this trust fund, a stock taking of impact evaluations resulted in the establishment of a database which so far contains 173 evaluations in various stages. The team continues to promote staff capacity through this initiative, moving to dissemination on some products while developing new products at the same time, including a deeper analysis of political and institutional factors surrounding effective use of impact evaluations. Some of the modules outlined in the original proposal have been transformed into a series of papers entitled the Doing Impact Evaluation Series (<http://go.worldbank.org/169GZ6W820> under “[Doing Impact Evaluation Series](http://go.worldbank.org/169GZ6W820)”). For example, the module on measuring service delivery has led to a publication titled *Are You Being Served* (<http://go.worldbank.org/F6KIIC0700>). It presents tools to measure service delivery and documents experience with their use. This resource will allow teams conducting impact evaluations to disentangle the aggregate effect of a program and look at which types of facilities (e.g. well managed, better staffed, better equipped) do a better job at delivering a particular intervention.

19. **TF055795, Uganda Poverty and Inequality Analysis of Growth Strategies (started in FY06) - \$200,000:** The objective of this activity is to guide the Government of Uganda in their updating of the Poverty Eradication Action Plan. The Government of Uganda has completed a comprehensive update of their PRSP which places new emphasis on the importance of enhancing growth, competitiveness, and incomes to

reduce poverty. Given resource limitations, the Government of Uganda needs to prioritize their investments under the National Development Plan, based upon their likely impacts on growth and poverty reduction. Economic Planners in the Ministry of Finance and the National Planning Authority have approached the Bank to assist them in assessing the growth and poverty reduction implications of alternative growth paths, fiscal strategies, and public spending priorities. After a slow start, interest in this work has now reached senior managers in the Ministry of Finance and National Planning Authority who have specifically asked the Bank to help with scenario analysis for growth and fiscal strategies under the National Development Plan, and to help the Finance Ministry to develop capacity to run the model. A start has been made through scenarios being developed using the Maquette for MDG Simulation (MAMS) model, an MDG-linked macro Social Accountability Matrix (SAM)-based model developed in the World Bank supported under this study. The Ministry of Finance has asked the Bank to extend the MAMS for analysis of the expenditure trade-offs they face in their National Development Plan. This work will be completed by July 2008. In addition, since inequality has become all the more prominent in discussions of growth in Uganda, the model will be extended to consider the spatial dimensions of growth and poverty in Uganda. After a slow start, interest in this work has now reached senior managers in the Ministry of Finance and National Planning Authority who have specifically asked the Bank to help with scenario analysis for growth and fiscal strategies under the National Development Plan, and to help the Finance Ministry to develop capacity to run the model. This work is already part of Uganda's Country Economic Memorandum (CEM) and Public Expenditure Review (PER) and has influenced the Bank's operations, in particular the Poverty Reduction Support Credit (PRSC).

20. TF057289, Addressing Extreme Poverty in Low Income Countries: Risks and Shocks (started in FY07) - \$267,000: The activity aims to identify more effective policies for addressing and preventing extreme poverty in Ethiopia, Nicaragua, and India. For Nicaragua, the initial activity-funded work provided inputs into the Nicaragua poverty assessment update as well as a free-standing case study report. Analysis of a panel living standards measurement survey (LSMS), which explores income dynamics and poverty since the late 1990s and identifies key causes of downward mobility and destitution, is nearly complete. Qualitative field work is complete and a background paper documenting qualitative findings has also been circulated. An outline has been agreed for the final case study report which is expected in June 2008. In Ethiopia, Oxford University (Center for the Study of African Economies) staff and students have been working with counterparts in Ethiopia on an analysis of the rural panel survey (ERHS) and a draft background paper. A qualitative background study also has been prepared, using data from the ERHS villages collected in 2003. In India, two qualitative studies are underway, one focused on communities in southern states (using the ICRISAT VLS villages) and a second focused on poor communities in northern states (Uttar Pradesh). A panel survey was launched in November in Uttar Pradesh and should be completed no later than April 2008. All written inputs are expected to be completed by June 2008 and an informal workshop has been scheduled to discuss initial findings. For all three countries, the Country Teams have been keen to use the findings to improve and expand ongoing ESW (specifically Poverty Assessments). The links have thus far been strongest

in Nicaragua, where the analytic work has fed directly into country dialogue and lending discussions. The work in other countries is not sufficiently well advanced for broad dissemination.

Poverty Linkages with Sectors

21. **TF053880, Integrating Social Dimensions into Poverty Analysis in Africa (started in FY05) - \$815,565:** This activity focuses on integration of social dimensions (including an understanding of social and cultural diversity; social exclusion due to gender, age, ethnicity and disability; tensions and conflict between social groups; the political economy; civil society structures, enabling environment for civic engagement) into poverty analysis. This is the first effort to combine social analysis and poverty analysis in an integrated analytical framework, with a joint team and outputs. Work has been completed in all except one country (Lesotho). In the 11 other countries reports have been prepared, workshops held, and dissemination taken place. In all active project countries, it has been possible to integrate social dimensions (including an understanding of social and cultural diversity; social exclusion due to gender, age, ethnicity, and disability; tensions and conflict between social groups; the political economy; civil society structures; and the enabling environment for civic engagement) into poverty analysis. It is too early to assess the impact on Government strategies.

22. **TF055629, Chad Integrated Country, Poverty, Gender, and Social Analysis (started in FY06) - \$225,000:** The main objective of this activity is to carry out a qualitative study of poverty, vulnerability, and gender issues in Chad to help further develop and update the country's PRSP. Additionally, based on the results of the qualitative study, this activity will support the dissemination of gender issues to help mainstream gender in Government activities and in Civil Society. The Chad government with the support of the WB designed a system of qualitative monitoring and evaluation of the implementation of the national Poverty Strategy (SNRP). This system seeks to collect information on the core qualitative indicators of the strategy by offering a mechanism through which people can express their opinions on any changes in their well-being. Until recently implementation was proceeding. The pilot phase was completed. The outcome of this work was the qualitative analysis which was meant to serve as input into the revision of the SNRP that is scheduled to take place next calendar year. A large scale pilot of the qualitative M&E system could not only serve as a baseline for future reference but it could also offer needed information for the revision of the SNRP. Unfortunately, because of instability in Chad this project is currently on hold.

23. **TF057151, Mauritania Strategic Country Gender Assessment (started in FY07) - \$75,000:** The activity's objective is to help to reduce the weaknesses of mainstreaming gender and the inclusion of vulnerable groups to the country program, to integrate these groups into the poverty reduction activities and to help Government implement its national gender strategy. Implementation is proceeding as scheduled. The Strategic Country Gender Assessment (SCGA) has been completed and disseminated to in-country stakeholders (parliament, government, and Civil Society) through in-country

workshops and within the Bank (via the country team). As a result, it has become a tool for the dialogue between the stakeholders (parliament, government, and Civil Society). The SCGA is a reference document for Government and some donors (UNDP, UNFPA and UNICEF) in the planning of their gender activities. The activity is near complete, except for a final round of training which will strengthen the understanding of mainstreaming gender and the use of gender tools/issues. The SCGA is available here: http://imagebank.worldbank.org/servlet/WDS_IBank_Servlet?pcont=details&menuPK=64154159&searchMenuPK=64258162&theSitePK=501889&eid=000310607_20070607150255&siteName=IMAGEBANK

24. **TF057365, Zambia Country Study (started in FY07) - \$520,000:** The overarching objective of the activity is to assist the government of Zambia to advance its pro-poor economic growth agenda; and to generate information and capacity to support pro-poor growth and market development through analytical work, collaboration among key stakeholders, and promotion of policy dialogue. The 4 components are tied together through the overarching strategic goal of developing a diversified and export-oriented economy while improving lives and protection of vulnerable groups. The activity is well under way to achieve its objectives. Component 1 "Participatory Value Chain Management for Poverty Reduction" aims to provide a comprehensive assessment of the particular benefits and constraints for smallholders associated with the integration into value chains in Zambia. It identifies how benefits are distributed along the chains, and if and how benefits going to smallholders can be increased. By highlighting power structures and elements of political economy, the study goes beyond traditional value chain analysis. A draft report has been produced. It was discussed with stakeholders during a feedback workshop held in October 07 in Zambia. The final report is currently under revision and will be disseminated in FY09. The scope of Component 2 "Informal Sector Analysis" was revised to complement an ongoing investment climate assessment and avoid duplication of work. It is now called Rural Competitiveness Study and will analyze the investment climate of the rural sector. It is being co-financed by the Zambia Business Forum, which is contributing \$140,000 to the survey work. The expression of interest (EOI) went out in December 2007, the short list was approved and proposals are due by end April. The consulting firm is expected to mobilize before June, and the work will be completed before end August. Once the survey is completed, consultants hired using TFESSD funds will work with the ICA and Zambian team to analyze and disseminate the results. Component 3 "Maize Market Policy Dialogue" has been completed. It took place in FY 07 and was an important milestone in the continuation of this policy dialogue. It used an economic experiment to analyze the implications on market outcomes (food supply and prices) and private sector behavior of introducing a rules-based maize market policy in Zambia vis-à-vis the current discretionary government policy. The economic experiment was an effective tool for a policy dialogue in the presence of strategic interaction. In this particular context, it allowed participants to develop a greater evidence-based appreciation in a repeated-game setting, of how maize market outcomes are affected by their own strategic interaction with other players. A policy brief was circulated among participants immediately after the workshop. The report was delivered to the government in FY 07. Component 4 "Integrated Financial Flow and Poverty and Social Impact Analysis of the Copper Sector" aims to inform the

public at large on the benefits of the copper sector to Zambia and identify (business) opportunities that improve local content of the mining sector. In addition, the study aims to identify potential activities that are of a similar skill and technological mix as the ongoing mining activities and those linked to it, which can contribute to Zambia's effort to diversify its economy. The study has gone through preparatory consultations inside and outside the Bank to finalize the design. A concept note has been drafted and consultants have been identified.

25. TF057649, Making Data Work Against Disasters (started in FY07) - \$50,000:

This activity has sought to build government and bank staff capacity to create monitoring systems for disaster management by conducting country case studies of instances where such systems have been implemented. The country case studies are accompanied by overview chapters synthesizing the lessons learned, the global UN efforts in the arena and an analytical framework assessing data needs after disasters. Six country case studies have been completed analyzing what worked and what didn't in establishing disaster management data systems. In addition, a draft synthesis has been completed to distill and synthesize lessons from the six case studies. The team has completed two chapters on data needs and an overview chapter of UN efforts in this arena. The 6 case studies and three chapters are currently being edited for publication as a book expected to be completed by June 2008. The draft of the case studies have been shared with country teams and, in the case of Mozambique and Pakistan, used to improve existing systems and in other countries, to inform the proposed design of similar systems. Country directors reviewing the case studies have found them particularly useful. The Mozambique chapter has been translated into Portuguese to facilitate country dissemination. Dissemination and outreach for this product is secured through co-sponsorship by the United Nations OCHA team. Preliminary findings from the study were presented (and very well received) at the humanitarian health conference at Harvard University in September 2007.

Empowerment

26. TF053886, Moving Out of Poverty (started FY05) - \$460,000: Moving Out of Poverty, Understanding Freedom, Democracy and Growth from the Bottom Up, is a 16 country research and outreach program to explore how people move out of poverty permanently from the perspective of men and women who have experienced it first-hand. The TFEESD activity partially finances six country studies (Tanzania, Uganda, Senegal, Malawi, and Rwanda). The study has progressed from completion of fieldwork by country teams to analysis and completion of reports to the release of initial findings on what moves people out of poverty. An extensive review process was conducted and all reports have been cleared. Study findings are already informing CASs, CEMs, poverty assessments and other strategy and operational activities in many study countries. For example, in Senegal the study is informing local PRSP processes and results have fed into the most recent poverty and gender assessments. Results are available at <http://www.worldbank.org/movingoutofpoverty>

27. **TF053900, Nepal: Empowerment and Social Inclusion (started FY05) - \$220,000:** This activity provides financing for the development of methodology for measuring empowerment and social inclusion (MESI); response to country prioritization of social inclusion in PRSP and CAS; and monitoring and analysis of the empowerment and social inclusion impact of Bank-supported CDD projects. The centrality of the inclusion issue has increased over the project's implementation period. The findings from Phase I of the study which not only document which groups are included and which excluded, but also show which interventions have been most important in raising inclusion and empowerment scores, have attracted considerable interest from both government and donor agencies. In April, DFID requested that the project resend the phase I results to their staff retreat as one of the inputs for re-thinking the DFID country strategy. The phase II results will allow further analysis on what works to reduce exclusion and will also allow a rigorous before and after analysis of the World Bank's Rural Water Supply and Sanitation CDD intervention since the team now has panel data on 20 projects sites before and after the RWSS, 20 sites that already had the intervention by the Phase I data collection, and 20 control villages who have not had RWSS projects. The Phase II survey has been conducted and the data have been entered and cleaned. The write ups from the 9 graduate students who did in-depth participant observation in a subset of 8 of the survey villages are also complete. Implementation of this project has been held up over the past five months because of retirement of the TTL. However, a new TTL has just been identified. The survey firm and the statistical consultant is ready to run the preliminary Phase II survey tables now that the Nepal election is over (April 10) and the team looks forward to re-engaging in the analysis and write up process now that a new TTL has been identified.

28. **TF055856, Monitoring Empowerment in Four Countries (started in FY06) - \$210,000:** The objective of this four-country (Bangladesh, Jamaica, Ethiopia and Ghana) initiative was to develop and pilot diagnostic tools that measure and analyze how specific country programs have impacted empowerment. Overall progress in each of the four countries has been significant since April 2007. Before then, implementation had been slowed by budget cuts and a significant reduction in staff. Since then, work in three of the four countries has been or is almost completed. In Bangladesh, following agreement with the Bank's Country Office and the Bangladesh Bureau of Statistics (BBS), the Team provided extensive input into the survey used by the BBS to evaluate a range of social safety net programs in Bangladesh. After delays due to political unrest, restructuring of the counterpart team, and floods, the survey was completed. The empowerment results have been analyzed and the write-up will shortly be completed. In Ethiopia, the Empowerment Team worked with the donors funding and implementing the Woreda Benchmarking exercise. After considerable delay, the survey is now under implementation and results will be available for analysis in April/May. Work in Ghana in collaboration with the Community-Based Rural Development Project has been completed and reviewed. In Jamaica, the work supported a Cabinet initiative on community based policy monitoring of youth-police relations. The report has been completed and is being submitted for review. Portions of the work have been disseminated to policymakers in Jamaica, as well as to the Country Team at the Bank.

29. **TF056122, Impact of Empowerment (started in FY06) - \$200,000:** This activity uses in-depth study of three District Poverty Initiatives Projects (DPIPs) in India, Andhra Pradesh and Tamil Nadu, and in Sri Lanka, together with case studies of select aspects of similar interventions in Rajasthan and Madhya Pradesh. It will provide insights that will be directly relevant to improve the outreach and impact of existing programs and provide task managers with a practical tool to assess the impact of CDD projects. The activity has made significant advances, both methodologically and with respect to actual implementation in the field. Methodologically, the team has developed very detailed questionnaires for self-help groups as well as their federations at the village, block, and district level. These instruments, which have been extensively field-tested, encapsulate large amount of process aspects (regularity of meetings, clarity of book keeping, internal sanctions, leadership rotations, scope of attention, and information flows within the groups). Some of the information is already being used as a management tool in the form of more regular self-assessments by groups. At the same time, the instrument provides the information needed to do more sophisticated econometric analysis at an aggregate level. Surveys in all three projects (Sri Lanka, Tamil Nadu, and Andhra Pradesh) have been implemented and activity resources were used to provide assistance to development of the survey instruments to task teams from other projects in South Asia and to disseminate some of the lessons learned through a series of workshops. While the size of the survey in AP is significant (7,500 households and 4,000 self help groups, 740 village organizations, and more than 100 mandal samakhyas) the fact that much simpler surveys have been used in the other two projects highlights that the methodology allows to be applied in a simpler version in other settings. The questionnaires developed under the activity have been adapted by other community-driven development projects in India and beyond.

30. **TF057110, Promoting Shared Growth From the Bottom Up in Africa (started FY06) - \$160,000:** This TF provides money to do comparative analysis of 8 moving out of poverty (MOP) Africa studies, focused on Malawi, Morocco, Niger, Rwanda, Senegal, Tanzania (2 in different regions), and Uganda. . For Senegal, the work has been completed and two reports have been prepared. The regional team has conducted workshops in Senegal. For Tanzania, two reports have been edited, completed, cleared by the government and posted on the Moving out of Poverty (MOP) website (see link below). For Uganda, the country report is completed, edited and now available on the MOP website. For Malawi, the editing and publication of the national synthesis report is now complete. The report is available on the MOP website. The Morocco national synthesis report has been completed and disseminated. The Niger team has completed their fieldwork in conjunction with the World Bank Africa unit and a country report has been prepared and disseminated. Results are available at <http://www.worldbank.org/movingoutofpoverty>. Study findings are already informing CASSs, CEMs, poverty assessments and other strategy and operational activities in many study countries. For example, in Senegal the study is informing local PRSP processes and results have fed into the most recent poverty and gender assessments.

Labor Market

31. TF090727, Promoting Decent Work in Africa (started in FY08) - \$600,000:

Since the informal sector is the engine of employment and incomes in rural and urban sectors of most economies in SSA, this activity has two objectives: (i) help improving the welfare of informal enterprises that provide employment and incomes to a growing number of those in the labor force; and (ii) strengthen links between education/skills development and employment in formal and informal sector. To address these two topics which are inter-related, a three stage approach is used: First Phase-Preparation of a methodology guide for each of the two topics (September 2007- July 2008); Second phase-Preparation of selected country case studies to test the approach (July 2008-June 2009); Third phase-Synthesis report based on the results of the country cases (July 2009-Dec. 2009). The overall progress has been satisfactory. The activity became effective in August 2007, and the first phase has been launched. In this context, the following tasks have been completed: (i) Terms of References for preparing methodology guides; (ii) identification of consultants; (iii) signature of contracts. Both draft guides are expected to be ready for discussion at a workshop in spring 2008 and to be finalized by July 2008. Once the first phase is completed, the second phase will be launched. It is expected that the selection of country cases (4-6 countries) will be completed by June 2008.

32. TF090809, Ethiopia Internal Migration (started in FY08) - \$150,000: The findings of this study will directly contribute to the policy dialogue on strengthening rural-urban linkages to support the Government implementation of its PRSP as well as to the design of new survey instruments to cover more accurately the realities of rural urban migration. Given these two objectives, dissemination activities tailored to different audiences will be organized. The implementation of the activity is going at a satisfactory pace. The survey activities were launched in February, 2008.

33. F090857, Youth Employability (started FY08) - \$110,000: The activity objectives are identification and dissemination of innovative modalities and models for successful labor market insertion of disadvantaged youth in India and Bangladesh. Results from studies in India will inform the analytical work that the Bank team is doing the study in Bangladesh will inform the "Disability and Children at Risk" study which works with street children, seeing their social protection as well as longer term labor market insertion through successful models. The activity objectives seem achievable since studies have been contracted in both India and Bangladesh to assess innovative and successful models and modalities for labor market insertion of selected youth groups. However, the successful models have not been identified yet, and dissemination will also have to be done later.

34. TF090888, Earning Your Way Our of Poverty (started FY08) - \$150,000: The proposed activity represents an innovative and catalytic task intended to address the growing demands for analytical and operational tools designed to strengthen the capacity of (i) Bank teams to respond to requests of TA in creating employment opportunities and enhancing access to decent jobs for the poor and most vulnerable and (ii) governments to formulate evidence-based and effective strategies in the areas. In the first months of

implementation of the activity, the team has developed a methodology for identifying engines and barriers to occupational and earnings mobility, selected a fourth country to be used as pilot, identified consultants and local partners to carry out the analysis, and begun the analysis in all four countries (Albania, Nicaragua, Philippines and Vietnam). The activity implementation is still at an initial stage. However the country studies have all been designed as inputs into mainstream Bank products: ie, the Country Economic Memorandum for Albania and the programmatic poverty assessments of Nicaragua, Vietnam and the Philippines. Staffs of the relevant Country Teams are directly involved in the analysis of the selected countries. The review of literature and the methodological note that are in the process of being finalized will also feed into the Employment Lab, a Bank tool for evidence-based policy-making in the area of employment generation.

3.2 Completed activities

35. **TF052913, East Africa Poverty and Data Analysis Initiative (started FY04) - \$265,000:** The project has strengthened local and regional capacity for poverty policy formulation based on sound poverty analysis. While the activity objectives have been satisfactorily achieved and initial implementation was satisfactory, the activity faced disbursement delays toward the end of the project. There are two main reasons for this. First, during the course of the project, the Task Team Leadership for this TF was transferred (after the initial TTL retired from the WB) just before the initial activity closing date and few activities had been implemented in the months before this transfer. Second, with the transfer of the responsibilities to a new TTL, an extension of the closing date was granted but could not be implemented due to unforeseen circumstances. Nevertheless, activities have generated new knowledge and techniques such as poverty maps which were integrated into the CAS (e.g., work on equity and poverty, poverty maps) and are now being used in ongoing AAA (e.g., Kenya Poverty and Inequality Assessment). The activities have also influenced client strategies, notably the workshops and technical work (poverty maps) have resulted in high impact policy outcomes - e.g., improved targeting of the CDF in Kenya (a devolved development fund that allocated 2.5% of annual ordinary government revenue).

36. **TF053905, Madagascar: Service Delivery, Governance, and Local Accountability Monitoring Program (started FY05) - \$139,220:** The main objective of the activities under the trust fund was to strengthen accountability by providing national and local decision makers with information and analysis on service delivery and governance issues. The grant had three main activities:

37. **Implementing a nationally representative commune survey to monitor economic activities, governance, and social service delivery at the local level in Madagascar.** The commune survey was completed in 300 communes, approximately 20 percent of all the communes in the country, between October and December 2004. A stratified random sample ensured representativeness at the regional level. An overall assessment was produced based on this data on the dynamics in social service delivery and the rural economy of Madagascar. Five briefs have been prepared on (i) Prices and Welfare Dynamics in Rural Madagascar; (ii) Dynamics in Primary Education 2000-2004;

(iii) Dynamics in the Health Sector 2002-2004; (iv) Dynamics in the Agriculture Sector 2001-2004; and (v) Insecurity and Perceptions on Justice in Rural Madagascar.

38. **Longer term participatory monitoring of local service providers and governance institutions.** This work was planned after the completion of the commune survey to ensure synergies between the quantitative and qualitative work. A concept note for the participatory monitoring was prepared. On the participatory monitoring, citizen reports card approaches are planned, especially for the health sector, using alternate funding sources. In addition, the poverty and social impact of re-instating cost recovery in the health sector using participatory methods has been completed and the final report prepared and the study is being disseminated. Given the plethora of additional work that is ongoing in the participatory monitoring area, the team requested a reallocation of the resources to doing public expenditure tracking work in the education and health sector. This is linked to the original objectives of the proposal on improving service delivery and enhancing accountability of service providers.

39. **Expenditure tracking survey in the education and health sectors.** The grant financed (a) Two rounds of the expenditure tracking survey in education, with the first round completed in November 2006 and the second round conducted in March 2007; (b) Expenditure tracking survey in health in March 2007; (c) Absenteeism survey in the education and health sector in both rounds (November 2006 and March 2007); and (d) Tracking of drug delivery to health centers in both rounds (November 2006 and March 2007). A first round of the survey was a nationwide representative budget tracking survey conducted between September-November 2006, with at least one district covered in each of the 22 regions of the country. The survey covered 252 schools and 113 health centers. The first round data were analyzed and three policy briefs produced on (i) budget tracking in public primary education; (ii) absenteeism in the social sectors; and (iii) bottlenecks in the drug supply chain. The second round survey was repeated in March 2007 for education, absenteeism and drug delivery and a budget tracking survey in health was added. The work was implemented in collaboration with the Ministries of Health and Education, and UNICEF (for the second round survey).

40. It is expected that the results of the expenditure tracking surveys in education and health will be used to refine the sector strategies (Education for All and the National health action plan), and contribute to the achievement of the Madagascar Action Plan, the new PRSP objectives. For example, the draft policy briefs have been used as inputs to the Education for All joint-donor missions in April 2007 and the draft report based on the two rounds of data will be used in the forthcoming health and education joint donor missions. The commune census results have been used in the education, health, and poverty analysis undertaken by the country team,

41. **TF053918, Good Governance for Poverty Reduction Strategies (started FY05)- \$154,644:** The activity's objective was to strengthen the institutions of the state on all levels, to provide public information, and to efficiently and effectively deliver key public services to citizens and enhance the capacity of citizens to participate in policy formulation and monitoring in Central America. In Honduras and Nicaragua, the main

outcome of this project has been the openness that the government now portrays, and that has been accompanied by the adoption of access to information (ATI) legislation. This is a response to a longstanding demand by Civil Society for more transparency, particularly at a moment where concerns in this regard were gaining salience across society. In adopting the law, the government proved itself more open and willing to dialogue with Civil Society in regard to transparency and social accountability issues. These activities are aligned with the new World Bank Governance & Anti-Corruption strategy, and the CASs for both Honduras and Nicaragua. In addition, the Governance Note and the recent Country governance and anti-corruption (GAC) work for Honduras highlighted the topics of transparency and access to information for the country. In addition, while leading the Transparency Committee (Mesa de Transparencia) of the G16 Donor Community, the World Bank contributed in creating an important space for consensus-building. Finally, issues on Social Accountability and Transparency are becoming more salient within the Public Administration in Honduras and Nicaragua. For instance, the Anti-corruption plan devised by the Secretary of the Presidency highlights ATI as an important tool in the fight against corruption; the Results-based Monitoring and Evaluation Systems applied throughout the Honduran Public Administration promotes transparency and access to information; and ATI is being mainstreamed into other WB operations such as education and rural competitiveness.

42. TF054275, Conflict, Social Inclusion, and Poverty in Nepal (started FY05) - \$104,722: The objective of the research conducted under this activity was to provide analytical underpinning for determining the major constraints to poverty reduction in Nepal and develop policy options to rectify the situation. The activity objectives have been successfully achieved. A set of topic-specific papers (four of them funded by this Activity) have been prepared and incorporated in the Poverty Assessment report. In turn, they were incorporated in the government's own PRSP progress report. Wide dissemination activities took place during 2005-2007 in Katmandu and districts in Nepal. In addition, the Poverty Assessment is a flagship analytical report that provided analytical underpinning for the CAS and a range of lending products. Substantial knowledge generation and knowledge transfer took place in the course of preparation of the report. The PA report has been published in Nepal and the Executive Summary has been translated into Nepali. The report can be found at <http://go.worldbank.org/G9GSGE26M0>; or at http://siteresources.worldbank.org/INTNEPAL/Resources/Resilience_Amidst_Conflict.pdf

43. TF055851, Africa: Economic Empowerment (started FY06) - \$210,000: The activity objectives were: (i) to develop a better understanding of young people as empowered economic actors, and of the ability of formal and informal institutional structures to impact the ability of individuals to make economic choices; (ii) to suggest ways to integrate this better understanding into programs for integrating youth into the labor market (Ghana and Zambia); and (iii) to operationalize new legislation (Zambia) to economically empower vulnerable or marginal citizens. In Ghana and Zambia, the research on the economic empowerment of youth generated data will be used in Bank operations in education and private sector development. The findings of the research

were that while flexible wage and workforce policies may remove market barriers, training programs, labor market services, and self-employment programs will be necessary to reduce uncertainty in the market and increase skills matching. Efforts to address the long-term employability and productivity of youth must take into account that the majority of opportunities for youth in Zambia lie in the informal sector. Efforts should be made to help young people complete their education, whether in a formal or non-formal setting. The views of young people themselves should be sought in the design of programs and policies affecting them, and given the high failure rate of youth-targeted programs, interventions should be carefully monitored to ensure they are reaching and helping the young people who most need them. In Ghana, the work should contribute to the new flagship Youth Employment Program as well as to education sector reform. Recommendations included improving links between tertiary education and the labor market, rethinking secondary and vocational education, providing mechanisms to ease the school to work transition, and expanding support to vulnerable families and children. In Zambia, findings will support the sensible operationalization and implementation of the newly enacted Citizen Economic Empowerment Act and contribute to ongoing dialogue with the Government on the Private Sector Reform Program. The Country Team is organizing in-country dissemination activities to share findings. For the youth studies, dissemination will take place via learning events and in-country clinics.

4 Overall implementation progress of the Poverty window

4.1 Overview of activities

44. The Poverty sub-window, which was launched in November 2001, has funded 68 activities so far, 49 of these are completed and 19 ongoing. Of these 68 activities, 19 were selected through a call for proposals held in FY02, specifically for the poverty sub-window (none are ongoing); 9 activities were selected in FY03 through two calls for proposals joint with the social and environmental windows (none are ongoing); 13 through the FY04 call for proposals (none are ongoing); 12 were selected through the FY05 call (5 are ongoing); 6 were selected through the FY06 call (5 are ongoing); 5 were selected through the FY07 call; and 4 were selected through the FY08 call. Of these activities, 51 were/are managed by regional staff and the rest by network/research staff.

Table 1: TFESSD Poverty Window activities as of February 29, 2008

<i>Call/year</i>	<i>Activities approved</i>	<i>Activities ongoing</i>	<i>Closed activities</i>	<i>Activities in Africa (ongoing)¹</i>
FY02 (poverty)	19	0	19	0
FY03 (joint)	9	0	9	0
FY04 (joint)	13	0	13	0
FY05 (joint)	12	5	8	2
FY06 (joint)	6	5	0	2
FY07 (joint)	5	5	0	3
FY08 (joint)	4	4	0	2
<i>Total</i>	68	19	49	9

4.1.1 Progress of ongoing activities

45. Most ongoing activities funded under the Poverty sub-window are progressing satisfactorily. Activities continue to feed into the country dialogue and the development and implementation of Bank assistance strategies. Activities are strategically focused on four main areas and results are visible, in terms not just of reports and studies being completed, but also in terms of in-country dissemination and dialogue, input to policy making processes, capacity improvements and feedback into Bank programs.

46. Activities address both country specific and more general cross-country issues. A new emphasis has recently been introduced with four activities focusing on labor market issues in poor countries. These projects look at country specific issues and more general aspects of the labor market and issues of youth employment. Impact evaluation is becoming more important as team leaders are increasingly recognizing the importance of results monitoring through ex-post impact evaluation, and the role it can play for the design of new interventions.

¹ Note: Many ongoing activities partially cover activities in Africa as well.

4.1.2 Closed activities

47. During this reporting period, five activities were closed. They are highlighted in Table 2.

Table 2: TFESSD Poverty Window Activities closed during the reporting period

TF number	Activity name	Closing date
TF052913	East Africa Poverty and Data Initiative	1/31/2008
TF053905	Madagascar: Service Delivery, Governance, & Local Accountability Monitoring Program	6/30/2007
TF053918	Good Governance for Poverty Reduction Strategies	6/30/2007
TF054275	Conflict, Social Inclusion, and Poverty in Nepal	2/28/2007
TF055851	Economic Empowerment in Africa	12/30/2007

4.2 Disbursements and commitments

48. A review of the poverty window portfolio indicates continued high disbursement ratios as projects are moving forward. Overall, 88 percent of the funds received by the Poverty window have been disbursed¹. Projects prior to FY05 are at nearly 100% disbursement. Activities approved in FY05 are disbursing at 91% and those in FY06 are disbursing at 72%. For FY07 approved projects disbursement ratios have been at 66%. Those approved in FY08 are also disbursing well with a rate of 77%.

49. Table 3 provides an overview of disbursements and commitments under the poverty window over the last years. The window shows consistently high disbursements ratios in the Africa region over the years.

¹ Includes commitments and disbursements as a percentage of total receipts

Table 3: Disbursements and Commitments

Poverty Window	Receipts (US\$ M)	Cumulative Disbursements / Commitments as of 02/29/08	% of receipts disbursed / committed	Africa Portion of Disbursements / Commitments (US\$ M)	Africa % of cumulative disbursements/ commitments
Activities approved prior to FY03	2.125	2.125	100%	1.144	53%
Activities approved in FY03	1.699	1.668	100%	0.887	60%
Activities approved in FY04	1.807	1.745	97%	1.048	60%
Activities approved in FY05	2.972	2.691	91%	1.607	54%
Activities approved in FY06	1.096	0.785	72%	0.421	67%
Activities approved in FY07	0.979	0.588	60%	0.393	58%
Activities approved in FY08	0.340	0.263	77%	.154	54%
Window account	0.191				
Grand Total	11.179	9.866	88%	5.654	57%

4.3 Actions taken or recommended

4.3.1 Annual strategic review by the poverty reduction sector board

50. In March 2008, \$139,624 of reflows had become available to be assigned to existing projects under the TFESSD poverty window.¹ A request went out to task managers on March 14, 2008, to apply for additional funding for activities that fit within their project proposals and would provide value added. These projects applied for and received the following allocations:

- TF056122 (Impact of Empowerment) from \$200,000 to \$275,000
- TF090809 (Ethiopia Internal Migration) from \$150,000 to \$175,000
- TF053886 (Moving Out of Poverty) from \$460,000 to \$475,000

51. These results were approved by the Trust Fund Committee of the Poverty Reduction Board.

¹ For TF053880 (Integrating Social Dimensions into Poverty Analysis in Africa, TF052913 (East Africa Poverty and Data Analysis Initiative), and TF053878 (Poverty Monitoring Systems).

4.3.2 Extensions, fund reprogramming and cancelled activities

52. Nine projects were granted extensions in this period to complete the analysis or to allow for the completion of dissemination activities. Extensions continue to be requested, and are granted wherever there is a good justification and work is progressing. We do not generally grant extensions beyond a year from the original closing date, but are implementing this "rule" flexibly to make sure that no major opportunities are lost because of it, for example, to support better dissemination of results. The following projects were granted extensions:

- TF052913, East Africa Poverty and Data Analysis Initiative, from June 30, 2007 to January 31, 2008 (seven months);
- TF053878, Poverty Monitoring Systems, from June 30, 2007 to February 29, 2008 (eight months);
- TF053879, Impact Evaluation of Tanzania Social Action Fund 1, from December 31, 2007 to March 31, 2008 (three months);
- TF053880, Integrating Social Dimensions into Poverty Analysis in Africa, from June 30, 2007 to June 30, 2008 (one year);
- TF053886, Moving out of Poverty, from December 31, 2007 to December 31, 2008 (one year);
- TF053900, Nepal: Empowerment and Social Inclusion, from November 30, 2007 to June 30, 2008 (seven months);
- TF055629, Chad Integrated Country Poverty, Gender, and Social Analysis, from June 30, 2007 to June 30, 2008 (one year);
- TF055851, Africa: Economic Empowerment, from September 30, 2007 to December 30, 2007 (four months);
- TF057151, Mauritania Strategic Gender Assessment, from June 30, 2007 to June 30, 2008 (one year),

C. SOCIAL DEVELOPMENT REPORT

1 Summary

1. Activities funded under the Social Development window have generally progressed well over the past year, and provide ongoing support to analytical work, piloting of initiatives, and capacity building in key areas of social development. Results and lessons from the various activities continue to impact Bank-funded programs and client countries, as detailed more fully in Section 2 of this chapter. While much learning and capacity building take place in all activities, efforts are being made to strengthen broader dissemination and sharing of results.

2. The activities are grouped under six broad themes: (a) Community-Driven Development and Local Governance; (b) Social Inclusion and Diversity in Decision-making; (c) Poverty, Social Impact and Empowerment; (d) Innovations for Improved Governance and Social Accountability; (e) Country/ Macro Level Social Analysis; and (f) Global and Regional Social Development Strategies and Initiatives.

3. Approximately half of the active portfolio in the window consists of activities under two themes, namely CDD and Local Governance and Innovations for Improved Governance and Social Accountability, which highlights the continued and growing importance of issues related to community empowerment and demand-side governance within the Bank. This is further reflected in the Bank's Governance and Anti-Corruption (GAC) Strategy approved in March 2007, in which the Bank commits to scale up and mainstream demand for good governance approaches. The GAC implementation plan calls for strengthening demand-side enabling frameworks and capacity by enhancing transparency and information disclosure, civil society capacity and the use of social audit and other accountability tools. Specifically, the plan calls for broad sharing of experience on demand-side activities, so that Bank staff across sectors and regions can make them a larger part of Bank activities. The Social Development group has been named the Bank-wide focal point on this front in recognition of its expertise in this area, some of which was acquired through TFESSD-funded activities.

4. The CDD and Local Governance theme includes nine activities (eight active, one closed). The activities are generally designed to deepen and improve CDD operations, focusing on the use of CDD approaches in conflict contexts, inclusion of women and youth in CDD activities, strengthening links between local governments and communities, and improving monitoring and evaluation systems. Knowledge generated on the use and impacts of CDD approaches in conflict-affected countries, including the involvement of youth, continues to be widely applied by Bank and client teams working on CDD in conflict environments. Work on strengthening local governance-community

interfaces is key to building sustainability of CDD operations and has influenced the design of Bank-financed operations in the Philippines and Nigeria.

5. The Social Inclusion and Diversity in Decision-Making theme has four ongoing activities, focused on the inclusion of vulnerable groups in decision making, including youth and the urban poor. The topic of youth inclusion in development processes is becoming increasingly important in Africa and the Middle East, and results from these activities are starting to have an impact on Bank-funded operations and in borrowing countries (e.g. two new projects in Sierra Leone focusing on sustainable youth employment, and broader studies being done on youth in Morocco and Egypt).

6. There are seven ongoing activities under the Poverty, Social Impact and Empowerment theme, which focus on the social impacts of poverty and promoting empowerment of excluded groups. Analytical work under these activities includes understanding and strengthening the access to justice mechanisms by the poor, advancing social protection goals in Malawi, and reviewing the role of rural institutions and their potential for increasing access of rural poor to markets and public services. These activities are leading to important new lessons for Bank operations and sector strategies—for example, the Malawi social protection status report provided key input into the Social Protection Policy Framework.

7. The Innovations for Improved Governance and Social Accountability theme has eleven ongoing and six closed activities and is an area of increasing importance within the Bank. Activities under this theme focus on strengthening demand-side governance through capacity building of in-country stakeholders at the local level, and the use and dissemination of innovative tools and methodologies such as citizen report cards, community scorecards, and participatory budgeting and expenditure tracking. Impacts from the closed activities can be seen in the completion of several successful pilots in the Africa, South Asia, and Eastern and Central European regions, resulting in improved service delivery and strengthened networks of social accountability practitioners. Ongoing activities are serving to expand and strengthen the use of demand-side governance tools, as well as demonstrate their impacts through the use of rigorous impact assessments.

8. There are four ongoing and two closed activities under the Country/Macro Level Social Analysis theme. The activities consist of upstream analytical work designed to improve the understanding of a country's social context, and how social, political and cultural factors influence the opportunities and constraints to a more equitable, inclusive development and better governance. Key activities include the development of a methodology framework for conducting Country Social Analysis (CSA) based on several CSA pilots, which provide country-specific overviews of key opportunities and constraints to sustainable development from a social development perspective. The CSA pilots are contributing to mainstreaming the use of social analysis as a tool to identify key social issues and foster policy dialogue within the Bank and with country counterparts. Other country level activities include a study in Senegal designed to reduce the

vulnerability of rural populations, and studies in Lao focusing on promoting enabling policies for sustainable development which would benefit vulnerable ethnic minorities.

9. The Global and Regional Social Development Strategies and Initiatives theme covers six ongoing activities, four of which will end this year. The key focus has been on implementing and mainstreaming the global and regional SD Strategies into Bank operations and corporate priorities. Work under the global SD Strategy over the past year has focused on two areas: preparation of a Social Development Index which serves as a global indicator of SD progress, and studying the social dimensions of climate change, which work will expand and deepen under the new trust funds being approved for FY09. A set of three books based on the reports arising out of the Social Policy Conference in Arusha in December 2005 is being finalized, and work in East Asia on Sustainable Development in the Urban Fringe is coming to a close, with a book based on the country case studies expected to be published later this year.

2 Strategic Objectives and Value Added

2.1 TFESSD's Role and Value Added in the Sector

10. As highlighted in detail in the previous annual report, the TFESSD has been instrumental in advancing the Bank's work in the area of social development since the fund was established in December 1999. Social development focuses on empowering people by supporting development that is inclusive, cohesive and accountable. These three operational principles are embedded in the activities funded under the TFESSD, ranging from the development of the Bank-wide and regional Social Development Strategies, to innovative and catalytic research on key priority areas including CDD and social accountability tools, country social analysis, and poverty and social impact assessments, much of which has later been integrated into Bank-financed lending operations, as well as analytical work and country and sector strategies. The TFESSD has also contributed to greater collaboration across the sectors and networks (particularly the Poverty Reduction and Social Funds groups).

11. Climate change is a key priority for the World Bank and one in which a significant amount of learning is required. The TFESSD's support of work on adaptation to climate change is crucial to helping us advance in our study of the social dimensions of climate change. The trust fund supported preparation of background papers for the highly successful workshop on Social Dimensions of Climate Change, held in Washington D.C. March 6-7, 2008. The workshop (supported also by DFID) served as a forum to take stock of knowledge on the social dimensions of climate change, and drew over 100 participants, including government officials, academics, donors, Bank staff and NGOs. Dialogue centered around the implications of climate change on conflict and migration (paper authored by Norwegian experts from the International Peace Research Institute), urban governance and social policy, rural institutions and drylands, indigenous people and gender. Over the coming years, with the support of the TFESSD, the Bank is planning major advances in the global knowledge base and operational practice on the

social aspects of climate change, looking into greater detail at the likely social and economic impacts of potential adaptation and mitigation interventions.

2.2 Impact on the Bank and in Client Countries

12. TFESSD-funded activities continue to support corporate and regional priorities and many of them serve to complement and strengthen ongoing Bank-financed projects and analytical work, while others after completion of TFESSD funding have been sustained by support from bilateral donors or UN agencies. Recent examples of impact on the Bank and in client countries follow.

13. Experience from TFESSD-funded CDD activities has significantly influenced Bank operations and programs. Activities focused on developing appropriate community-based strategies for working in conflict-affected environments have had significant impacts. Results and knowledge building from rapid social assessments have impacted the design of programs in countries such as the Philippines, Sudan, Liberia, and Rwanda. Other examples include Angola where the local government assessment has contributed to the design of the fourth phase of the Angola Social Action Fund project, in which the interface between communities and local government is being strengthened and in-depth analysis will be done on how the local governance environment affects downward accountability. The government of Nigeria has adopted a CDD Harmonization Framework which is being used to streamline and harmonize the CDD processes used in the design of new CDD programs, including two Bank-financed operations.

14. Impacts are also seen on Bank work from the trust fund's support on areas of social inclusion and empowerment. One of the outcomes of the campaign to increase participation of women in CDD programs in East Asia has been the selection of women leaders from desolate areas in Indonesia. In Cambodia, women's participation in politics and development councils has increased and could have a major impact on women's voice in development and resource allocation. The role of youth in development is of growing importance in the Bank and analytical work on youth in the Middle East and North Africa has fed into country-level work, particularly in the West Bank and Gaza and in Morocco. In Senegal, the TFESSD-funded report on street children served as the basis of a joint ILO/UNICEF/ WB report '*Understanding Children's Work*' (available in French) which was disseminated in a joint workshop in December 2007 in Dakar. This has resulted in the joint commitment of government, civil society and the private sector to address the issue of street children, and the establishment of a new non-profit agency 'Partnership to Get Children off the Streets' to work on this issue.

15. As mentioned earlier, demand for good governance approaches feature prominently in the World Bank's Governance and Anticorruption (GAC) Strategy and the Social Development group is leading the effort to scale up work on demand side governance. Social accountability tools (see Box II.5), are widely acknowledged to facilitate demand for good governance and there is growing demand for their use, which has been supported by the TFESSD in a broad range of activities Bank-wide over the past few years.

Box II.5 Social Accountability Tools

Social accountability refers to the broad range of actions or mechanisms beyond voting that citizens can use to hold the state to account, as well as actions on the part of government, civil society, media and others that promote or facilitate these efforts. Examples of social accountability tools include:

Participatory Budgeting – a mechanism that allows citizens direct participation in all phases of the budget cycle, including formulation, decision-making and monitoring of budget execution.

Public Expenditure Tracking – a methodology used to involve civil society in monitoring budget execution by tracking flows of public resources for the provision of public services and goods.

Participatory Performance Monitoring – the involvement of citizens, users of services, or civil society organizations in monitoring and evaluation of service delivery and public works. Three common methods include:

Citizen Report Cards (CRCs) – participatory surveys that solicit user feedback on the performance of public services. CRCs can significantly enhance public accountability through the extensive media coverage and civil society advocacy that accompanies the process.

Social Audit – a process that collects, analyzes and shares publicly in a participatory fashion, information on the resources of an organization.

Community Score Cards – a community-based monitoring tool that is a hybrid of the social audit and citizen report cards techniques. It is an instrument to exact social and public accountability and responsiveness from service providers. By linking service providers to the community, citizens are empowered to provide immediate feedback to service providers.

16. Outcomes from the social accountability activities have been extremely successful. In Uganda, TFESSD-funded citizen report cards were piloted in nine districts to enhance the ability of rural communities to hold primary health care accountable. A year later, both the quality and quantity of the health service provision improved in the treatment communities—average utilization of services was 16 percent higher than in the control communities, the weight of infants increased, and the number of deaths among children under five decreased. This program has been scaled up, and evaluation of the second phase using TFESSD and other donor resources is beginning. Similar results have been generated through the use of community score cards in the health sector in Madagascar, which has led to demand for scaling up the use of social accountability mechanisms to other sectors in the country. In South Asia the social accountability pilots have paved the way for institutionalization of demand-side accountability approaches in several Bank-financed lending operations and resulted in the creation of the South Asia Social Accountability Network (a community of practitioners). In recognition of this success, the task manager of the TFESSD social accountability pilots was recently awarded a World Bank Sustainable Development Network award for the project's innovative approach to governance and anti-corruption. Similarly, in Latin America and Africa, the regional participatory budgeting knowledge and action centers have created

expanded networks and coalitions on participatory budgeting in both regions. They have been influential in building strong linkages with Ministries of Finance, Decentralization, local governments, civil society organizations and development partners, and have promoted the use of participatory budgeting towards improving local governance in national policies and programs in several countries, including Honduras, Ecuador, Rwanda, Uganda and Tanzania.

17. Social analysis at the macro and country-level has served to impact Bank lending and country programs. Results from the analysis of development policies for ethnic minorities in upland areas in Lao PDR are feeding into the design of the Bank-funded Poverty Reduction Fund Project, while the Kenya Country Social Analysis finalized in August 2007 is being incorporated into the Kenya Economic and Social Empowerment Program and is influencing the Bank's strategy for reengagement in the country after the recent political crisis. In Ghana and Sierra Leone, the TFESSD activity sought to strengthen the analytical and institutional capacities of civil society organizations to engage with governments, in order to promote improved governance and service delivery. The findings of the two country studies produced under this activity were widely discussed by stakeholders from government, civil society and other donors, and have contributed to in-country dialogue on governance and anti-corruption (e.g. at the World Bank-organized Development Dialogue Series in Ghana in February 2007). In East Asia, the study on Sustainable Development in the Urban Fringe contributed to the 2008 World Development Report on Agriculture for Development, and the country studies have influenced the design of several Bank-financed operations, including the Vietnam Priority Infrastructure Investment Project and the China Sichuan Urban Development Project.

2.3 Capacity Building, Knowledge Dissemination and Partnerships

18. Local capacity building and knowledge dissemination constitutes a significant part of the activities funded under the TFESSD. Most activities have in-country capacity building seminars and workshops, and partner with local consultants or institutions to implement activities. Final outputs, toolkits, videos, and reports are widely disseminated to stakeholders and other interested Bank and in-country staff and clients through conferences, workshops and brown-bag lunches, including several recent presentations held at the Bank during SDN Week in Feb-March 2008. Examples of noteworthy capacity building efforts and knowledge dissemination events include the following:

- Audio and radio-based learning materials were developed in Guatemala to train local communities on community development councils, participatory planning and participatory budgeting. More than 5,000 participants completed the courses, and over 20,000 people were reached by the radio courses. Other e-learning activities include participatory budgeting courses offered by the Participatory Budgeting Facilities in Latin America and Africa (with the latter also incorporating the course in the Good Governance Radio Waves program).

- A multi-media interactive learning course on ‘Preventing Corruption by Reinventing Local Government: Practical Lessons from La Paz’ was developed to train local government associations in India.
- Networks of social accountability and local governance practitioners have been created in ECA, South Asia, Latin America and Africa regions. Most of these networks have updated websites¹ and many issue regular electronic newsletters, keeping members abreast of current happenings and good practice.
- Workshop on Mobilizing Rural Institutions for Sustainable Livelihood and Equitable Development (Feb. 12, 2007, Washington D.C.) – this event brought together CGIAR centers, Bank staff, academics and practitioners to discuss ongoing support to rural institutions, present the latest research and initiatives in the field, identify gaps in the existing research agenda and propose ways to strengthen linkages between research on rural institutions and development operations.
- Kenya Country Social Analysis dissemination workshop (August 14, 2007, Kenya) – this event was attended by a wide range of government institutions, civil society and the private sector, and received widespread local media coverage.
- Dissemination workshop for the South Asia Social Accountability Initiative (March 13-14, 2007, India) – pilot results were disseminated to over 120 participants from the governments of India, Sri Lanka and Bangladesh, as well as representatives from states and local governments, donor agencies and civil society organizations.
- Workshop on the Social Dimensions of Climate Change (March 5-6, 2008, Washington D.C.) – this event (mentioned earlier in this report) drew over 100 participants and served as a forum to take stock of knowledge on the social dimensions of climate change.

19. Several of the outputs from the activities are available on the Bank internal or external websites, as indicated in the summary highlights of activities under Section 3.

20. Some of the more recent publications include a report on ‘*Youth – An Undervalued Asset: Towards a New Agenda in the Middle East and North Africa*’; a publication on ‘*Institutional Pathways to Equity: Addressing Inequality Traps*’ (copies sent to the donors); five learning notes on social accountability experiences in South Asia (shared electronically with the donors last October and available at <http://info.worldbank.org/etools/bSPAN/PresentationView.asp?PID=2191&EID=983>); five learning notes on the South Asia experience in rural livelihoods; regular electronic newsletters on participatory budgeting in Latin America; the Malawi Social Protection Status Report, and two background papers on climate change and adaptation. Publications expected to be ready later this year include a book based on the reports of East Asia Sustainable Development in the Urban Fringe, a publication on CDD and Conflict, and three more publications under the ‘New Frontiers of Social Policy’ book series.

¹ South Asia Social Accountability Network at <http://sasanet.org>, Participatory Budgeting Centers in Africa and Latin America at <http://www.mdpafrica.org.zw/PB%20Facility.htm>, and <http://www.cigu.org/reforzar.htm>, Association of Local Governance of India at http://www.issin.org/institute-social-science_1.asp?id_lvl_1=21

21. Several of the TFESSD activities have resulted in strengthening of partnerships with bilateral and other donors, as well as mobilization of other donor resources. The participatory budgeting centers in Africa and Latin American are also supported by UNHABITAT, and a regional conference on Participatory Budgeting held in South Africa in March 2008 was co-sponsored by several donors, including UNHABITAT, the Swiss Agency for Development and Cooperation (SDC), and the African Association on Social Accountability, among others. Both regional facilities have established active regional and cross-regional networks on participatory local governance, building strong linkages not only with national and local governments, but also with global development partners such as UNHABITAT, the European Union and other bilateral agencies. Other examples of donor partnerships include the recently held workshop on the Social Dimensions of Climate Change, which was co-sponsored by DFID, while in South Asia, UNICEF, SDC, GTZ and the Ford Foundation have all expressed an interest in social accountability initiatives. In Madagascar, the diagnostic report on mainstreaming hazard risk management and adaptation to climate change led to a grant of \$1.2 million from the Global Facility for Disaster Reduction and Risk Recovery.

3 Summaries of Ongoing and Recently Completed Activities

Community-Driven Development and Local Governance

22. Community Driven Development (CDD) is an integrated and holistic approach to poverty reduction and development. It aims to enable and strengthen mutually supportive and reinforcing processes of community empowerment and participatory local development along with decentralization and capacity building of local governments. CDD frameworks link participation, community management of resources, good governance and decentralization.

3.1 Ongoing Activities

23. **TF054238, SUSTAINABLE CONFLICT RECOVERY: STRENGTHENING CDD APPROACHES (FY05) - \$315,000:** This activity is oriented towards deepening operational support for CDD operations in conflict contexts, catalyzing and learning from more intensive knowledge generation and dissemination, and building institutional relationships with partners. Progress has been highly satisfactory over the past year. Rapid social assessments and knowledge building have been completed in Mindanao (the Philippines), Sudan, Liberia and Rwanda. Broader dissemination of lessons learned was conducted through global CDD quality training courses and other Bank learning events. Results from the activity have informed the design of several Bank-financed projects under implementation in the countries where work has been ongoing, as well as in other conflict and post-conflict settings (e.g., Sudan Community Empowerment Project, Philippines ARMM Social Fund Project, and Sierra Leone GoBiFo Project). Work is

currently ongoing on a CDD and conflict publication which will synthesize the results from these activities for broader dissemination.

24. TF055513, LOCAL GOVERNANCE PLATFORMS: STRENGTHENING LOCAL GOVERNMENT COMMUNITY INTERFACE IN CDD (FY06) - \$300,000: This activity aims to build local governance platforms in Zambia, Angola, and the Philippines, by strengthening learning, capacity, and mechanisms to integrate the CDD approach with local government and social accountability. Work in Zambia has been completed, and is ongoing in Angola and the Philippines. In Angola, the local government assessments have informed the decentralization working group composed of donors and national government representatives, and contributed to the design of the fourth phase of the Angola Social Action Fund project. In the Philippines, studies on the macro- and micro-enabling environments of local governance were completed, which have influenced the sustainability strategy of the Bank-funded KALAHI-CIDSS project and fed into the new harmonized CDD conceptual framework, as well as the local Governance and Anti-Corruption Strategy being developed. Preliminary work from the Philippines was shared at an in-country dissemination workshop in December 2007, and general findings from the activity were shared at the World Bank during SDN Learning Week (March 2008).

25. TF055543, MONITORING CDD IMPACT FOR EAST ASIA CDD FLAGSHIP (FY06) - \$580,000: This activity provides support to the East Asia Vice President's initiative for a regional flagship study on CDD, designed to improve the way the region supports CDD instruments to strengthen formal and informal community institutions and enhance their links to formal local government structures. The first phase of the activity culminated in the preparation of a draft flagship report which was shared with regional staff last year. Follow up impact evaluation data has been collected in the Philippines, and working papers produced, while impact evaluations of CDD operations are underway in Laos, Cambodia, Vietnam and Papua New Guinea. Progress over the past year has been relatively slow due to changes in regional senior management and internal focus on the reorganization into the new Sustainable Development network. However, continued support for the CDD agenda has been expressed by the governments of Vietnam, Indonesia and China, and regional management has recently reaffirmed their interest in using the CDD Flagship analysis to set a regional agenda for these issues.

26. TF055592, PARTICIPATORY MONITORING TO GET RESULTS AND MEASURE IMPACT OF LOCAL DEVELOPMENT (FY06) - \$271,000: This activity aims to increase the Bank's understanding of and experience with local-level participatory monitoring and evaluation (PM&E) in lending operations. Over the past year, the primary focus of this activity has been in Morocco, where there is a nationwide effort to support PM&E as part of a high-profile Bank CDD initiative. Work has also been ongoing in West Bank and Gaza where a new CDD operation has been prepared using PM&E approaches. PM&E support has been provided to the Burkina Faso and Gambia Community-Based Rural Development Projects. A request for support has been received from the Uganda country team and work is expected to begin there over the coming months.

27. **TF055616, NIGERIA HARMONIZATION OF PUBLIC POLICIES AND PROCESSES (FY06) - \$200,000:** The main objective of the grant is to facilitate national and state level policy consensus on CDD in Nigeria, which is strongly aligned with the government's vision and effort to harmonize all programmatic and policy efforts related to decentralization, community empowerment and local government capacity building. Over the reporting period, the CDD harmonization framework, designed to make CDD interventions more effective and efficient has been agreed on and is being used in the design of new interventions, including two Bank-funded CDD operations (CSDP and FADAMA III). Development of a CDD policy note is ongoing – a draft has been prepared and is being revised, and several consultation and consensus building workshops have been held at sub-national levels, and more recently at the federal level to discuss findings from sub-national workshops. This activity also helped support a national conference on CDD in Nigeria which took place in 2007.

28. **TF055766, COMMUNITY ACTION AND LOCAL GOVERNMENT DEVELOPMENT FOR IMPROVING SERVICE DELIVERY (FY06) - \$300,000:** This activity is designed to identify the benefits and constraints of community-initiated projects versus local government-initiated projects, in order to achieve greater satisfaction among poor citizens and improved standards of living for poor and marginalized groups. Over the past year, data has been analyzed from several Bank-funded CDD programs in India, Bangladesh and Nepal. Draft reports on '*Building the Local State in South Asia*', and '*Vertical and Horizontal Governance: Line Agencies and Local Government in South Asia*' are under review. Results from the impact evaluation of the Nepal Poverty Alleviation Fund, indicating the importance of local participation for project success, were disseminated at the Bank during SDN Week in February 2008.

29. **TF057225, RURAL INFRASTRUCTURE AND CDD (FY07) - \$75,000:** The objective of this activity is to produce technical guidance on CDD approaches to rural infrastructure. Lack of basic rural infrastructure services exacerbates rural poverty and inequality, and CDD is considered an important approach to better align rural infrastructure services with articulated demand and make service agencies more responsive. Progress over the past year has been slow due initially to delays in identifying and selecting consultants with appropriate technical expertise, followed by procurement-system issues in hiring the consultants. However, at the end of the reporting period, terms of reference have been finalized and consultants have been hired, and the draft stocktaking and guidance note on CDD and rural transport infrastructure is expected to be completed by mid-year.

30. **TF057237, YOUTH INCLUSION IN CONFLICT AND POST-CONFLICT CONTEXTS – IMPLICATIONS FOR CDD (FY07) - \$200,000:** The objective of this activity, which had progressed well over the past year, is to strengthen capacity to address the challenges of youth inclusion in conflict and post-conflict settings using CDD approaches, through analytical review work and methodology development. To date, youth assessments have been completed in Burundi, Colombia and Kosovo, and are being followed up with capacity building for CDD project staff. The assessment findings have been reflected in the design of several CDD projects (e.g., Burundi Social and Community Development

Project, Kosovo Community Development Fund 3, Sri Lanka Community Development and Livelihood Improvement Project, and West Bank & Gaza CDD Project). The work in Colombia has informed the country assistance strategy discussion and is reflected in the peace pillar. Currently, implementation is ongoing in Sri Lanka and new work has been initiated in West Bank and Gaza. The Colombia study on '*Youth Inclusion in the Peace and Development Project*' has been finalized in Spanish and disseminated within the country.

3.2 Closed Activities

31. **TF054126, CAMPAIGN TO IMPROVE PARTICIPATION OF WOMEN IN CDD PROGRAMS (FY05 - CLOSED) - \$425,000:** This activity was designed to empower women and marginalized groups to participate more fully in development activities by strengthening and deepening their participation in several CDD projects in Indonesia and Cambodia. All activities under the grant were satisfactorily completed, with training and cross-learning sessions held covering financial management, leadership, negotiations, monitoring and political awareness. In Indonesia, approximately 3,000 participants attended training sessions and village discussions, while 6,000 people in Cambodia participated in voter education public forums. The training in Indonesia resulted in more active participation by women in KDP project activities; improved quality of the savings and loans groups due to financial management training; and creation of a women's advocacy network promoting women's issues (domestic violence, women involvement in politics) in three post-conflict areas in Eastern Indonesia. In Cambodia, the focus of activities was aimed at increasing the participation of women in the local political arena, and several voter education public forums took place, together with training of female councilor candidates in public speaking, negotiation and lobbying. Key outcomes of this activity have been the selection of women leaders from desolate areas in Indonesia, and increased participation of women in politics and development councils in Cambodia (from 8.5% in 2002 to 15% in 2007), which could have a major impact on women's voice in development and resource allocation.

Social Inclusion and Diversity in Decision-making

32. The activities discussed below aim at developing diversity and inclusiveness in the decision-making process and mainstreaming or providing catalytic learning that can feed into operations and Bank strategies in their respective regions.

Ongoing Activities

33. **TF055615, YOUTH INCLUSION AND DEVELOPMENT IN THE MIDDLE EAST AND NORTH AFRICA (MNA) REGION (FY06) - \$180,000:** The objective of this activity is to develop and disseminate a regional policy note and advocacy tool on youth inclusion and

development in the MNA region. The regional policy note titled '*Youth – An Undervalued Asset: Towards a New Agenda in the Middle East and North Africa*' was finalized in September 2007, and is being translated into French and Arabic in preparation for a series of dissemination events planned in the region for the summer of 2008. The report indicates that youth are becoming an increasing priority for the MNA countries and assesses the case for making investment in youth a priority for the region, while looking at the potential role of the World Bank. The report was disseminated at the Bank and will be shared in May 2008 at a UNICEF event on National Youth Policies in MNA. The policy note also served to provide the analytic underpinnings to two studies being done on youth in Morocco and Egypt.

34. TF055754, YOUTH AND DEVELOPMENT IN CONFLICT-AFFECTED COUNTRIES (FY06) - \$200,000: The objective of this activity is to build capacity to address youth development issues in conflict-affected countries through analytical work and an action research learning program in Sierra Leone, Rwanda and Burundi. Over the past year, a review and analysis of ongoing youth programs and policies, as well as youth development issues, was completed in Burundi and Rwanda, and quantitative data collection began in both countries. Dissemination of the Sierra Leone report on Youth and Employment (finalized earlier) took place through in-country workshops. Capacity building events have been held in all countries focusing on government officials, donors and NGOs. Results from the Sierra Leone study have served as input into two new Bank operations to promote sustainable youth employment, while the outputs from the Burundi and Rwanda studies are expected to feed into new Country Assistance Strategies for both countries.

35. TF057212, YOUTH EXCLUSION, GENDER, AND VIOLENCE IN BURUNDI & RWANDA (FY07) - \$50,000: The objective of this activity is to increase social and economic inclusion of poor youth from a gender perspective, thereby reducing the risk of conflict in Rwanda and Burundi. Over the past year, reports analyzing youth development issues in Burundi and Rwanda were completed (co-financed by TF055754 as well as other donor resources). Discussions with the governments of Rwanda and Burundi on youth sensitive issues are ongoing, and local capacity building and knowledge sharing workshops are planned.

36. TF057213, SOCIAL INCLUSION IN THE TRANSPORT SECTOR (FY07) - \$300,000: This activity was designed to support project operations, analytical work and capacity building activities for promoting more inclusive approaches in transport investments and policies in Africa. Over the past year, the Bank-wide review of social inclusion in transport was completed, followed by DHS/GIS data collection on transport and social analysis in Lesotho and Ethiopia. Reports have been prepared which will be disseminated at the next meeting of the Sub-Saharan Africa Transport Policy Program and other capacity building venues. However, due to severe client capacity constraints in the road construction industry in Africa, particularly in Ethiopia and Ghana, the TTL has noted that it is unlikely that this activity will make further progress, and has recommended that it be closed.

37. **TF090744, REGIONAL INTEGRATION OF SOCIAL INCLUSION IN INFRASTRUCTURE (FY08) - \$100,000:** The objective of this activity is to influence urban water sector programs and reforms to take social context into account in peri-urban and slum areas. To date, a stocktaking assessment of the current status of peri-urban/slum and informal water sector provision in more than 20 countries has been completed. This report is being used as an input into the regional flagship on infrastructure, and has been shared with the Burundi country team working on a water project. A consultant has been identified for the second phase of the activity, which will carry out detailed country case studies on how social issues affect water pricing and access in informal urban areas.

CLOSED ACTIVITIES

38. **TF052915, INDIA LOCAL GOVERNANCE AND EMPOWERMENT (FY04 - CLOSED) - \$440,000:** The objective of this activity was to establish a mechanism between local, central and state level government in India, designed to enhance local government negotiating power in the context of decentralization and civic participation, thereby fostering improved service delivery and implementation of poverty alleviation strategies at the local level. The program resulted in the creation of local governance associations throughout India, covering 28 states and seven Union territories, which were consolidated in December 2006 into a national entity, The Association of Local Governance of India (http://www.issin.org/institute-social-science_1.asp?id_lvl_1=21). Eleven training-of-trainer workshops were conducted for over 450 local government representatives, who went on to serve as trainers in several capacity building activities for the local governance associations. Training workshops were designed to build understanding of local governance processes and encourage drafting of reform initiatives in their municipalities. As a result of the workshops and meetings, a core team of local government leaders has been formed in most states, resulting in the creation of a network of expert practitioners who are members of the Association of Local Governance and who help replicate the knowledge and lessons learned in their own constituencies. Several training materials were produced, including a multi-media interactive course titled '*Preventing Corruption by Reinventing Local Government: Practical Lessons from La Paz*' which was launched at a three-day international conference on governance in New Delhi in December 2007. The course will be used by the local program partner, The Institute of Social Sciences, to organize and train local governance associations throughout India, and is available on the Bank's website at http://info.worldbank.org/etools/docs/Preventing_Corruption_web/index.htm.

39. **TF053796, COMMUNITY EMPOWERMENT AND SOCIAL ACCOUNTABILITY IN UGANDA'S HEALTH SECTOR (FY05 - CLOSED) - \$400,000:** The objective of this activity was to enhance community empowerment and strengthen accountability in Uganda's health sector by increasing accountability between service providers and users of services. The first phase of this activity, namely assessing the impact of the use of citizen report cards on the quality of health service delivery, was successfully implemented in nine districts of Uganda and reached approximately 55,000 households. Results from the impact evaluation, which indicated improvements in the majority of health centers in the survey, were shared with the Ministry of Health and were broadly disseminated and

discussed in Uganda and within the World Bank, where they have contributed to increased recognition that demand-side efforts to improve good governance are immensely valuable. The second phase of the activity is designed to test and evaluate the impact of deepening citizen participation in the planning, implementation, monitoring and evaluation of the quality of health services. Preliminary work on the second phase began under this trust fund and is continuing with other resources, including some from other TFESSD activities supporting evaluations of local governance activities.

40. TF053870, CAPACITY BUILDING AND PILOTING OF SOCIAL ACCOUNTABILITY INITIATIVES FOR CDD IN SOUTH ASIA (FY05 - CLOSED) - \$385,000: This activity, which was designed to improve governance and accountability and enhance community empowerment in South Asia through knowledge, application, and scaling up of innovative social accountability mechanisms at the local level, has been highly satisfactory. Six pilots focusing on social accountability mechanisms (citizen report cards, community scorecards, social audits, participatory expenditure tracking) were successfully completed in India and Sri Lanka, three within the context of Bank-funded projects, three in various local contexts working with local resource organizations. The pilots have resulted in the creation of a community of social accountability practitioners and the formation of five sub-regional centers of excellence on social accountability mechanisms in South Asia. Results of the pilots were discussed at a regional workshop held in March 2007 in Hyderabad, India, attended by national, state and local government officials, donor agencies and civil society organizations. Five case studies, a synthesis note distilling lessons from the activity, and a brief documentary have been published and widely disseminated, including a well-attended Bank seminar in October 2007. The proceedings of the seminar, relevant case studies and literature can be found at <http://info.worldbank.org/etools/bSPAN/PresentationView.asp?PID=2191&EID=983>. Further information on the South Asia social accountability initiatives is available at www.sasanet.org. This initiative has paved the way for institutionalization of demand-side accountability approaches in World Bank operations, and interest in similar activities has been expressed by other South Asian countries (Sri Lanka, Bangladesh, Nepal), as well as other donors (UNICEF, SDC, GTZ, Ford Foundation).

41. TF053787, STRENGTHENING BOTTOM-UP LOCAL GOVERNANCE IN GEORGIA AND MOLDOVA (FY05 - CLOSED) - \$300,000: The objective of this activity was to test mechanisms to improve citizen-government dialogue in Georgia and Moldova, with a view to enhancing government accountability and performance in service delivery, and enabling citizen inclusion and participation in sub-national government decision making. This activity was satisfactorily completed in both countries. In Georgia, a bottom-up regional strategic development planning process was used to prepare the Regional Economic and Social Development Plan, which was finalized and approved. A follow-up project, *'Peace Building in Conflict Affected Countries through Inclusive Regional Economic Development'* was approved under the Post-Conflict Fund in November 2007. In Moldova, the major output of this activity was a report on bottom-up governance and service delivery which was widely disseminated in-country to government officials, donor agencies and other stakeholders. This report has informed the development of the

Economic Growth and Poverty Reduction Strategy Paper, the first officially approved strategic government program document.

42. **TF053891, GUATEMALA CAPACITY FOR INCLUSIVE GOVERNANCE (FY05 - CLOSED) - \$400,000:** This activity was designed to support the central and departmental levels of government to improve the fiscal, legal and authorizing environments for decentralization, and to strengthen the capacity of municipalities and community organizations, many of them in indigenous areas, to engage in planning, implementing, monitoring and evaluating local development programs. Implementation of the grant was very successful, and focused on development of radio and audio-based learning materials designed to build local capacity and train local communities on three topics: community development councils, participatory planning, and participatory budgeting. More than 5,000 participants, including community leaders, students, municipal officials and others, completed the course and received certificates from the Guatemala Institute for Radio Education. Additionally, it is estimated that well over 20,000 people were able to listen to the radio courses. The government has expressed great interest in continuing and expanding the coverage of the program. This activity has also fed into the design of capacity building components in two Bank-funded projects, and influenced the design of radio learning programs in Eastern and Southern Africa. Relevant material is available at <http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/CMUDLP/0,,menuPK:461777~pagePK:64157846~piPK:64156226~theSitePK:461754,00.html>.

43. **TF055773, STRENGTHENING GOVERNMENT CAPACITY FOR LOCAL GOVERNANCE IN ECA (FY06 - CLOSED) - \$110,000:** The objectives of this activity were to strengthen local institutional capacity and create a sustainable approach for strengthening local governance and social accountability on a demand driven basis in the ECA region. This activity was successfully completed, with a detailed stocktaking of social accountability initiatives completed in three sub-regions (Central Asia, the Caucasus, and Western Balkans) and selected OECD countries. The results were shared at a regional workshop in Sarajevo in March 2007, attended by approximately 80 participants including local government and civil leaders from Bosnia and Herzegovina, donor representatives and regional participants from the three sub-regions and OECD area. Related documents including the final report can be found at <http://go.worldbank.org/OILBVYHBM0>. The stocktaking and workshop led to the creation of a network of practitioners in the region to enable cross-country sharing and learning.

Poverty, Social Impact, and Empowerment

44. This cluster of activities deals with poverty and social impacts and empowerment. Much of this work is innovative and is likely to lead to important new lessons for Bank operations and sector strategies.

45. **TF055505, MALAWI - BUILDING RESILIENT COMMUNITIES THROUGH EMPOWERMENT, SOCIAL PROTECTION AND RISK MANAGEMENT (FY06) - \$600,000:** This country-level activity is designed to build analytic, procedural and technical capacity

of various line ministries in Malawi at the national and local levels. The activity has three distinct sub-components: (a) to advance social protection goals and develop a harmonized framework and coherent national social protection program; ((b) to effectively manage risks related to agriculture and food security through support for a warehouse receipt system, review systems of contract farming, and development of a new input/ fertilizer policy; and (c) to build knowledge and create capacity for decentralization and local empowerment. Progress over the reporting period has been highly satisfactory. A social protection (SP) status report was prepared and submitted to the government in November 2007. The report was disseminated through four workshops while under preparation, with participants including central and local government officials, parliamentarians and civil society, and has provided key input into the preparation of a SP policy framework and a draft SP policy. Progress on the second component includes preparation of an operational plan for the establishment of a warehouse receipts system, drafted under the leadership of a national task force on warehouse receipts. The National Traders and Processor Association will follow up on this initiative with a training program for warehouse operators and traders. A review of the legal and institutional arrangements in the tobacco sector is ongoing, the results of which will feed into a national policy paper on contracting in the agricultural sector. Several reports on decentralization and local empowerment were prepared over the past year which were synthesized into a final report '*Decentralization and Social Service Delivery in Malawi*' expected to be completed in March 2008. Recommendations on how to harmonize the CDD approach and decentralization in Malawi have informed the design process of the decentralization aspects of the third Bank-funded Malawi Social Action Fund program.

46. TF057189, SUPPORTING ACCESSIBLE JUSTICE SYSTEMS IN POST-CONFLICT COUNTRIES (FY07) - \$250,000: The overall objective of this grant is to study access to the multiple layers of justice mechanisms in post-conflict countries, with a view to informing and improving pro-poor justice initiatives and related operational activities. Work is ongoing in East Timor and Sierra Leone. An institutional analysis is nearing completion in Sierra Leone, and field research is expected to begin in March 2008. Meanwhile, the program has developed relationships with existing Bank programs in the mineral sector to ensure that research results feed into operational activities. In East Timor, a nationally representative survey on justice is underway, and an analysis of survey results is expected to be released soon.

47. TF057310, AZERBAIJAN RURAL MOBILITY AND LIVELIHOOD OPPORTUNITIES (FY07) - \$100,000: The objectives of this activity are threefold: (a) to identify socio-economic factors that will help maximize the impact of road transport projects to improve access to livelihood opportunities and reduce barriers to inclusion; (b) to develop a toolkit for equitable road network distribution which supplements economic models of road project assessment; and (c) to build the capacity of the government of Azerbaijan to reduce unequal access to livelihood opportunities and barriers to social inclusion. Progress has been very satisfactory over the past year, with completion of a study in November 2007 on the current framework for local roads management. The report assessed how local roads rehabilitation and maintenance are prioritized and financed, and has been shared with the Road Administration. Discussions are ongoing on how to

include the report's recommendations in the Bank-funded Highway 2 Project (Additional Financing) that is currently under preparation.

48. **TF057347, MOBILIZING RURAL INSTITUTIONS (FY07) - \$600,000:** This activity is designed to help client countries overcome spatially-induced exclusion in livelihoods through adaptation of and partnerships with rural institutions. Rural institutions under review in this activity include informal community-based organizational structures, institutional rules and practices at the local level, as well as formal organizations and rules sponsored by development projects to link rural populations with public and market services. Much progress has been made over the past year. A workshop was held at the World Bank in February 2007 to distill key findings on rural institutions (see <http://worldbank.org/mobilizinginstitutions>). In-depth analytical work on rural institutions was completed in December 2007 in five countries (Yemen, Ethiopia, Afghanistan, India and Vietnam) and final drafts submitted for review in February 2008. The reports will be finalized by end-March 2008 and shared at workshops in Ethiopia (April 2008), and Washington D.C. (summer 2008). Work by the International Food Policy Research Institute (IFPRI) to develop a benchmarking tool for guiding investment in sustainable agricultural innovation systems, to be piloted in Vietnam and Ethiopia is ongoing. IFPRI's introductory paper on the innovation system indicators is currently under review and secondary data collection was completed in January 2008 in both pilot countries. Additionally, a stocktaking study on Rural Institutions and Adaptation to Climate Change was presented at the previously mentioned Conference on the Social Dimensions of Climate Change, held in Washington D.C. March 5-6, 2008.

49. **TF057423, STRENGTHENING THE IMPACT OF THE AFRICA REGION'S GENDER AND LAW PROGRAM (FY07) - \$200,000:** The objectives of this activity are to enhance the impact of the Gender and Law program in selected African countries, focusing in particular on gender-inclusive reform and access to justice, and to build local capacity in this area. Implementation of this activity started slowly due to the retirement of the original task manager early last year, and the search for a new regional gender coordinator, who has now been hired. The pace of implementation has picked up over the past six months, and a concept note for the stocktaking exercise is being drafted. Additionally, work has begun on review of impact evaluations indicators in gender and law projects, which will contribute to the design of an impact evaluation framework.

50. **TF090810, LIVELIHOODS ACTION LEARNING FUND (FY08), \$250,000:** This activity is designed to enable action-oriented learning among multi-country stakeholder from grassroots to national level that promotes access to inclusive growth and livelihoods development opportunities in South Asia. Progress over the past year has been highly satisfactory. Five learning notes on South Asian experiences in livelihoods programs have been published and disseminated, while five additional notes will be published by end-June 2008 (links to the individual learning notes on the Bank's publications website have been circulated separately to the donors). Dissemination activities included a cross-regional workshop on '*Making Markets Work for the Poor*' held in Sri Lanka from Jan. 30-Feb. 1, 2008, as well as a Bank workshop during SDN week in February 2008. The first round of the mentoring fund for south-south exchange was awarded to a team from

Afghanistan to enable them to visit the Andhra Pradesh Rural Poverty Reduction project in India. The study tour, which took place in early February 2008, was very successful, and participants noted several aspects of the India project which would be applicable to their projects in Afghanistan. The reports and other information on this topic are currently available on the Bank's internal website, with plans to link to the external website over the coming months.

51. TF091110, STRENGTHENING CITIZEN THROUGH UPGRADING INFORMAL SETTLEMENTS (FY08), \$1.5 MILLION: The objective of this activity is to develop a participatory approach to slum upgrading based on integrated analysis of the physical, social and environmental contexts. The work will take place in eight countries – Angola, Kenya, Nigeria, Tanzania, Colombia, Egypt, India and Vietnam. Over the past half year, background papers were prepared for all countries, and dialogue has been initiated with all eight country teams. A draft concept note has been prepared and reviewed, which will be used by the teams to develop country-specific participatory approaches to slum upgrading. Preparatory work has already been launched by the India, Nigeria and Angola country teams and implementation activities are expected to start soon.

Innovations for Improved Governance and Social Accountability

52. Tools, instruments, and methodologies for improved governance and social accountability in the public sector feature prominently in the demand for good governance approach in the Bank's Governance and Anti-Corruption Strategy approved in March 2007. Some of the social accountability tools, described more fully in Section 2, include participatory budgeting, public expenditure tracking, citizen report cards, community score cards and social audits. This group of activities includes several of these innovative tools and methodologies, which have a strong focus on building capacity of in-country stakeholders.

53. TF053889, PARTICIPATORY BUDGETING KNOWLEDGE & ACTION SUPPORT CENTERS (FY05) - \$450,000: This activity is designed to support improved governance in Latin America and Africa by means of strengthening capacity in the area of participatory budgeting, through the support of two Participatory Budgeting (PB) Knowledge and Action Support Centers located in the regions. Over the past year, new knowledge products were developed in Latin America and new partnership agreements were established with the newly created Brazilian PB Network. Knowledge dissemination continued in the region, with eight issues of the e-bulletin distributed widely to more than 2,000 subscribers. The first two levels of the e-learning courses are fully operative on the facility website, and an advanced level course is currently being developed. In Africa, the level one e-learning course is fully operational on the facility website and has been distributed to all regional MDPEA partners. Preparations were underway for the Africa Regional PB Workshop and Peer-to-Peer learning scheduled to take place in Durban, South Africa in March 2008. Additionally, a region-wide stocktaking showing ongoing work in several African countries is on the website. While this activity will be closing in June 2008, both facilities are expected to continue their

activities with their own funds and other resources expected to be raised. They are also expected to link with global and regional programs under the DGF-financed Affiliated Network for Social Accountability (ANSA), managed by the World Bank Institute. Further information can be found on the centers' websites: <http://www.mdpafrica.org.zw/PB%20Facility.htm> and <http://www.cigu.org/reforzar.html>.

54. TF055593, ANDEAN SOCIAL ACCOUNTABILITY INITIATIVE (FY06) - \$280,000:

This activity provides support to the decentralization process by improving citizen participation, government transparency, and quality of service delivery at the sub-national level in the Andean region. A stocktaking of social accountability initiatives in Ecuador and Peru has been finalized and disseminated, and the participatory budgeting pilot that was earlier successfully completed in the province of Chimborazo in Ecuador was selected as a good example for presentation at the Africa Regional Participatory Budgeting Workshop mentioned in the previous paragraph. The participatory budgeting initiative in Chimborazo served to empower the indigenous peoples who live primarily in rural areas by building their capacity and bringing them into the budgeting process. This has contributed to more equitable distribution of resources between the urban provincial capital and the other nine municipalities (including the rural areas which were previously under-served). It has also resulted in increased levels of investment going towards the social, productive and environmental sectors. As a result of the initiative, the Provincial Council issued a decree to institutionalize the methodology used. The activity is now focused on preparing a dissemination report and organizing an international seminar in Ecuador to share the results.

55. TF055743, STRENGTHENING SOCIAL ACCOUNTABILITY FOR DELIVERY OF PUBLIC SERVICES AND INCLUSIVE GOVERNANCE IN THE CARIBBEAN AND CENTRAL AMERICA (FY06) - \$195,000:

This activity is designed to strengthen the demand and supply side of social accountability and inclusive governance in Haiti, the Dominican Republic and Nicaragua, by strengthening the legal frameworks for access to public information and supporting capacity building of all stakeholders. The activity has satisfactorily implemented in the Dominican Republic and Nicaragua, where all planned activities on strengthening social accountability were completed, and workshops held to increase awareness and access to public information. However, despite several attempts, progress has stalled in Haiti due to political instability and lack of institutional capacity. The activity will therefore intensify its focus in Nicaragua with further activities designed to promote monitoring of public budgets and access to public information.

56. TF055744, MADAGASCAR COMMUNITY POVERTY MONITORING AND ANALYSIS (FY06) - \$550,000:

The objectives of this activity are: (i) to provide an avenue for local communities to participate in the monitoring and evaluation of PRSP and PRSC interventions, and (ii) to obtain an improved understanding of poverty and environment linkages in Madagascar, and identification of vulnerable regions in the country. Based on the demonstrated progress of the first component a year ago, and increased demand from other sectors, the SD Sector Board approved a reallocation of an additional \$150,000 to this activity in April 2007 to support scaling up. Progress continues to be satisfactory, with the first two phases of the health sector pilots completed and expanded to three

regions. Pilot results, indicating measurable improvements in user satisfaction with health care service delivery, have been written up and disseminated at several in-country events over the past year. Capacity building and knowledge dissemination has been ongoing, with a core group of 140 people trained on community score-card methods. A series of country-to-country video exchanges focusing on social accountability experiences in Latin America and elsewhere were organized and a national social accountability conference held in Madagascar in early Feb., 2008. The second component of this activity, which aims to help the country identify historical and future trends from climate events which have had a significant impact on overall levels of poverty and vulnerability, has been completed. A diagnostic report on mainstreaming hazard risk management and adaptation to climate change was finalized, and in June 2007 the Prime Minister and a multi-stakeholder committee endorsed a country report on Madagascar's capacity for disaster risk management. These activities have led to high level support for improving the status of disaster risk management in Madagascar, leading to a grant of \$1.2 million from the Global Facility for Disaster Reduction and Recovery for Madagascar. This is a good example of how TFESSD support has been catalytic in mobilizing further support.

57. TF057191, COUNTRY TO COUNTRY TECHNICAL ALLIANCE ON SOCIAL ACCOUNTABILITY (FY07) - \$200,000: This activity focuses on strengthening capacities in social accountability techniques of poor communities in three countries (Mozambique, Kenya, and South Africa) in order to improve basic service delivery. In Mozambique, the activity supported the use of citizen report cards to conduct a poverty mapping exercise and assess the effectiveness of municipal service delivery in Maputo City. The success of this initiative led to the inclusion of citizen report cards in the Bank-funded Maputo Municipal Development Project. Progress in Kenya, on the other hand, has been slow over the past year due to delays initially because of procurement issues, and later from lack of action by a key local government counterpart. The Kenya delays have impacted implementation of the overall activity as the work in the three countries is designed to be supportive and interrelated.

58. TF057340, ALLIANCE FOR DEMAND SIDE GOVERNANCE FOR SOCIAL ACCOUNTABILITY IN SOUTH ASIA (FY07) - \$250,000: This activity aims at broadening the context and depth of demand-side governance in CDD, decentralization and local government reform projects at the state level and in basic infrastructure projects such as water, sanitation, markets, waste disposal, and health care, in South Asia (Bangladesh, Sri Lanka and India). It builds on TF053870 which closed in July 2007, under which six pilot activities in India and Sri Lanka were completed. Over the past year, work began in four sub-projects in India, focused on piloting demand-side governance activities. Capacity building has continued to be a strong focus with workshops held for sub-regional centers, as well as training-of-trainer sessions in Sri Lanka and Bangladesh (see sasanet.org/jsp/Home.jsp). The World Bank Institute is currently partnering with various regional institutions to develop Social Accountability curricula, which will be used for designing social accountability clinics for task teams and partners. The work under this activity was recognized at the Bank when the task manager received the Sustainable Development Network Governance and Anti-Corruption Award in Feb. 2008, for innovative approaches to governance and anti-corruption at the sector level.

59. **TF090248, LOCAL GOVERNANCE IN SUB-SAHARAN AFRICA (FY08) - \$300,000:** This activity aims at strengthening accountability, transparency and participation in local decision-making processes in Guinea, Rwanda and Burkina Faso, thereby improving local governance and targeting of service delivery. Implementation of the first component of this activity has recently begun, designed to identify and examine good governance practice by local governments focused on planning, budgeting, service delivery, procurement and monitoring and evaluation. Informal advisory committees, consisting of representatives from national and local governments, academia and civil society, have provided input into the terms of reference and calls for proposals which have recently been issued for selection of local research institutions to conduct fieldwork.

60. **TF090255, IMPACT EVALUATION OF LOCAL DEVELOPMENT AND GOVERNANCE (FY08) - \$700,000:** The objective of this activity is to complete a robust set of six rigorous evaluations of local development projects in Tanzania, Burkina Faso, Gambia, Serbia, Pakistan and India, and produce a policy research report that will serve as an evidence base for policy makers. The design of impact evaluations has been completed for all countries, and baseline data collection is underway in Tanzania, while preparations for baseline data collection are underway in India, Gambia and Pakistan. Implementation of activities in Burkina Faso and Serbia will begin in FY09.

61. **TF090592, PROMOTING EFFECTIVE LOCAL GOVERNANCE IN MNA – STRENGTHENING ACCOUNTABILITY (FY08) - \$275,000:** This activity aims at strengthening downward accountability in the design of World Bank-funded projects and country assistance strategies in Egypt, Morocco and Yemen, in order to strengthen local decision-making processes. Activities over the past few months have focused on identifying key stakeholders within the Bank and client countries working on governance and service delivery issues and an informal advisory committee has been created to provide input into the activity process. A draft concept note has been prepared and reviewed, and work has begun on a stocktaking study on the local governance context and accountability mechanisms in the three countries.

62. **TF090743, BUILDING DEMAND-SIDE GOVERNANCE BY THE POOR (FY08) - \$150,000:** The objective of this activity is to strengthen demand-side governance and build capacity of poor and vulnerable groups in selected African countries to demand improved quality of basic services. This activity was originally planned for Nigeria, Ethiopia and Kenya, but due to post-election unrest in Kenya, and lack of Bank resources for Nigeria, country focus has been changed to Senegal and Ethiopia. Implementation of activities has begun in Senegal, where citizen report cards will be administered in coastal communities to generate baseline data on access to basic local services. In Ethiopia, consultative report card methodologies will be used in an urban area to support the Bank-funded Protection of Basic Services project.

63. **TF090758, SOCIAL ACCOUNTABILITY IN URBAN WATER SUPPLY (FY08) - \$400,000:** This activity aims at improving service delivery at the local government level, through the use of social accountability instruments in the urban and water and sanitation

sectors. Work will be undertaken in Kenya, the Philippines, Ghana and Uganda. Activities will focus on (a) stocktaking of existing social accountability initiatives in these sectors; (b) implementation of social accountability impact assessments and pilots in selected countries; (c) development of operational tools and learning activities; and (d) client learning and cross-regional knowledge sharing. Implementation has been slightly delayed due to a recent change in task management, but work is about to begin on the stocktaking and social accountability impact assessments and pilots in all four countries.

Country/Macro Level Social Analysis

64. Country/macro level social analysis promotes analytical and diagnostic work on the broader systemic issues arising at the regional, country, or sub-national levels from the underlying social, political, institutional and historical context. The upstream analyses supported under this group of activities provide inputs into poverty reduction or country assistance strategies, as well as policy formulation and sector strategies.

Ongoing Activities

65. **TF055507, INTEGRATED COUNTRY SOCIAL ANALYSIS (FY06) - \$600,000:** This activity aims to consolidate the use of Country Social Analysis (CSA) as an instrument to mainstream social development issues into macro-policy dialogue by better informing and analyzing the impact of social factors and processes that shape development outcomes. It also seeks to enhance and test statistical indicators to inform the analysis and monitor progress of social development in the areas of inclusion, accountability and cohesion. Over the past year, the CSA framework has been refined, and new pilots have been supported in Niger Delta, Ivory Coast and Cape Verde, which include the integration of conflict, poverty and governance. This work is contributing to mainstreaming the use of social analysis as a tool to identify key social issues and foster policy dialogue within the Bank and with country counterparts. Work on Social Development Indicators (also funded under the SD Strategy trust fund) has proceeded satisfactorily and a set of indicators has been tested. Some of the CSAs prepared with support from this activity can be found on the Bank's external website at <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEV/0,,contentMDK:21154469~pagePK:64168445~piPK:64168309~theSitePK:3177395,00.html>.

66. **TF055631, SOCIAL ANALYSIS AND PARTICIPATION IN DEVELOPMENT POLICY LENDING (FY06) - \$400,000:** The objective of this activity is to enrich and operationalize the good practice notes on participation and PSIA for Development Policy Lending (DPL). The Sector Board approved the restructuring of this activity last year, after the retirement of the original task manager led to delays in activity implementation. The work is now being managed jointly by the Africa and Latin American regions and the implementation pace has picked up. A new concept note has been prepared for the overall activity and concept notes are being finalized for the Malawi and Madagascar pilots. Implementation of the Peru pilot is about to begin. Progress has been made on knowledge

sharing and learning, with several cross-regional video conferences organized last year, bringing together practitioners from client countries in the two regions. Additionally, a brief report highlighting the main findings of the participatory budgeting experience in Porto Alegre, and a summary note on operationalizing social accountability in DPLs have been prepared.

67. TF057064, LAO PDR – ANALYSIS OF DEVELOPMENT POLICIES FOR ETHNIC MINORITIES IN UPLAND AREAS (FY07) - \$175,000: This activity aims at promoting an enabling policy and institutional environment for inclusive and environmentally sustainable development which would benefit vulnerable ethnic communities in upland areas. Three studies have been drafted, namely a poverty and social impact assessment on the impact of public expenditures on ethnic minorities and women; an evaluation of the poverty reduction fund; and an upland agriculture study. Two additional studies on vulnerability, and local governance and inclusion are ongoing. These outputs are feeding into the design of the Bank-funded Poverty Reduction Fund Additional Financing Project, and are expected to feed into other programs as well.

68. TF057135, SENEGAL – BRINGING VULNERABILITY INTO POLICY FOCUS (FY07) - \$500,000: This activity aims at identifying ex-ante measures to reduce the vulnerability of rural populations, with special attention to the groundnut cropping areas of Senegal. Activities are clustered around (i) stabilizing rural livelihoods in the Groundnut Basin; and (ii) vulnerable rural youth and children. Progress over the reporting period has been highly satisfactory with four reports being implemented, some at completion stage. The report on street children served as the basis for a joint ILO/UNICEF/WB initiative for child work and was completed and disseminated at a December 2007 joint-donor workshop in Dakar. This has resulted in the joint commitment of government, civil society and the private sector to address the issue of street children, and the establishment of a new non-profit agency ‘Partnership to Get Children off the Streets’ to work on this issue. Meanwhile, early results from the study on agricultural insurance have generated high interest from the government and private sector (insurance companies and producers’ organizations) in the context of drought and high food prices. A draft report on non-farm employment is currently being reviewed and expected to be finalized by June 2008, while the study on school dropouts is under implementation.

69. TF057280, COUNTRY SOCIAL ANALYSIS, EXTREME POVERTY AND GOVERNANCE (FY07) - \$200,000. This activity aims to further develop country social analysis to better address extreme poverty and local governance issues by focusing on African countries. Over the reporting period, country social analyses, which consider how effectively citizens and internal stakeholders have engaged the political process, were completed for Madagascar, Ivory Coast and Senegal. Insights and findings from the CSAs have helped inform poverty reduction strategies in the countries. Capacity building training was conducted in the three countries, to help in-country counterparts strengthen their capacity to conduct CSAs. Coordination with the Poverty Reduction Group at the Bank has facilitated the inclusion of political and governance related issues in the CSA framework and increased the impact of the studies.

Closed Activities

70. **TF053857, PARTICIPATORY COUNTRY ASSESSMENTS FOR CIVIC ENGAGEMENT IN GHANA AND SIERRA LEONE (FY05 - CLOSED) - \$250,000:** This activity aimed to strengthen the analytical and institutional capacity of civil society organizations to engage with governments and other development actors in achieving more inclusive governance and better service delivery in Ghana and Sierra Leone. Implementation of the activity was led by CIVICUS (a major civil society international network), and country assessments for Ghana and Sierra Leone were finalized and the results discussed with and disseminated to in-country stakeholders, including civil society organizations, government officials and the media. Summary reports of the assessments were included in the CIVICUS Global Survey of the State of Civil Society (Vol. 2), a comprehensive book exploring civil society accountability, relationship to the state and corporate sector, role in governance and development and enabling environment, among other issues. The Ghana study has contributed substantially to the emergence and development of operational initiatives in the country, and both Sierra Leone and Ghana country teams plan to use the studies to inform national dialogue on governance and anti-corruption issues.

71. **TF053968, KENYA COUNTRY SOCIAL ANALYSIS (FY05 - CLOSED) - \$150,000:** The objective of this activity was to map the key social development challenges facing contemporary Kenya, and define their policy and operational implications. The country social analysis report, which brought together a range of issues highlighting the importance of social exclusion and its links to violence and other social issues, was finalized and disseminated at an in-country workshop in August 2007. Participants included a wide range of government institutions, including the Kenya National Economic and Social Council, civil society and the private sector. Press coverage was wide and a range of stakeholders in Kenya and externally has taken interest in the work, particularly in the aftermath of the political violence of recent months. The insights and findings of the CSA will be incorporated into the Kenya Economic and Social Empowerment program (focusing on community-based policing, gender violence and alcohol abuse) and are influencing the Bank's strategy for re-engagement after the political crisis.

Global and Regional Social Development Strategies and Initiatives

72. Following up on earlier TFESSD support to SD Strategy development, The Social Development Anchor and the regional SD teams have continued to implement the global SD and regional strategies into Bank operations and corporate priorities. This cluster also includes other initiatives to mainstream social development into country and regional portfolios.

73. **TF051589, SOCIAL DEVELOPMENT STRATEGY (FY03) - \$1.845 MILLION:** The SD Strategy, which sets the Bank's direction on social development, was originally funded in FY03 and is due to close in June 2008. It's main output, the Global Social Development Strategy, was approved by the World Bank's Executive Directors in

January 2005, and activities since have focused on supporting Bank-wide implementation of the strategy. Over the past year, there have been two main areas of focus: preparation of a Social Development Index which serves as a global indicator of SD progress, and studying the social dimensions of climate change. Considerable progress has been made on the Social Development Index, which has been approved within the Sustainable Development Network for wider dissemination and discussion in the Bank. Additionally, the SD Anchor is leading an effort to bring the social dimensions of climate change to the fore as a Bank priority, aiming to set a global agenda for the study of the social dimensions of climate change. A high level conference on this topic was planned for early March 2008, and this trust fund supported preparation of two of the background papers ('*Pro-Poor Climate Change Adaptation in the Urban Centers of Low and Middle Income Countries*' and '*Climate Change and Agrarian Societies in Drylands*'). Further information on the conference can be found at the Bank's external website on <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/0,contentMDK:21659919~pagePK:210058~piPK:210062~theSitePK:244363,00.html>

74. TF052655, AFRICA SD STRATEGIC ANALYSIS AND IMPLEMENTATION OF POLICY REFORMS (FY04) - \$905,000: This activity focuses on country-level upstream social analysis; poverty and social analysis of macro and sectoral reforms; social accountability mechanisms in PRSCs and private sector interventions; and exploring the root causes of social issues. Tangible progress has been made over the past year in Madagascar, where PSIA analysis has been further embedded into the national dialogue, and social accountability mechanisms have been further integrated into other sectors (funded also under TF055744). A study on youth employment in Sierra Leone was finalized and endorsed by the country team, and disseminated through an in-country workshop involving key Ministers, donors and NGOs. In Rwanda, a review of the Bank's portfolio was carried out in December 2007 to identify entry points to improving the integration of youth into Bank-funded projects, and a youth assessment is being finalized, which makes key recommendations on raising the profile of Rwandese youth.

75. TF052785, EAP SUSTAINABLE DEVELOPMENT IN THE URBAN FRINGE (FY04) - \$540,000: This activity aims to improve awareness of fringe urban developments by assessing regional demographic and urbanization trends, as well as economic, financial, institutional and social dimensions, and to develop approaches for environmentally sustainable development in these areas. Implementation has been highly successful. Country case studies have been completed and were disseminated last year through in-country workshops in China, Vietnam, Philippines and Korea, with participation from senior government officials, NGOs and international donors. The report has been used in urban projects and country-specific analytical work, and served as the main focus in East Asia region's biannual flagship publication of April 2007 (see <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/EXTEAPHALFYEARLYUPDATE/0,contentMDK:21548625~pagePK:64168445~piPK:64168309~theSitePK:550226,00.html>). The report has also served as the basis for the chapter on urbanization in the 2007 EAP flagship '*An East Asian Renaissance*', and was the first presentation (Fall 2007) in a series of workshops on peri-urban issues under the

2008 World Development Report. Currently, work is ongoing to finalize publication of the country case studies as well as a book resulting from the reports.

76. **TF053243, SUPPORTING THE IMPLEMENTATION OF THE MNA SD STRATEGY (FY04) - \$370,000:** This activity is designed to support the implementation of the MNA SD Strategy within the region, which highlights three critical areas of focus: (a) social inclusion (youth, gender disparities and vulnerable group protection); (b) strengthening social cohesion in urban and rural areas; and (c) enhancing the capabilities of citizens and civic groups to hold accountable the institutions that serve them. Over the past year, a key focus has been on CDD and youth, and efforts have revolved around analytical work, knowledge sharing and capacity building. The CDD portfolio review that was prepared a year earlier is being revised and updated. A research paper on local development completed in April 2007, together with a social assessment on the West Bank and Gaza, have fed into the design of the West Bank and Gaza Village and Neighborhood Development Project. This fund has also partially financed other knowledge sharing and analytical activities, including a regional report on Youth, and guidelines to operationalize youth inclusion in CDD projects (financed also under TF055615). Knowledge sharing and capacity building events include a two-day workshop on CDD held in Egypt in May 2007, as well as a seminar on CDD and Youth held in November 2007 for staff of the Islamic Development Bank.

77. **TF055504, SOCIAL POLICY (FY06) - \$537,000:** The main objective of this activity is to create the institutional space in the Bank for fresh thinking on social policy relevant to developing and transition countries, with a focus on three key themes – livelihoods, institutions, and social integration. Over the past year, the focus on this activity has been largely internal, continuing the dialogue with the infrastructure sectors in the Sustainable Development Network and making preparations for publications of the reports arising out of the Arusha Conference (Dec. 2005). A book series entitled ‘New Frontiers of Social Policy’ has been approved as a flagship of the Social Development Department. The first publication in this series, *‘Institutional Pathways to Equity: Addressing Inequality Traps’* (copies of which were sent to the donors) served as a companion volume to WDR 2006 and was disseminated as a conference edition at the Paris Forum on Equity and Development in November 2007. Two other books in this series contain papers originally presented at the Arusha Conference and work on a fourth book on citizenship is well advanced and expected to be published in the second half of 2008. The Social Science and Policy Seminar series has continued at the World Bank over the past year, with eleven seminars organized featuring talks by eminent social science academics. A collaborative multi-donor research project has resulted in a report on *‘Rights, Entitlements and Social Policy’*, and the work is being continued through preparation of a background paper reviewing the role of Social Development Ministries in the LAC region. Further information on social policy can be found on the Bank’s social development website at <http://www.worldbank.org/socialdevelopment>.

78. **TF057377, GLOBAL STUDY OF CRIME, VIOLENCE AND THE URBAN POOR (FY07) - \$145,000:** This activity was designed to improve understanding of community-based responses to urban crime and violence in five countries (Haiti, Brazil, Kenya,

Nigeria and Bangladesh). However, although field work and data gathering were completed a year ago in Haiti, Bangladesh and Brazil using Bank funding, progress over the past year has been slow. Literature review was carried out, but fieldwork in Kenya and Nigeria was delayed due to unavailability of the lead consultant. Task management of this activity is being reassigned and the pace of implementation is expected to improve over the coming months.

4 Overall Implementation Progress of the Social Development Window

4.1 Overview of activities

79. The Social Window had a total of 42 ongoing activities as of January 31, 2008 clustered around the six themes noted in the first section of this report. In addition, 11 activities closed between February 1, 2007 and January 31, 2008 (listed in para.78). Ongoing activities consist of: (a) 1 activity (the SD Strategy) approved in FY03; (b) 3 activities approved in FY04; (c) 1 activity approved in FY05; (d) 15 activities approved in FY06; (e) 14 activities approved in FY07; and (f) 8 activities approved in FY08. FY03, FY04 and FY05 activities will all close by the end of this calendar year.

80. The 42 ongoing activities are managed by task team leaders from all regions (with a majority in Africa) and several networks, as indicated below:

Africa Region	--	12
East Asia and Pacific Region	--	3
Europe and Central Asia Region	--	1
Latin America & Caribbean Region	--	4
Middle East & North Africa Region	--	3
South Asia Region	--	3
Social Development Department	--	14
World Bank Institute	--	1
Legal Department	--	1

81. While the Social Development Department task manages several activities, the work is of a global and multi-sectoral nature which benefits all the regions, and implementation is carried out closely with colleagues from the regions and other networks. Table 1 below shows the number of activities approved each year (excluding the co-terminous staff position funded under the Social Development Window) and their status, as well as the number of activities that are implemented within the Africa region (including global activities which include the Africa region).

Table 1:
TFESSD Social Development Window activities as of January 31, 2008

Call/year	Activities approved	Activities ongoing	Closed activities	Activities in Africa (total)
FY00-FY02	13	0	13	7
FY03	18	1	17	9
FY04	20	3	17	8
FY05	24	1	23	14
FY06	15	15	0	9
FY07	15	14	1	11
FY08	8	8	0	6
<i>Total</i>	<i>113</i>	<i>42</i>	<i>71</i>	<i>64</i>

4.1.1 Progress of ongoing activities

82. Activities funded under the Social Window have for the most part progressed well over the period under review, and implementation and disbursements are mainly on track. A few activities have experienced delays (as noted in the activity summaries) for a variety of reasons—some due to political instability or bureaucratic delays in the countries of implementation, and others due to changes in task management, delays in contractor availability or procurement delays. These activities are being reviewed by the Sector Board, and some are being restructured with a view to improving implementation (see section 4.3.1 below). All activities funded before FY04 (with the exception of the SD Strategy funded in FY03) have closed after successful implementation. Three FY04-funded activities are still ongoing, two of which will close later this year. FY08 activities have all been set up and the majority has begun implementation.

4.1.2 Closed activities

83. Eleven activities closed between February 1, 2007 and January 31, 2008 with outcomes highlighted in Section 3 of the report:

- TF052915, India Local Governance and Empowerment
- TF053787, Strengthening Bottom-Up Local Governance in Georgia and Moldova
- TF053796, Community Empowerment and Social Accountability in Uganda's Health Sector
- TF053857, Participatory Country Assessments for Civic Engagement in Ghana and Sierra Leone
- TF053863 – MNA Coterminous Position
- TF053891, Guatemala Capacity for Inclusive Governance
- TF053870, Capacity Building and Piloting of Social Accountability Initiatives for CDD in South Asia
- TF053968, Kenya Country Social Analysis
- TF053970, Village Level Justice and Dispute Resolution

- TF054126, Campaign to Improve Participation of Women in CDD Programs
- TF055773, Strengthening Government Capacity for Local Governance in ECA

4.2 Disbursements and commitments

84. Social Window expenditures continue to be on track, as shown in Table 2 below. As of January 31, 2008, the Social Window has disbursed or committed \$28.8 million (92%) of the total \$31.2 million received (excluding the funds in the Social Window sub-account). Of this amount, \$12 million (42%) has gone towards activities in the Africa region—this percentage is likely to increase as the Africa portion of activities between FY06-08 is significantly higher than in previous years. Activities approved prior to FY03 have fully disbursed, while those funded in FY03 have disbursed or committed 97% of total receipts. Activities approved in FY04 have disbursed or committed 95% of total receipts, while those approved in FY05 have disbursed or committed 98% of total receipts, FY06 activities indicate 83% of total receipts either disbursed or committed; FY07 activities have disbursed/committed 68 %, and activities from FY08 which have recently started implementation show 54% of total receipts either disbursed or committed.

Table 2: Disbursements and Commitments

Social Window	Receipts (US\$m)	Cumulative Disbursements / Commitments as of 1/31/08 (US\$m)	Commitments as of 1/31/08 (US\$m)	% of receipts disbursed / committed	Africa Portion of Disbursements/ Commitments (US\$m)	Africa % of cumulative disbursements/ commitments
Activities approved prior to FY03	6.091	6.091	0	100%	2.785	46%
Activities approved in FY03	7.401	7.147	0.108	97%	2.221	31%
Activities approved in FY04	5.302	5.045	0.048	95%	2.213	44%
Activities approved in FY05	5.499	5.305	0.109	98%	2.030	38%
Activities approved in FY06	3.794	3.152	0.252	83%	1.586	50%
Activities approved in FY07	2.450	1.668	0.641	68%	0.924	55%
Activities approved in FY08	0.695	0.378	0.209	54%	0.269	71%
Total (excluding window account)	31.232	28.787	1.367	92%	12.029	42%
Social Window Account	1.020					
Total	32.254	28.787	1.367	92%	12.029	42%

4.3 Actions taken or recommended

4.3.1 Annual Strategic Review and Reallocation of Funds by the Sector Board

85. Annual Strategic Review: The annual strategic review continues to be an important opportunity to review progress of activities, identify any implementation bottlenecks, and take corrective actions as appropriate. This year, following a review of the active portfolio by the Social Window secretariat (Annex 1), the following five activities were reviewed further by the Sector Board on April 8, 2008, based on slow implementation and disbursement:

- TF055543 – Monitoring CDD Impact for East Asia Flagship (Board approved continuation of this activity based on regional support and demand for additional resources)
- TF057213 – Social Inclusion in the Transport Sector (Board approved closure of this activity in April 2008)
- TF057191 – Country to Country Technical Alliance on Social Accountability (Board approved closure of this activity on June 30, 2008)
- TF057377 – Global Study of Crime, Violence and the Urban Poor (Board approved continuation of this activity under new task management, and making the focus more global)
- TF090743 – Building Demand-Side Governance by the Poor (Board approved restructuring the activity to shift the country focus to Senegal and Guinea-Bissau)

86. Reallocation of Funds: The Social Window had approximately \$926,000 available for reallocation (consisting of \$169,000 in savings from activities which closed between Jan. 2007 to end-Jan. 2008; \$417,000 unallocated from last year's strategic review; and \$340,000 from the Africa Transport activity and the Country to County Technical Alliance on Social Accountability above which are being closed). The Board reviewed requests for additional funding from eight ongoing activities (Annex 2) to support expanded or scaled up activities based on country demand (mainly in the Africa region), and agreed to the following reallocations, totaling \$920,000:

- TF055513 – Local Government Platforms: Strengthening the local government-community interface in CDD (\$100,000 in additional funds approved)
- TF055543 – Monitoring CDD Impact for East Asia Flagship (\$150,000 approved)
- TF057189 – Supporting Accessible Justice Systems in Post Conflict Countries (\$75,000 in additional funds approved)
- TF057340 – Alliance for Demand Side Governance in Social Accountability in South Asia (\$135,000 in additional funds approved)

- TF090248 – Local Governance in Sub-Saharan Africa (\$150,000 in additional funds approved)
- TF090255 – Impact Evaluation of Local Development and Governance (\$150,000 in additional funds approved)
- TF090592 – Promoting Effective Local Governance in MNA (\$100,000 in additional funds approved)
- TF090744 – Regional Integration of Social Inclusion in Infrastructure (\$60,000 in additional funds approved)

4.3.2 Extensions

87. In general, most of the ongoing trust funds require some period of extension, and in keeping with TFESSD procedures, the Social Window secretariat has usually granted extensions of up to one year (or 18 months on an exceptional basis) based on requests by task team leaders. These extensions are typically requested due to delays in implementation because of country-specific situations, or to allow for completion of dissemination activities, particularly formal publication of reports which requires more time to process. Activities which receive additional funding under the SD Board's strategic review and reallocation of funds are also granted additional time to use the funds.

Annex 1

RESULTS OF THE STRATEGIC REVIEW OF IMPLEMENTATION PROGRESS OF SOCIAL WINDOW PROJECTS BY THE SD BOARD ON APRIL 8, 2008

FY	TF No.	Activity	Closing Date	Task Team Leader	Grant Amount (US\$)	% of grant disbursed / committed as of 3/31/08	Secretariat Recommendation	Board Decision (April 8, 2008)
FY06	TF055543	Monitoring CDD Impact for East Asia Flagship	06/30/08	Rob Chase	580,000	76%	If regional support is confirmed, extend for 6 months - if not, close on 6/30/08 and reallocate balance of funds.	Continue activity and extend for one year (based on regional support and EAP's request for additional funding)
FY07	TF057213	Social Inclusion in the Transport Sector	06/30/09	Ajay Kumar	300,000	30%	Close activity mid-April and reallocate unused funds.	Close activity mid-April and reallocate unused funds.
FY07	TF057191	Country to Country Technical Alliance on Social Accountability	07/30/08	Carolyn Winter	200,000	36%	Close activity as of end-June and reallocate unused funds.	Close activity as of end-June and reallocate unused funds.
FY07	TF057377	Global Study of Crime, Violence and the Urban Poor	06/30/08	Bernice Van Bronkhorst	145,000	10%	Transfer task management to Alexandre Marc in SDV and continue activity.	Transfer of task management of activity to Alexandre Marc approved.
FY08	TF090743	Building Demand-Side Governance by the Poor	07/30/08	Carolyn Winter	150,000	35%	Continue activity.	Continue activity.

Annex 2: RESULTS OF THE REALLOCATION REVIEW BY THE SD BOARD ON APRIL 8, 2008

FY	TF No.	Activity	Closing Date	Grant Allocation (US\$)	Additional funds requested (US\$)	Comments	Board Approval on April 8, 2008 (US\$)
FY0 6	TF055513	Local Governance Platforms - strengthening LG-community interface in CDD	12/31/08	300,000	100,000	Request by country team to extend work to new localities, in support of upcoming KALAH 2 project. Implementation going well - 89% of funds disbursed or committed.	100,000
FY0 6	TF055543	Monitoring CDD Impact for East Asia Flagship	6/30/08	580,000	200,000	DEC confirmed need for \$100,000 of existing funds to support Indonesia impact evaluation. Request from EASSO for funds toward capacity building in China and a baseline survey.	150,000
FY0 7	TF057189	Supporting Accessible Justice Systems in Post Conflict Countries	3/31/09	250,000	100,000	Additional funds needed to support in-depth field research in Sierra Leone and data analysis in East Timor. Implementation on track - 48% of funds disbursed or committed.	75,000
FY0 7	TF057340	Alliance for Demand Side Governance in Social Accountability in South Asia	6/30/08	250,000	135,000	Capacity building of regional social accountability practitioners, designing experiential learning programs and strengthening SASANET. Implementation going well - 97% of funds disbursed or committed.	135,000
FY0 8	TF090248	Local Governance in Sub-Saharan Africa	12/31/10	500,000	250,000	New activity with strong country demand for extending scope of supporting good governance in Rwanda, Guinea and Burkina Faso. Implementation proceeding well - 26% of funds already disbursed/committed.	150,000

FY0 8	TF090255	Impact Evaluation of Local Dev. & Governance	6/30/09	700,000	300,000	New activity - demand from Uganda (new country) to conduct phase 2 impact evaluation of primary health care sector in (not included in current plan for six country impact evaluations). Implementation going well - 49% of funds either disbursed or about to be committed.	150,000
FY0 8	TF090592	Promoting Effective Local Governance in MNA	12/31/09	275,000	200,000	New activity with increased demand from countries for: strengthening social accountability activities in Morocco INDH project (\$60,000); in-depth fieldwork and piloting in Egypt (\$65,000); providing support to decentralization process in Yemen (\$65,000) - implementation proceeding well - 21% funding already disbursed or committed	100,000
FY0 8	TF090744	Regional Integration of Social Inclusion in Infrastructure	8/31/09	100,000	60,000	New activity wanting to expand the number of countries covered to include focus on informal water resellers in the case studies. Implementation going well - 59% of funds disbursed or committed.	60,000
		Total			1,345,000		920,000
		Available funding as of 1/31/08					926,000
		Unallocated Balance					6,000

D. SOCIAL PROTECTION REPORT

1 Summary

1. This chapter documents progress under the Social Protection (SP) Window between February 1, 2007 and January 31, 2008. The Social Protection Window was created in FY05 with a special allocation of \$1 million targeted for work on extremely vulnerable groups, in particular the disabled, at-risk children and youth. Social Protection became part of the general call in FY06. As noted in previous reports, the Social Protection Window is new as compared to other windows, and overall allocations to window-managed activities have been modest to date (\$4.65 million spread over 44 activities).

2. The current Social Protection portfolio is organized under three broad themes:

- Activities to address the needs of **highly vulnerable groups, at-risk populations** including (i) the disabled; (ii) children and youth at-risk; elderly persons; (iii) ethnic minorities, socially excluded groups; (iv) extreme poor and destitute.
- **Risk and vulnerability assessment, country strategies and evaluation** including (i) analytics, poverty and wealth dynamics; (ii) Social Protection responses to natural and man-made disasters, including climate shocks; (iii) support for country-level Social Protection strategies and policies, Social Protection in PRSPs; (iv) impact evaluation and learning, also country pilots.
- **Employment generation, labor markets** including (i) protection for informal sector workers, (ii) expanding rural non-farm activities, especially in low-income settings.

3. There are 12 active projects under *Vulnerable Groups and At-Risk Populations*, and 3 projects closed during the reporting period. Many of these projects focused on mainstreaming disability and social protection at the World Bank. Encouraging progress has been achieved in this area and TFESSD support has been instrumental in this regard; according to feedback received from staff, TFESSD provides the only source of funds that TTLs can easily access to support work on disability. The SP Window portfolio also has 15 active projects under the *Risk and Vulnerability Assessment, Country Strategies, and Evaluation* theme, and two projects closed during the reporting period. Notable under this theme is a cluster of seven projects on Social Protection responses (including CDD/Social Funds) to natural disasters. The natural disasters work is jointly managed by the Social Protection and Social Development departments. Several of the projects mapped to this theme have shown considerable success at building support for national social protection strategies in low income countries, also addressing the needs of at-risk population and vulnerable groups as part of PRSPs and other national strategy documents. An additional 4 active projects are classified under the theme of *Employment*

Generation and Labor Markets. The Poverty Window is managing similar projects on employment and labor, led by PREM staff as well as SP.

2 Strategic Objectives and Value Added

2.1 TFESSD's role and value added in the sector (compared to other TFs and BB financed work)

4. A wealth of interesting and innovative work has been financed under TFESSD, which has contributed to a better understanding of Social Protection concerns both at the country level as well as in wider global debates. As described in the last year's Annual Report, TFESSD's role and value-added in the Social Protection sector is not limited to activities mapped to the Social Protection Window. Considerable support was provided for Social Protection topics even before a separate window was opened in FY05: for example, Social Protection has a substantial portfolio of Social Fund projects that use a CDD approach. Many of the CDD activities supported by TFESSD (prior to FY05 as well as after) involve lending activities and issues that are central to Social Protection's social funds portfolio. Similarly, TFESSD has provided substantial support for analytic work on risk and poverty reduction (e.g. in Zambia, Malawi), as well as supporting a number of PSIAs linked to Social Protection themes. And as noted above, both the SP and Poverty Windows manage activities focused on employment and labor markets. All three areas are central to the work of the Social Protection sector albeit historically managed and reported under the Social Development and Poverty Windows.

5. The contribution of TFESSD to the Social Protection sector is jointly determined by the relevance and timeliness of issues covered coupled with levels of funding. Our review of TFESSD highlights a number of important contributions, including:

- CDD/Social Funds, including the role of local institutions and actors in managing shocks, improved service delivery, equity and addressing the needs of the poorest, socially excluded;
- Disability, ensuring mobility and access for the disabled, mainstreaming disability in the Bank's operational work;
- Addressing the needs of other poor and highly vulnerable groups e.g. children and youth, OVCs, youth employment, elderly persons;
- Risk and vulnerability in the context of poverty reduction, poverty reduction strategies, support for pilots and programs to manage risk, address needs of the poor, also links between risk and economic growth, Social Protection instruments promoting efficiency;
- Employment and labor issues, particularly focused on the needs of the poor in Africa; employment generation, the informal sector, labor market transitions.

6. However, overall levels of TFESSD support for Social Protection issues are modest in comparison to other sources (e.g. other trust funds, Bank budget), and year-to-

year changes in the priority themes reduces the scope for developing a strong and continuing body of work along specific themes. As a result, the Social Protection Window portfolio tends to be somewhat fragmented, and funds are spread over many themes. Despite this, there are noteworthy examples where TFESSD has helped to leverage additional funds and thus contributes to a general pool of funding e.g. for analytic work on vulnerability and poverty, employment and labor markets, also children and youth. SP made this same point in last year's report and in the recent TFESSD evaluation.

2.2 Impact on the Bank and in Client Countries

7. The impact of pre-2005 activities that support Social Protection priorities is discussed in relevant window reports (Social Development and Poverty). The substantial TFESSD funding made available for CDD and Social Fund (SF) initiatives has clearly begun to pay off i.e. in terms of improvements in the enabling environment for community-driven development, better integration in sectoral programs, and support for more effective social accountability mechanisms. A solid body of work on risk and poverty has been developed both in the context of free-standing Risk and Vulnerability Assessments (RVAs), especially for countries in Africa, and increasingly through mainstreamed treatment of Social Protection concerns (risk and vulnerability, social inclusion, safety nets including Conditional Cash Transfers -- CCTs) in conventional Poverty Assessments. Since the SP Window was created in FY05, TFESSD has continued to support activities linked to CCD/SFs, also risk, vulnerability and poverty reduction under the Social Protection Window (FY06 and FY07 approved projects) as well as Poverty and Social Development Windows. However most of these projects are still ongoing and while we see encouraging albeit early impacts on the Bank's work, it is premature to assess their impacts on country outcomes.

8. All but two of the projects approved in the special FY05 Call (disability, at-risk children and youth, highly vulnerable groups) have now been completed. Of the two remaining projects, one on youth employment will close in June of this year and a second on mainstreaming disability has been given additional funding and extended through the end of next year. Three major FY05 projects closed during the current reporting period, all having made major contributions to the quality of data on disability e.g. in ECA countries including Georgia, Armenia, Uzbekistan, and Yemen, as well as in 8 countries in West Africa and Kenya. The data underpin discussions of national disabilities strategies in several ECA countries, also Kenya, and has been used to update and refine PRSPs in several countries in West Africa. More generally, this early work financed under TFESSD has helped to develop data measurement and collection methodologies that are being applied widely throughout the developing world, including India (with FY08 support from TFESSD). Better information has helped to highlight in a convincing way the extent of disability, particularly in low income countries that previously lacked reliable data, and focused greater attention on a variety of important policy responses and enhancements to Bank lending.

9. More generally, TFESSD has been instrumental in helping to move forward and mainstream disability in the Bank. Under an umbrella activity on mainstreaming disability (TF053963), progress is being made integrating elements of disability's inclusion agenda in country level policy discussions, in several lending activities in countries in the East Asia region and Latin America, and there have been impressive gains on the disability front in the Bank's work in Eastern Europe. Specifically, TFESSD supported the development of an inclusive education component in a forthcoming education loan for Indonesia, and helped identify measures to improve mobility for the aged and disabled as part of a transport operation in Latin America. Unlike other themes, TFESSD is the primary source of external support for work on disability at the Bank.

10. In preparation for the next donor's report, the Social Protection Window plans to undertake an assessment of the overall impact of TFESSD-sponsored work on disability, also at-risk children and youth, including OVCs in Africa. All FY05 projects will have closed and early results of follow-on projects should be available.

2.3 Capacity Building, Knowledge Sharing and Partnerships

11. Capacity building, knowledge sharing, and partnerships have been strongly encouraged under TFESSD. TTLs report on these and related activities in their individual project reports. Highlights are discussed below.

12. **Knowledge sharing and dissemination** are an integral part of all activities managed under the Social Protection Window. There are many channels used for knowledge-sharing e.g. through workshops and other events, internal and external websites, CDs, press releases, and other media channels. Moreover many projects are linked to major pieces of economic and sector work (e.g., Poverty Assessments; Country Economic Memorandum; Expenditure Reviews) and increasingly linked to lending preparation. This means that findings will be disseminated widely and discussed through normal Bank channels as well as through specific events financed under TFESSD.

13. Many Social Protection Window activities have robust dissemination plans. Some examples include:

- As part of the Africa Regional Labor Market Study (TF055676), a paper was presented at a Labor Markets in Africa conference in November 2006, with over 100 African policy makers and donor partner participants. This paper has been published formally by the World Bank as *"Working Out of Poverty: Job Creation and the Quality of Growth in Africa"* and is being used as the basis for the Africa section of the Labor Markets Core Course, which is the main vehicle the Bank uses to build capacity to analyze labor markets in low income countries.
- An edited book, compiling many of the papers prepared under a project on Youth in Africa Poverty and Labor Market Opportunities (TF054203), was published in 2008 viz. *"Youth in Africa's Labor Market"* and will be widely disseminated under the Bank's Directions in Development series.

- The Policy Toolkit for Youth at Risk grant (TF057003) was recently extended until September 2008 in order to complete dissemination activities related to the book and toolkit. Dissemination events for the study include participation of Social Protection Staff in workshops leading up to the *Cumbre de las Americas* in October 2008.
- The results of phase one of the Breaking the Barriers to Youth Exclusion in Morocco study (TF057391) were disseminated during the development marketplace in Morocco in December 2007.
- The dissemination of the final work of the Responding to Natural Disasters through a Community-driven Development (CDD) grant (TF057304) will take place at a workshop in Bangkok, Thailand in June 2008, where country office, implementing agency and government staff will be invited to present their work, participate and learn how to integrate community based disaster preparedness into CDD/SF operations financed by the World Bank. The three-day workshop will bring together development practitioners from all regions and focus on enhancing their capacity on the issue of Disaster Risk Management through the CDD approach and initiatives.

14. Knowledge-sharing activities are best assessed in combination with **partnerships**. Many projects under the Social Protection Window seek to forge stronger partnerships – frequently with government agencies in the context of preparing new strategies or projects (e.g. Eritrea health project); often with other donors and aid organizations (e.g. Ethiopia productive safety nets), and sometimes with research institutes, NGOs and other civil society organizations (e.g. Cote d’Ivoire child disability study). TFESSD supported work on disability is particularly noteworthy for seeking proactively to involve organizations of disabled person in many ongoing activities.

15. Noteworthy examples of Social Protection Window activities that promote wide and inclusive partnerships include:

- The Youth Exclusion and Political Violence grant (TF090917) aims to stimulate supportive youth research, policy-making and program development among international development and conflict prevention actors including the World Bank and UN agencies, governments of countries at-risk and donor countries and civil society.
- The NEEDS project for Nigeria is highly participatory in design as well as implementation. The project aims to deepen citizen participation and institutionalize participatory processes in monitoring the Government’s national poverty eradication program, thus promoting greater transparency and accountability in implementation of programs designed for the poor. A wide range of stakeholders in government as well as outside, also among international partners, have been involved at different stages of the project (TF055842).
- WBI and Oxfam America plan to organize a stakeholder consultation to gain feedback from major stakeholders and flag the areas where the different actors could improve the outcome of their interventions by incorporating gender

considerations as part of the Mainstreaming Gender into Disaster Recovery and Reconstruction grant (TF057146).

- A grant to support work on Risk, Growth and Poverty Reduction in Low Income Countries (TF055617) is facilitating the development of a network of researchers and policy makers to work in risk, poverty and growth linkages in the East Asia Region, with particular focus on low income countries and regions. Policy notes are being prepared e.g. on food prices, impacts of natural disasters, health risks, employment shocks, and cross-cutting gender concerns; these will be discussed at an initial consultation workshop planned for June, 2008.

16. **Capacity building** is a component of many projects managed under the Social Protection Window. Several are highlighted below:

- The Strengthening Capacity for Measuring Disability across South Asia grant (TF090877) is intended to introduce new concepts of and develop capacity for disability measurement in order to improve the data and information base on prevalence, type, level, and causes of disability across the region. The information would help provide participating governments with information which would lead to better policies and programs for people with disabilities in their respective countries.
- In Cote d'Ivoire, work on using census data for disability analysis is part of a broader program of capacity building on poverty mapping which will enable estimation of a range of outcomes for the disabled that cannot be estimated using survey data (TF054118).
- As part of a toolkit on Safety Nets for Natural Disasters (TF057400) that will help countries develop appropriate range of responses to the risk and the occurrence of natural disasters, country teams will be involved in the preparation and discussion of the country case studies and the possible strategies to help build local capacity to improve the medium term responses.
- Guinea Conflict, Risk and Vulnerability Assessment grant (TF056362) supported a highly successful community-driven development project known as PACV. PACV staff will be trained using the toolkit developed as part of this grant to increase their capacity to perform community and district level work.

3 Summaries of ongoing and recently completed activities

3.1 Ongoing Activities

A. Highly Vulnerable Groups: Focus on Disability, Youth At-Risk

17. **TF053963, SUPPORT FOR MAINSTREAMING DISABILITY AT THE WORLD BANK (FY05) - \$617,000:** The goal of the project is to expand the World Bank and developing countries' capacity to mainstream disability into development projects, programs, policies, and activities and thus work towards poverty reduction. This is accomplished

through analytical studies and capacity grants. Field work focuses on Kenya, Yemen, Colombia, Indonesia, and post-conflict Africa. The studies are the following: (1) Quantitative Survey Development for Kenya, (2) Identifying Entry Points in Investment Lending Project Cycle to help Client Governments Ensure a Fair Integration of Disabilities Concerns, (3) Yemen Disability and Poverty Study and Action Plan, (4) Opportunities for Including Disability in World Bank Projects: A Toolkit for legal and operational staff and work on the legal implications of the UN Convention on the Rights of Persons with Disabilities, (5) Colombia Bus Rapid Transportation System, (6) Indonesia Reaching Disadvantaged Children Study (including Dutch funding for a National Stakeholder Conference) and (7) Disability in conflict-affected countries in Africa. All studies except for Yemen, which has had internal problems, are completed or currently on track (see section 2). The website for activities connected to the project is: http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALPROTECTION/EXTDISABILITY/0contentMDK:20688263~pagePK:210058~piPK:210062~theSitePK:282_699,00.html

18. TF055759, INFORMAL SUPPORT FOR THE ELDERLY, SENEGAL, SRI LANKA AND INDIA (FY06) - \$200,000: The objective of the study is to shed light on informal support arrangements for the elderly in poor countries, with the intention of designing effective programs to assist the vulnerable elderly. Although the decline of informal support systems is often cited, there is little empirical evidence on the extent, causes or trends in this area. As opposed to other groups considered vulnerable, there is almost no information regarding intra-household allocation of resources in households with elderly members. To address these informational gaps, the proposed study would explore the current status of informal support arrangements for the elderly in three countries: Senegal, Sri Lanka and India. Issues covered would include trends in inter-generational co-residence and family support to the elderly, extent of non-resident family support (including remittances), role of community as informal support mechanism, gender dimensions including the status of widows and interactions between informal support mechanisms and public interventions for the elderly. The audience is policymakers dealing with welfare of the elderly in Sub-Saharan Africa and South Asia, as well as World Bank and other donor/NGO staff working in these regions. Survey work in Sri Lanka and India has been completed and the data is being processed and analyzed. There have been significant delays in implementing the work in Senegal, however, and the survey is expected to be rolled out in the next few months.

19. TF057391, BREAKING THE BARRIERS TO YOUTH EXCLUSION IN MOROCCO (FY07) - \$200,000: The objective of project is to understand the factors that lead to youth exclusion and disenfranchisement in Morocco, then to develop and operationalize a strategy to support greater inclusion of youth. Particular emphasis will be given to gender dimensions of the issue. The project will address two specific problems: firstly, the lack of comprehensive and reliable data on the situation of youth, which makes it difficult for development actors to prioritize areas of intervention. Secondly, existing operations to support youth inclusion tend to be uncoordinated and quality of the programming is highly uneven. The project will identify different types of feasible interventions, based on an assessment of the situation of youth, then develop an approach to implementing which

is based on leveraging the funds of existing programs, such as the Government's recently launched National Initiative for Human Development (INDH), programs supported under the Ministry of Youth, and related programs led by civil society organizations. The first phase of the work was successfully completed and a completion report for phase one was delivered to the World Bank. The results of phase one were discussed at a workshop during the December 2007 Development Marketplace in Morocco. The workshop presentation was well-received and participants provided useful feedback that will serve to inform the second phase of this project. The second phase of research will start in March 2008 with field work due to start in April/May 2008.

20. **TF057435, VIOLENCE AND CRIME IN JAMAICA (FY07) - \$200,000:** This activity aims to provide evidence on the effectiveness of crime and violence programs, an area where there are few rigorous evaluations of what works, particularly in the case of disadvantaged youth. The team will review ongoing interventions in Jamaica, summarizing what is known about their effectiveness, and recommending possible strategies for improving the quality of the evidence of the impact. Select interventions will then be chosen for in-depth case studies based on evaluations with rigorous quantitative designs to measure their impact and cost-effectiveness. The objectives are: i) to inform the formulation of public policies to address youth violence and ii) to provide technical support on evaluation design to organizations that are operating programs that address youth violence. The Concept Note for the study was approved by the Bank in May 2007. Two World Bank missions visited Jamaica in 2007 to work with the Government on the choice of projects for inclusion in the study and a workshop was held in Washington, DC in September with the main counterparts to finalize the choice of projects and identify methodological approaches. The grant involves teams from the University of West Indies (UWI) for study implementation who are working closely with the violence Prevention Alliance. In addition, the study is coordinated with other donors interested in crime and violence issues in Jamaica, including the USAID COMET project and the DFID-supported Community Security Initiative.

21. **TF057003, POLICY TOOLKIT FOR YOUTH AT RISK (FY07) - \$135,000:** The objective of the grant is to provide policymakers and practitioners with a concrete set of policies and interventions across sectors that would help to reduce barriers to inclusion for at-risk youth in Latin America and the Caribbean. In terms of long-term development outcomes, activities financed under the grant will help to reduce barriers to inclusion for youth at risk in LAC and thus help them make a successful transition to adulthood. A successful transition can be measured by youth becoming educated, healthy and productive adults, citizens and parents. In the short term, the proposal's development objective is to improve the knowledge base available to policymakers and practitioners with the aim of improving the effectiveness of their responses to reducing risks and improving prospects for disadvantaged youth in the LAC region. The grant is on-track for achieving its objectives. In addition to the information collected on a concrete set of policies and interventions across sectors to be considered in reducing barriers to inclusion for youth-at-risk (YAR) in LAC, the following activities have been completed: i) toolkit for developing a YAR portfolio; ii) manuscript of the related YAR study; iii) executive summary of YAR study in English; and iv) translation of the executive summary into

Spanish. The grant was recently extended until September 2008 in order to complete dissemination activities related to the book and toolkit. Dissemination events for the study include participation of Social Protection Staff in workshops leading up to the *Cumbre de las Americas* in October 2008.

22. TF090860 IDENTIFYING THE POOR IN INDIA (FY08) - \$80,000: The chief objective of this activity is to promote more effective targeting methods for beneficiary selection in government and donor-supported programs focused on poor households. This activity aims to provide an empirical comparison of the performance of alternative targeting mechanisms currently used to identify the poor in India. Though effective targeting methods are critical to efficient and equitable beneficiary identification in government and donor-supported projects, very little is known about the comparative performance of targeting methods currently used in India. A range of administrative, self-targeting and community-based methods are currently in use. The core administrative mechanism used for targeting is the Below Poverty Line (BPL) census conducted every five years. This method has a range of shortcomings, including inefficient identification of beneficiaries, inclusion and exclusion errors, and governance concerns. Community wealth rankings are used by the majority of rural livelihoods projects of the Bank and several NGO initiatives to identify the poor based on norms set by the community. While this method has the advantage of local knowledge of household-level circumstances and local conditions that influence poverty and vulnerability, this method is a relative measure within a community and has limited comparability across communities, with consequent implications for macro-level allocations and financing for social programs. The limited empirical information suggests that there is overlap, but also significant divergence between community-based wealth ranking outcomes with targeting outcomes from both administrative proxy-means test and expenditure-based measures. This activity proposes to examine the performance of these methods with respect to the extent of inclusion and exclusion errors, possibilities of elite capture and other governance issues, as well as issues of efficiency, costs and scalability. The main elements of the proposed research are primary data collection through quantitative and qualitative tools and analytical work. This grant is progressing on schedule. A local organization with relevant skills and experience has been identified to conduct the primary data collection and qualitative work involved. The design of the study with respect to survey instruments and sampling strategy has been finalized in discussion with a cross-sectoral team. Follow up missions for further discussions with state governments are planned in the near future. The instruments were scheduled to be pilot tested in early March 2008 and the survey was fielded by mid-March 2008 in Tamil Nadu. Field work in Orissa will commence with a slight lag. Quantitative data is expected to be delivered by end-June 2008, followed by data analysis and the final report in early FY09 and dissemination workshops by mid-FY09.

23. TF090861, REACHING THE VULNERABLE AND AT-RISK YOUTH IN TIMOR LESTE (FY08) - \$75,000: Although Timor-Leste has made significant progress in emerging from years of occupation and conflict, it continues to face daunting social and economic challenges. Recent outbreaks of violence have underscored the fragility of the peace process. Much of the population had their lives disrupted by the resistance struggle and

lack basic skills, heightening their vulnerability. Furthermore, high unemployment, especially among the young, has fueled an expansion in gang violence. If these and other consequences of conflict are not addressed, the country's stability and future development will be at risk. The activities under this grant aim to analyze the strategies that vulnerable populations, particularly youth, use to cope with shocks and how government interventions can effectively minimize the welfare losses related to these shocks. Progress to date has focused on developing the tools to produce empirical data that can allow analyzing these questions and that are relevant to the Timor context. Much progress has been made in the design of the data collection instruments that will be used to field a survey on risk and risk management as an extension linked to the 2007 Timor Living Standards Survey (TLSS). This survey will produce a rich dataset documenting the incidence and frequency of shocks, as well as their effects and consequences and strategies households use to bear their costs (including access to government and other programs). Methodologically, much effort was placed in ensuring full compatibility across this survey and the TLSS and in piloting an instrument that is relevant in the Timor context. In parallel, progress has been made in terms of contracting a firm to carry out this activity. The survey is planned for March 2008 and data are expected July 2008.

24. TF090877, STRENGTHENING CAPACITY FOR MEASURING DISABILITY ACROSS SOUTH ASIA (FY08) - \$140,000: This grant is intended to introduce new concepts of and develop capacity for disability measurement in order to improve the data and information base on prevalence, type, level, and causes of disability across South Asia. The information would help provide participating governments with information which would lead to better policies and programs for people with disabilities in their respective countries. The key activity for providing the technical assistance and imparting learning will be an in-depth workshop, planned for April 2008, which will bring together country teams comprised of policymakers, statistics/survey/census practitioners, NGOs and disabled peoples organizations (DPOs) together with international practitioners. To date, three countries (Bangladesh, India and Pakistan) have expressed interest in the activity, and initially, in-country training of relevant officials has taken place in each country. India has gone so far as to develop and test an initial set of questions. Bangladesh and Pakistan have identified the need for better surveys in the context of an upcoming Disability and Children-at-Risk project and Earthquake Disability project, respectively. Following the proposed workshop, they plan to test and implement specialized disability surveys. This demand for better information on disability is already a significant shift in approach in each country compared to previous census and household surveys.

25. TF090917, YOUTH EXCLUSION AND POLITICAL VIOLENCE (FY08) - \$130,000: The project aims to address the needs of marginalized and at-risk youth, especially in rapidly-urbanizing and politically volatile regions. It focuses on effective interventions and policies to empower youth, increase equity, reduce violence and improve human security. The project extends the scope of the 2007 WDR by addressing an under-researched area that is an increasing global and regional priority (especially in Africa and Latin America). The project will help to identify strategies to better engage youth in the development process, including through reintegration programs for child soldiers, education reform, social protection, targeted employment programs, micro-credit

schemes for youth, support to internally displaced youth, and post-conflict institution building. The project datasets and research papers will be made publicly available from the project web pages hosted by the Centre for the Study of Civil War at PRIO (International Peace Research Institute, Oslo). Widespread dissemination of findings will also be facilitated through the submission of the project's research papers to international academic journals. Internationally, the project will seek to link with relevant applied programs, particularly the Middle East Youth Project, hosted by the Wolfensohn Center at Brookings Institution, and the International Business Leaders Forum's Youth Business International program based in London, and with policy-oriented research programs such as the Environmental Change and Security Program at the Woodrow Wilson International Center for Scholars, and the Demography and Security program of the National Intelligence Council. . While this grant activity was originally anticipated to start in July 2007, it was only possible to launch in October 2007 because of staffing changes among the implementing team and management. Further unforeseen delays were experienced with procurement issues related to the consultant firm contract for the grant implementing agency. These issues were resolved in December 2007, however, and since that time, the project has made steady progress. PRIO has commenced work on the grant, focusing particularly on the dataset on urban social disturbance and the research on educational attainment and political violence. A new project completion date of December 31, 2008 has been adopted.

26. TF090720, ETHNIC MINORITIES, POVERTY AND HUMAN DEVELOPMENT (FY08)
- **\$120,000:** This global effort to assess the poverty and socio-economic status of indigenous peoples responds to a direct request from the United Nations Permanent Forum on Indigenous Issues. It is motivated by a recent study of indigenous peoples in Latin America (by Hall and Patrinos) which finds high poverty rates among these groups, and that poverty rates among these groups tend to be stagnant even in situations where national poverty rates are changing. Of great concern is the fact, then, that without some change in policy and approach to indigenous peoples development, the gap between indigenous peoples and non-indigenous will persist. This study sets out to discover whether trends across Asia and Africa are similar to those found in Latin America, that is, whether the problem is worldwide in scope. It will contribute to global poverty-reduction monitoring as well as policy formulation in favor of indigenous peoples. It will generate comparable country assessments for ten or more countries in Asia and Africa, the results of which will be compiled together with existing data for Latin America to provide a global baseline. Work began on this study in September 2007. The core team was expanded to include Norwegian consultant and indigenous peoples' specialist and work on validating country selection for inclusion in the study, as well as country team identification. Progress has been relatively rapid in Asia, with work already well advanced on case studies for Vietnam and Laos, and beginning in China, in coordination with Bank teams in each country who in turn provide crucial links to government and stakeholders. In Africa, progress has been slower given political sensitivities and data limitations. The first preliminary results for country case studies in progress are becoming available (Vietnam, Laos, India and possibly China), and will be presented to the UN Permanent Forum in April 2008.

27. TF 091148, INDIA: EMPOWERING DISABLED PEOPLE (FY08) - \$45,000

Andhra Pradesh has in recent years invested in empowerment of disabled people through a range of interventions under its Velugu (now IKP) Program, including mobilization into around 15,000 Self-Help Groups (SHGs), livelihood credit, community investment in rehabilitation and other services, and inclusion of disabled children in schooling. To date, there is no rigorous study which analyzes socio-economic impacts of different interventions on the lives of disabled people and their families, nor of the institutional factors at local level which drive outcomes, and can inform policy development and donor support. In this light, the objectives of this grant's study and dissemination activities are: 1) to provide a survey-based evidence base from a major disability program on the relative effectiveness of different interventions aimed at increasing the empowerment, social participation and livelihoods of disabled people; 2) to provide insights into the social and institutional factors that drive the observed outcomes; and 3) to engage Indian policymakers and civil society on implications for future disability policy and practice based on the insights on program effectiveness and determinants through: (i) a state level workshop on draft findings; (ii) a community-based dissemination; and (iii) publication of report findings. A local firm has been identified to conduct the overall survey work and is presently carrying out the pilot survey in selected districts/mandals of Andhra Pradesh. This phase of the grant is expected to be completed by May 2008.

28. TF090759, PROMOTING EQUITY FOR ETHNIC MINORITIES IN VIETNAM (FY08)

- \$120,000 - This grant will build on the findings from the Vietnam Country Social Analysis (CSA) on Ethnic Minority Development. The Vietnam CSA study consisted of (i) ethnographic research in three regions with significant minority populations that have not seen great gains in poverty reduction; (ii) a desk review of relevant literature; (iii) analyses of relevant policies and programs based on the results of the literature review and field studies; and (iv) a limited household and gender survey using a stratified sample to allow for comparison of different ethnic groups. This grant activity will be used to (i) finalize the initial CSA analysis; and (ii) carry out second stage activities in the area of ethnic minority development for Vietnam. The objective is to increase understanding of disadvantages facing ethnic minorities and to strengthen the capacity of community, district and provincial authorities to effectively design and implement ethnic minority policies and programs. Including minority communities in ethnic minority policy design via their capacity building is also a core element of this TFESSD activity. Final Drafts of CSA Summary and Main Reports have been completed and the report will be launched with government counterparts, INGOs, NGOs, and other stakeholders working on ethnic minority affairs in May 2008. The plan for follow-on work financed under TF090759 will be finalized as part of CSA launch and dissemination activities.

Risk and Vulnerability Assessment, Country Strategies and Evaluation

29. TF055617, RISK, GROWTH AND POVERTY REDUCTION IN LOW INCOME COUNTRIES (FY06) - \$240,000:

The Social Protection (SP) Anchor, in partnership with Bank staff from other sectors as well as external actors, is working to develop new thinking and research on the links between risk, growth, and poverty in low income

countries. The objectives of the work are three-fold: first, to analyze and obtain convincing evidence (including new and innovative research) on the longer-run links between uninsured risk and shocks on the one hand, and growth and poverty on the other, both at a macro and micro level. Second, to assess what can be learned from evaluations of existing *ex ante* risk management instruments, and to support the development and piloting of new and more effective instruments. And third, to build and support a community of researchers and practitioners around the themes of risk, growth, and development, with the dual aim of promoting more policy-focused research and improving the effectiveness of Social Protection programs and policies. The project will support knowledge sharing, e.g. between development practitioners and research institutes, and improve the capacity of governments and non-government entities to respond to risk and exogenous shocks. In the current reporting period, a paper on Social Protection and Poverty Traps was completed and presented at the World Bank. In addition, country levels activities are getting underway in India and China, and a number of policy-focused data and analytic activities have been launched under the overall umbrella of the EAP Flagship on Vulnerability Study. These provided important inputs for a regional vulnerability workshop with East Asian policymakers in June 2008, as well as a major report on vulnerability and growth in the region expected in June 2010. Further information and related publications are available on the Bank's SRM website at: <http://go.worldbank.org/V2B4EG3AY0>

30. TF055944, RISK, SOCIAL NETWORKS, INTERVENTIONS AND POVERTY: INVESTIGATING POVERTY AND WEALTH DYNAMICS USING LONG-TERM PANEL DATA, INDIA (FY06) - \$149,500: The project aims to increase the understanding of long-term poverty dynamics and its determinants, and to build capacity in International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) (belongs to the Alliance of Future Harvest Centers of the Consultative Group on International Agricultural Research) to continue to collect, disseminate, and (more importantly) begin to analyze its Village Level Survey (VLS) panel data.. The study will use the VLS, an innovative long-term panel data set covering 30 years and multiple generations of households and individuals in rural Maharashtra and Andhra Pradesh. Besides documenting these dynamics, it aims to assess: (i) the role of risk in shaping long-term trajectories of household activities, investment, wealth and poverty in these communities; (ii) the role of social networks in assisting or hindering these trajectories; and (iii) the effectiveness of public programs, including safety nets, in these long-term processes. The research will inform policy-makers both in India and beyond on the links between risk and pro-poor growth at the micro-level, and on poverty and wealth dynamics over long periods of change. It will highlight the relative success and failure of growth strategies and policies to include the poor in particularly vulnerable settings and provide evidence to justify the use of social protection and social risk management measures as an integral part of pro-poor growth strategies. ICRISAT has successfully extended the ICRISAT VLS (six villages) through 2006, entered and linked these new data with the longitudinal panel, provided documentation, and undertaken initial analyses. All data collection has been completed successfully under the grant and satisfactory progress has been made in achieving additional grant objectives. ICRISAT undertook some analysis using the new and older data and draft a comprehensive report. While the report was adequate, much more work

remains to be done to use these data effectively and to inform policy making. Several U.S. universities (e.g., Cornell) are providing support for additional capacity building, which should help to expand the base of analytic work. In addition, several background papers have been prepared using the extended panel data set on poverty dynamics, role of anti-poverty programs and policies in improving welfare levels. Information on the VLS and related research can be obtained at <http://www.icrisat.org/gt-mpi/KnowledgeBase/Databases/vls.asp>.

31. **TF057002, TACKLING VULNERABILITY TO ADDRESS HEALTH ISSUES IN ERITREA (FY07) - \$200,000:** The activity aims to address inequality and barriers to inclusion in Eritrea, with a special focus on vulnerable groups in accessing health services, by targeting on the root causes for vulnerability and implementing the technique of story telling in raising accountability in access to and usage of health services. Activities include: (i) a desk review of the current types and levels of vulnerability among the target groups in terms of access to and usage of health services, measures used by health service delivery agents to target these groups of populations, and inequity issues in their use of health services; (ii) participatory rapid assessment with particular focus on the rural poor, mobile populations, women, and commercial sex workers to determine factors that generate vulnerability which affect the use of health services; (iii) administering and institutionalizing story telling as a tool within the Second HIV/AIDS/STI, Tuberculosis, Malaria and Reproductive Health (HAMSET II) Project, to enable a better understanding of roles and responsibilities of various stakeholders in promoting accountability in health service delivery; (iv) carrying out training programs to build capacity of relevant institutions, including civil society organizations to effectively implement the developed operational framework within the two selected components of the HAMSET II Project; and (v) field testing the vulnerability framework within the context of HAMSET II. The grant activity is proceeding more slowly than expected due to the problems in recruiting a local consulting firm with the technical capacity to help with the field work as well as intensified border tension with Ethiopia. The search for consultants has been expanded and is expected to be completed by April 2008. To date, however, the following has been achieved: (i) a desk review of literature was completed in close collaboration with Eritrean counterparts; (ii) an analysis report of the desk review prepared; and (iii) a detailed analytical framework and terms of reference for participatory rapid assessment was prepared and agreed with the Government to better target vulnerable and high risk groups in the future.

32. **TF055620, SCALING UP AND HARMONIZATION OF AN INTEGRATED APPROACH TO COMMUNITY-DRIVEN DEVELOPMENT, DECENTRALIZED GOVERNANCE, SERVICE DELIVERY AND PARTICIPATORY LOCAL DEVELOPMENT, IN SOUTH AFRICA AND LESOTHO (FY06) - \$250,000:** The primary goal of this project is to work with the governments of South Africa and Lesotho on joint reviews of their CDD policies, vision, strategies and programs in support of an integrated approach to decentralized governance, local service delivery and participatory local development. The intended audiences for this approach are: (i) planning and implementing government agencies, (ii) program and support staff working on programs that support this demand-driven, integrated approach to decentralization and local capacity building and empowerment, and (iii) communities

and local governments. The main components of the project are: (a) facilitation of policy dialogues between stakeholders, (b) review of service delivery at the local level, (c) identification of key stakeholders to participate in a CDD training and to participate in service delivery community-led improvement efforts, (d) integration of community report cards as a primary tool of local level social accountability and consensus building into existing decentralization and local development operations. During the period under review, the work on CDD in Lesotho moved ahead very satisfactorily and was completed. The work on Consultative Citizens' Report Cards on municipal service delivery in South Africa also proceeded apace with strong local engagement by both Provincial Government, and the Office of the Presidency. In terms of achieving the grant objectives, strong progress was made. Delays in the negotiations between the Bank's country team and the Government of Lesotho resulted in significant delays in furthering work under some of the components and led to certain activities being dropped. Activities on the Lesotho work were adapted and moved forward satisfactorily following this, and have been completed. The final report will be presented shortly to the South African Office of the President, the Treasury, the Department of Planning and Local Government, and to the Provincial Government entity.

33. TF055540, CONDITIONAL CASH TRANSFERS AND WEATHER RISK MANAGEMENT IN RURAL NICARAGUA (FY06) - \$372,000: This project aims at conducting an impact evaluation of a new innovative program currently underway in Nicaragua with the support of the World Bank. The pilot program combines a traditional conditional cash transfer program with additional household transfers aimed at increasing the income generating capacity of rural poor households exposed to weather risk (occupational training and small grants). The intended audience of this activity is: (i) The *Ministerio de la Familia* in Nicaragua, which will use the insights learned from this pilot program to reshape its programs and operational knowledge; (ii) Other ministries and local institutions (such as Ministries of Agriculture, Rural Development, Health, Education); (iii) World Bank – The cross-sectoral elements of the program present a unique opportunity to enhance synergies across various World Bank units (e.g., SP, ESSD, PREM); and (iv) Development and academic institutions – the pilot's rigorous experimental design will provide new insights about the relevance and feasibility of expanding these types of programs in the rest of Latin America and other regions. The project is well on track and the implementation of the various phases has been timely. In this reporting period, the following have been completed: (1) preparation of briefs and reports for the Country Management Unit, regional colleagues and discussion with the Government on short term evaluation results; (2) design of the follow up quantitative survey for mid term impacts; and (3) dissemination activities.. All of these activities/outputs have been done with active interaction between key World Bank staff, government counterparts, local partners and academic participation. The involvement of local partners in both operational and analytical aspects of the evaluation activities has also helped the capacity building objectives of the project.

34. TF055842, SUPPORT TO PARTICIPATORY MONITORING OF THE NIGERIA NATIONAL ECONOMIC EMPOWERMENT AND DEVELOPMENT STRATEGY (NEEDS) (FY06) - \$325,000: The main objectives of the project are to: (1) Promote accountability,

transparency and effectiveness in the implementation of Nigeria National Economic Empowerment and Development Strategy (NEEDS - Nigerian PRSP), (2) enhance all stakeholder capacity – government and beneficiaries – for, and facilitate effective, sustained monitoring of a key element of the Nigeria’s NEEDS – the National Poverty Eradication Program (NAPEP), and (3) deepen citizen participation and institutionalize participatory processes in the monitoring and evaluation of the poverty reduction program. The main components of the project are: (1) Designing and Training on Participatory Monitoring and Evaluation for public officials and CSOs on the poverty program, (2) capacity building for CSOs, beneficiaries and media on Participatory Monitoring and Evaluation of the Implementation of the NAPEP and (3) a pilot of the PM&E methodology and processes. The target audience includes government policy makers and practitioners from state and local Government, Federal NEEDS team, and staff from Ministry of Finance and sector ministries, Staff of NAPEP at Federal and State as well as Local Government level representatives of CSO; and the media. To achieve this, the grant was to support three main set of activities/components: (a) trainings of public servants and CSOS on participatory M&E and joint development of a framework (b) pilot testing of the framework and (c) dissemination of the tools, methods and results. The target audience includes government policymakers, key staff from the NAPEP and other Ministries and Development Agencies MDA of government and the CSOs. To date, the implementation of the activities under (a) and (b) is completed. In this reporting period, the following has also been achieved: (i) The PM&E framework was drafted. (ii) Training of Key Staff of NAPEP and MDAs was completed. (iii) Training of key officers of selected officers at the federal, state and local government level along with CSOs on a zonal basis was completed. (iv) The gathering of data and analysis for a pilot testing of the PM&E tool was conducted after a delay caused by the last general election. (v) Feedback meetings and consultations on the report of the pilot exercise were conducted in July and August 2007. The project beneficiaries and NAPEP officials at the field level and policy level were involved in the consultative meetings. (vi) The PM&E framework is ready and the printing in a booklet form to facilitate dissemination is on-going. Plans for dissemination workshops have also been finalized.

35. TF090779, MONITORING & EVALUATION FOR NIGERIA SAFETY NET PROGRAM (FY08) - \$150,000: The main objective of this grant activity is to enhance achievement of a high degree of transparency, and effectiveness in the use of public funds for safety net (SN) initiatives in Nigeria. The specific objectives include to: (1) promote ownership, empowerment, and the participation of the recipients and beneficiaries of safety net programs with emphasis on transparency and accountability; (2) ensure effective management of SN programs in Nigeria; (3) enhance the capacity of all stakeholders for effective, sustained monitoring and evaluation of the SN programs in Nigeria; and (4) deepen citizen participation and institutionalize participatory process in the planning, implementation, monitoring and evaluation of SN programs in Nigeria. So far, key stakeholders in the design and implementation of the safety net intervention (conditional cash transfer designated “COPE”) has been identified and assembled. The grant resources have been used for training, and facilitation of technical workshops for a participatory development of the overall framework of the pilot intervention. The framework has been finalized and approved by the president of the country. Presently, grant resources are

being used for local consultants to guide the state level teams (in five states) to prepare a Monitoring and Evaluation Framework as a major section of the Project Implementation Manual (PIM). Training of M&E staff and institutionalization of a Participatory M&E system would be the next line of activity after the PIM has been finalized and adopted.

36. TF091040, RWANDA: DEVELOPING BUILDING AND EVALUATING SOCIAL ASSISTANCE FOR THE POOR AND VULNERABLE (FY08) - \$180,000: Within the broader context of the Government's new *Vision 2020 Umurenge Flagship Program* (VUP) for enhanced growth and poverty reduction - a lynchpin of its new multi-year economic development and poverty reduction strategy (PRSP) - the major objective of this grant is to help build Rwanda's capacity and operational systems to achieve: (a) improved program structures and delivery systems, with better M&E data and strategies, for redesigned social assistance and for publicly-supported job opportunities, along with soundly based strategies for raising agricultural productivity; (b) program evolution towards linkages (e.g., through subsidies and/or conditional benefits) to other programs pursuing labor-market, education, nutrition, health, disability, microfinance, or insurance objectives; and (c) M&E both for alternative program processes and, later, for household outcomes; and (d) a stronger platform from which to develop sustainable and effective social protection policies and programs for the future. During the grant reporting period, Rwanda finalized and published its new, five-year Economic Development and Poverty Reduction Strategy (EDPRS), which includes the VUP as one of three “flagship programs,” making substantial progress towards preparation of plans for implementing the program in pilot areas. Also during the reporting period the Ministry of Local Government, Community Development and Social Affairs began developing draft implementation plans or manuals for major VUP components (including for social assistance, public works, monitoring and evaluation, and financial management, as well as a strategic assessment for microfinance and financial services).

Natural Disasters Sub-Cluster

37. TF057400, SAFETY NETS FOR NATURAL DISASTERS (FY06) - \$60,000: The main objective of the project is to help countries and donors develop and implement appropriate Safety Nets interventions as part of a medium term response to natural disasters which follows the initial humanitarian response. The project will be informed by a series of country case studies (i.e. Pakistan, Indonesia, South Africa) which review recent government and donor experience in the provision of safety nets programs (transfers in cash or kind, public works, targeted fee waivers or subsidies for key services or goods, etc.) to populations affected by natural disaster and shocks. The project will focus not only on safety net programs put in place in response to shocks; the team will also work closely with (several) disaster-prone countries to include provisions for social protection programs that can be put in place before any emergency arises, and scaled up to address the needs of affected populations after a shock occurs. This work is a component of a larger pool of TSESSD activities that seek to provide operational know-how on different aspects of Social Protection interventions pertinent to natural disasters (TF057146, TF057288, TF057304 and TF057305). The output of the work of this component will be used together with those of the other proposals for the preparation of a

toolkit that will help countries develop appropriate range of responses to the risk and the occurrence of natural disasters. Grant activities are on track, albeit moving slower than expected on the implementation of the main component consisting of the country case studies. Presently, preparation of the main report is underway and a smaller study on the response to the drought in Niger has also been commissioned.

38. TF057146, MAINSTREAMING GENDER INTO DISASTER RECOVERY AND RECONSTRUCTION (FY07) - \$60,000: The objective of the activity, which is just getting underway, is to help countries coping with natural disasters to better incorporate gender aspects within their disaster recovery and reconstruction policies and practices, and thereby to use these as an opportunity to promote more gender equitable development, reduce poverty, and lessen the women's vulnerabilities to natural disasters. Many of the specific gender aspect of disasters are well recognized; however they have not been reviewed in a consistent way, nor have lessons been extracted and disseminated, particularly in disaster prone regions. The work financed under this trust fund will assess and consolidate global experiences, also finance two country level case studies (Indonesia and India) with the aim of identifying guiding principles both for central government as well as for local level actors. Particular attention will be paid to the Tsunami reconstruction experience. The implementation of the grant is on track. A concept note was prepared and desk review accomplished. The concept note and desk review was discussed on an expert meeting organized in Istanbul, Turkey, June 2007. Experts from India and Thailand were invited together with Turkish and international experts. The expert meeting provided feedback to the draft paper and outlined the areas for further work. It also provided an opportunity to exchange country experiences and learn from recent best practices of gender sensitive recovery activities of the host country. Two field visits were completed: one in Tamil Nadu and one in Thailand. During the field visits meetings were held with major stakeholders of recovery processes, including government officials and non government sector representatives. Interviews were conducted and results were summarized in a draft paper. During the field visits local consultants were identified to prepare case studies of select communities. Two case studies have been completed one on three communities in Tamil Nadu and one on the Andaman and Nicobar Islands. The third case study on Thailand is expected to be finished by April 2008. The study and case studies will form the basis for developing policy recommendations and practical guidelines for government officials and NGOs. WBI and Oxfam America plan to organize a stakeholder consultation to gain feedback from major stakeholders and flag the areas where the different actors could improve the outcome of their interventions by incorporating gender considerations. The dissemination of results will be achieved through development of focused training materials integrated into WBI disaster risk management learning program.

39. TF057436, STUDY OF THE TSUNAMI AFTERMATH AND RECOVERY (STAR) FY07) - \$150,000: One of the main objectives of STAR is to credibly evaluate the various safety nets put in place in the tsunami affected region of North Sumatra and thus provides new information on the effective design of safety nets following a large-scale natural disaster and concomitant displacement of population. Policy lessons will come in part from a comparison of the effects of the disparate aid mechanisms that are and have

been implemented in Aceh, a comparison both across affected communities and in relation to unaffected communities. A multitude of assistance rushed into Aceh from numerous sources just after the Tsunami, and this constituted a varied patchwork of aid. The project involves the collection of repeated (annual) household, community, and facility surveys which will support careful analysis of the transition from emergency related aid to medium and long run reconstruction efforts. Progress on the study has been satisfactory – the household component went to the field in October 2007, followed by the facility component in November. As of the end of this reporting period, the facility component survey is nearly completed which is a crucial step in achieving the grant objectives.

40. **TF057304, RESPONDING TO NATURAL DISASTERS THROUGH A COMMUNITY-DRIVEN DEVELOPMENT (CDD) APPROACH (FY07) - \$170,000:** The grant objective is to improve disaster response capacity of client governments through increased preparedness of central agencies such as social funds, strengthened community and local government mechanisms, and by incorporating inclusive prevention and recovery strategies that address the needs and special circumstances of the vulnerable. The Social Funds Team in the Social Protection Unit and the Community Driven Development (CDD) team in the Social Development anchor are collaborating effectively to move this work forward. The two anchor units are collaborating with other TFESSD teams working on natural disasters to incorporate gender (TF057146) and disability (TF057288) materials into this toolkit. The team is also coordinating closely with the Hazard Risk Management Team within the Bank. The consultants hired to develop the toolkit have produced a preliminary draft which has been circulated for a core team review. While revisions and editing are needed, it is expected that the product will be completed by June 2008 as planned. The dissemination of the final work will take place at a workshop in Bangkok, Thailand in June 2008, where country office, implementing agency and government staff will be invited to present their work, participate and learn how to integrate community based disaster preparedness into CDD/SF operations financed by the World Bank. The three-day workshop in Bangkok will target regional bank operations and implementing agency staff. The workshop will bring together development practitioners from all regions and focus on enhancing their capacity on the issue of Disaster Risk Management through the CDD approach and initiatives.

41. **TF057288, DISABILITY AND NATURAL DISASTERS (FY07) - \$15,000:** Because of high fragility to external shocks, special needs associated with their conditions, and unequal access to interventions and resources, disabled people worldwide are typically excluded from natural disaster preparedness, emergency response/relief, and recovery & reconstruction. As part of the broader umbrella project on Natural Disasters and Social Protection (TF057305), the proposed operational guidelines have been peer reviewed and revised based on input from World Bank staff and consultants. It will be further shared, discussed, revised and finalized based on input from World Bank Staff, emergency-relief agencies, government officials dealing with disaster preparedness/interventions, and Disabled Peoples Organizations during the spring of 2008. The proposed guidelines were also shared with donors, governmental and other representatives of the EU, as part of a presentation at the European Consensus Conference for “The Verona Charter for People

with Disabilities in Disaster” in November 2007. The guidelines are expected to be finalized June 2008, as planned.

42. TF057305, RESPONDING TO NATURAL DISASTERS THROUGH SOCIAL PROTECTION INSTRUMENTS: COORDINATION ACTIVITY (FY07) - \$90,000: At the request of the technical review committee, five of the ‘natural disasters’ proposals submitted in response to the FY07 Call were combined under a common framework. These included activities led by the Safety Nets and Disability teams in the Social Protection Anchor, the Social Development team in the South Asia Region, the World Bank Institute (on gender dimensions) and Social Funds/CDD teams in the network anchors for Social Protection and Social Development Department. While individual teams will be guided by a common framework, each thematic group will also undertake individual work programs – under their own Child Accounts – to meet the distinct objectives of their grant proposals. The Social Funds/CDD teams have overall responsibility for coordinating the work and developing and disseminating joint products, i.e. various KM products (toolkits/guidelines/studies) prepared under each of the themes. There is good coordination of the work undertaken by various teams on disaster (i.e., Safety Nets, SASES, Disability, WBI on Gender, and Social Funds/CDD Anchors). The Gender and Disability teams have provided written inputs to the Social Fund/CDD anchors, on integrating gender and disability issues respectively into natural disaster management, utilizing a community-based approach. These inputs will be incorporated into the toolkit being developed by the Social Fund/CDD anchors on community-based disaster risk management via SF/CDD operations. The UK-based consultants commissioned to work on social safety nets and natural disasters presented a module on this topic during the World Bank Safety Nets Core Course in March 2008.

43. TF057453, DECENTRALIZED DISASTER MANAGEMENT AND LOCAL GOVERNANCE – BANGLADESH (FY07) - \$75,000: The key objectives of the study, *Decentralized Disaster Management and Local Governance in Bangladesh*, are to: 1) offer a framework for better understanding how local governments and communities can play effective roles in natural disaster management, and what role communities can play in this context to hold the local state accountable; 2) disseminate the study findings to policy makers in Bangladesh to enhance their ability to influence policy and institutions which empower local governments and communities in disaster-prone areas to effectively manage and reduce disaster risks. The intended audience is policy makers and relevant institutions in Bangladesh. Activities under this grant are moving forward with the in-country workshop being organized for May 2008 to disseminate the guidance note as well as training on disaster risk reduction being designed with collaboration from the Local Government Support Project (LGSP) and the Comprehensive Disaster Management Project. This training will be rolled out to Union Parishads supported by the LGSP.

Employment Generation, Labor Markets

44. TF054203, YOUTH IN AFRICA POVERTY AND LABOR MARKET OPPORTUNITIES (FY05) - \$146,875: The program aims to improve the knowledge and understanding of youth (15-24 years old) unemployment in Africa. Specifically, the study objectives are:

(i) explore determinants of labor market outcomes for youth groups, (ii) identify policy options and interventions to improve skills, education, and employment opportunities. To address these objectives, two papers have been completed satisfactorily. The first is a synthesis volume on Youth in Africa's Labor Market – a regional study of youth employment and transitions from school to work in Sub-Saharan Africa, based on four case studies (Uganda, Ethiopia, Tanzania and Burkina Faso) and data from 13 countries where household data is available. The second volume includes four separate studies on the determinants of youth labor market in Sub-Saharan Africa. This volume explores empirically the determinants of labor market outcomes in the four countries. The results of the both exercises have been presented at a one-day workshop at the World Bank, with 60 participants Bank-wide and with external audiences. As a result of this grant activity, a growth in lending on youth employment to Nigeria has occurred (Lagos Eko Project in preparation). To disseminate the results more widely, synthesis volume was published as part of the World Bank Publications Series on *Directions in Development*. The workshop materials are available on-line at <http://go.worldbank.org/K3Y24V3IN0>.

45. TF055590, INFORMALITY, GLOBALIZATION AND THE WORKING POOR (FY06) - \$342,500: The objective of the project is to identify whether barriers to labor mobility and/or competitive forces triggered by globalization are preventing poor and vulnerable workers from contributing to, and reaping the benefits of economic growth. The project has three components: (1) Poverty, Exclusion and Informal Economy: This component analyzes the dynamics of the informal sector, with particular emphasis on identifying: (a) whether the informal sector constitutes a poverty and exclusion traps for the workers it employs, (b) whether workers in the informal sector are excluded from social protection, (c) the institutional and regulatory features that give rise to informal employment, (d) policy options to expand social protection to informal workers. (2) Trade liberalization, jobs and work conditions: This component analyses the effects of trade reforms – opening and promotion of Foreign Direct Investment – on vulnerable workers, with a special emphasis on identifying: (a) the magnitude of job losses, particularly of formal sector jobs, associated with trade opening, (b) the effect of trade liberalization, FDI and Multinational Enterprises (MNEs) on working conditions, particularly for vulnerable workers, and (c) institutions and policies that improve working conditions in open economies while promoting productivity growth. (3) Youth study: This is a small new component (since January 2007) that initiates new analytical work to investigate youth vulnerability in the labor market. The grant activities are on track, and, to date, the following have been completed. Regarding the first component, two pilot surveys have been carried out for Bulgaria and Colombia. A draft paper on the experience of these pilots has been completed; and the implementation of the module included in a Household Survey for Bulgaria is complete. Final data is available and analytical work has been commissioned. A module to be included in the Household Budget Survey for Uzbekistan was finalized and a pilot was carried out. (However, the final questionnaire was not implemented in the field because the government did not provide authorization to carry out survey. Uzbekistan has been replaced by Tajikistan and final data is expected to become available at the end of March 2008.) Regarding the second component, a final draft literature review has been produced; a final draft of the conceptual framework for analysis of the impact of globalization on employment creation and working conditions

has been completed and is being used for country studies; five country studies have been completed using the conceptual framework (Cambodia, Indonesia, Madagascar, Honduras, and El Salvador); and a new paper summarizing the results and analyzing new directions for research has been commissioned. Regarding the third component, a paper that analyzes adverse effects of business cycles on Brazilian youth in the labor market has been completed. Spanning a number of recessions and expansions it investigates the connection between labor market indicators such as participation, employment, unemployment and wages and business cycle fluctuations. A new paper analyzing in more depth the reasons for deteriorating conditions for youth has also been commissioned. The note, on *The Effects of Globalization on Working Conditions in Developing Countries: An Analysis Framework and Country Study Results*, prepared as part of this grant is available at <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALPROTECTION/EXTLM/0,contentMDK:21692675~isCURL:Y~menuPK:588059~pagePK:210058~piPK:210062~theSitePK:390615,00.html>.

46. **TF055676, AFRICA REGIONAL LABOR MARKET STUDY (FY06) - \$105,000:** The program is part of an ongoing research project, which aims to deepen the understanding of the causes and consequences of poor employment performance in Africa. The program covers the second phase of the research program, which is data analysis. The survey is using data from over 20 poverty/vulnerability assessments in Africa, as well as data from local research institutes. No new data will be collected. The objective is to develop a rigorous analysis of the labor-poverty issues across 15 active IDA borrowers who are developing their labor market strategies as part of their PRSP. The analysis will help these countries benchmark their situation in comparison with others, and help develop a good understanding of the links between labor market, poverty and vulnerability. Two papers are being prepared. The first paper was finished and presented at a Labor Markets in Africa conference in November 2006, with over 100 African policy makers and donor partner participants. This paper has been published formally by the World Bank as *“Working Out of Poverty: Job Creation and the Quality of Growth in Africa”* and is being used as the basis for the Africa section of the Labor Markets Core Course, which is the main vehicle the Bank uses to build capacity to analyze labor markets in low income countries. The paper is available on-line at http://publications.worldbank.org/ecommerce/catalog/product?item_id=8108729.

47. **TF090820, FLAGSHIP ON LABOR, SKILLS, AND PRODUCTIVITY (FY08) - \$60,000:** The two studies financed with this grant will be developed within the framework of an innovative regional study on labor, skills and productivity in East Asia. They will explore relatively new territory for East Asia by focusing on the implications of globalization and growth on the unskilled population, and on policies to address this skill gap and provide increased access to good employment opportunities. This grant activity has a forward looking operational agenda and has strong potential to inform long-term engagement with a range of countries by defining: (i) a more consistent regional approach to developing strategies and tools for better assessing demand for skills and employment patterns, enhancing skills of vulnerable groups and designing better labor market policies and institutions; and (ii) a strategic framework to address the

consequences of globalization on vulnerable workers in fast growing developing countries. The audience of both reports will be the Ministries of Education and Training (both planning their long term education and training strategy) and the Ministries of Labor in both countries. The first part of the studies will undertake a diagnostic of the unskilled population to identify the relation between skills, employment, job-quality and labor mobility. The second part will assess the constraints for the poor or unskilled to access decent jobs, with particular focus on constraints to acquire skills. It will also propose policies to address them. Presently, two case studies on Indonesia and the Philippines are planned for this fiscal year. Since the end of August 2007 (the start of the grant), two missions in each country have taken place to specifically identify the data available, the main constraints to becoming skilled and getting access to good jobs, and the main programs/reforms to be assessed. For both countries, it was decided that the existing data should be complemented by a new small ad-hoc survey on skills and employment in order to allow complete diagnostic on unskilled workers, constraints to acquire skills and program assessment. The firms which will implement the surveys (co-financed with another source of funds) have been selected and the contract is expected to be signed by the end of March 2008. Two local consultants for undertaking the studies have also been identified and should be contracted by mid-April 2008. The resulting tools and strategies will be shared through national and regional workshops and other dissemination events.

3.2 Completed Activities

48. **TF053964, DISABILITY AND SOCIAL PROTECTION IN TWO ECA COUNTRIES, ARMENIA AND UZBEKISTAN (FY05) - \$80,000:** The objective of the study was to provide more insight into disability issues and people with disabilities (PWD) in Armenia and Uzbekistan. In Armenia, existing data has been used to develop a disability profile of the country. The study is (i) assessing the status of disabled people in Armenia and identifying the key risk factors; (ii) reviewing current policies and programs (both public and private) for disabled persons in the country, also assessing their strengths and weaknesses; and (iii) making relevant policy and program recommendations. In Uzbekistan, there existed no reliable data on disability incidence rates. The study therefore conducted a Regional Disability Survey (RDS) to gather data on disability. This was done in conjunction with a Regional Panel Survey (URPS) that was already being fielded in the country. The URPS is a household survey that also collects community-level data on the number of disabled. RDS used a combined questionnaire with the wave-3 URPS survey. The Armenia country study has been completed. The Uzbekistan data was used in *Economic Implications of Chronic Illness and Disability in Eastern Europe and the Former Soviet Union* and is available on-line at: <http://go.worldbank.org/BZUC636RA0>.

49. **TF054118, DISABILITY AMONG CHILDREN AND POVERTY IN IVORY COAST (FY05) - \$83,327:** The program originally aimed to assess the links between disability and poverty in Ivory Coast, with a focus on Abidjan, and assess the level and type of services provided to the disabled by both public and private providers. A survey of the disabled population and service providers, in the Abidjan area, has been completed and

analyzed. The information obtained will be used to inform the preparation of the full PRSP for Ivory Coast and organize a workshop on the issues in Abidjan, as part of the dissemination of the poverty assessment scheduled for the end of March 2007. The finalization of the PRSP in the country has been delayed (the country just obtained funding for clearance of arrears in April 2008) and is expected to move towards finalization of its PRSP and renewed in-depth policy dialogue with donors in the near future. Additional funding has been granted to draft an integrated background report, with additional analysis on disability based on census data in about eight West Africa countries, using census data. The objective of the final report will be to provide a more ambitious report on disability in West Africa, including detailed analysis not only for Ivory Coast, but also Benin, Ghana and Nigeria,. An extension has been requested to be able to publish the final study by end of June 2007. It is expected that the publication of the overall West Africa report will be a key source of information on disability in Africa for years to come.

50. **TF055682, A QUALITATIVE STUDY ON DISABILITY AND LIVING STANDARDS: GEORGIA, KENYA AND YEMEN (FY06) - \$170,000:** This project involved the application of a qualitative methodology to collect data on disability and well-being in Georgia, Kenya, and Yemen. Studies were completed in all three countries that highlight the challenges and structural barriers confronting families with disabled members. Focused interviews were conducted with disabled people, family members, government officials, and NGOs. In addition to reporting on findings, the studies provide a list of policy recommendations for making development projects more inclusive. In Yemen, the study was a key input into another commissioned report on policy recommendations for an upcoming meeting on developing a national disability strategy. In Kenya, the report was disseminated to the Central Bureau of Statistics and is influencing the development of their upcoming quantitative survey. In Georgia, a workshop with government officials considering a national disability strategy is also planned. The reports are available at <http://www.worldbank.org/disability> in the "Data and Statistics" Section.

51. **TF055675, ETHIOPIA PRODUCTIVE SAFETY NETS (FY06) - \$152,490:** The proposed activity evaluates three inter-related elements of the Ethiopia Productive Safety Nets Program (PSNP) to undertake: (i) an evaluation of the deferred payment system, through which beneficiaries receive part payment at time of work and part payment during the hungry season; (ii) an evaluation of the impact of cash transfers on households; and (iii) an evaluation of the impact of cash transfers on markets. Progress made on each is as follows: The evaluation of the purchasing power of the PSNP cash wage rate in rural areas was contracted and fielded in October 2006. This study found that there was a growing disparity between the food wage and the purchasing power of the cash wage. This led to an agreement to increase the daily wage rate of the program by one third, from Birr 6 to Birr 8. The benchmarking study to develop a quantifiable evidence-based definition of graduation from food insecurity was completed and resulted in an in-depth analysis that established region-specific benchmarks for graduation, which are to be used as an objective mechanism for determining when exit from the program should occur. The benchmarks have largely been adopted by the regions. The analysis of issues related to household graduation from food insecurity has also been completed,

following the benchmarking study above. The final report has been issued and is under discussion between Government and donors. These studies have facilitated policy dialogue on critical design issues between Government and donor partners and led to significant changes for the PSNP. The studies have also initiated a more systemic discussion about the feasibility of graduation by beneficiaries from the program which will be particularly important as the PSNP moves towards its third phase. This is an example of close complementarity with a Bank lending and influence on operations.

52. **TF056362, GUINEA CONFLICT, RISK AND VULNERABILITY ASSESSMENT (RVA) (FY07) - \$25,000:** The broad objective of the RVA is to help the government, civil society and the donor community better understand the dynamics of conflict in the country so as to be able to take preventive action, particularly by supporting communities in their efforts to live peaceful and productive lives. In light of these considerations, the RVA aims to go beyond purely analytical work and, in the tradition of action-research, build on the analysis to design a conflict assessment and management tool to be used at the community level. Specific activities include (a) analyzing the potential sources of conflict and fragility for Guinea and explaining the political economy of a potential conflict; (b) identifying specific factors linked to conflicts at the community level, production of a typology of conflicts at the community level, (c) an inventory of local conflict management mechanisms and an assessment of their effectiveness; and (d) designing and testing a community conflict assessment and management tool including a typology of the most common conflicts and an inventory of strategies for conflict risk management at the local level. The work was completed satisfactorily. A toolkit package consisting of three (short) volumes was produced: (i) a trainer's manual, (ii) a facilitator manual, and (iii) a toolkit containing practical exercises, checklists, etc. The package will be used by the PACV II project in its community work and also made available to all actors doing participatory community development work.

4 Overall Implementation Progress

4.1 Overview of Activities

53. There are 32 active projects under the Social Protection Window: 2 remaining from the FY05 Call, 8 from the FY06 Call, 11 from the FY07 Call, and 11 from the FY08 Call. Five projects closed during the most recent reporting period (FY05 and FY06), and a number of others are scheduled to close shortly.

54. As noted earlier, the FY05 Call focused on specific vulnerable groups (orphans and vulnerable children, youth concerns more broadly) and on improving the knowledge base on disability, as well as expanding and mainstreaming programs and policies in World Bank activities to address the needs of people living with disabilities. All projects have been completed or (in two cases) are nearing completion, and a number of follow-on activities have been launched. For example, a new grant related to disability was approved in FY07 (TF090877 Strengthening Capacity for Measuring Disability across South Asia.).

55. The Social Protection Window operated under the same strategic priorities as other windows for FY06-FY08, although in FY06 additional priority was given to projects that proposed to evaluate the impact of Social Protection policies and programs (linked to the focus in the general Call on activities to support downstream monitoring and evaluation of poverty, vulnerability, social and environmental impacts of Bank-sponsored activities), exploring links between risk and growth, vulnerability in the context of labor markets, and the special needs of aging populations. Twelve activities were approved and mapped to the Social Protection Window for FY06 (one was cancelled; two have been completed, and the remainder are still ongoing), eleven activities were approved and mapped to the Social Protection Window for FY07 (one completed) and eleven activities were approved for FY08 (all underway).

Table 1: TFESSD Social Protection Window activities as of January 31, 2008

Call/Year	Activities Approved	Activities Ongoing	Closed Activities	Activities in Africa (total)
FY04	0	0	0	0
FY05	10	2	11	7
FY06	12	8	3	7
FY07	11	11	0	4
FY08	11	11	0	5

56. A total of 23 (out of 44 approved) projects managed under the Social Protection Window involve work in sub-Saharan Africa. Table 2 lists AFR activities:

Table 2: Social Protection Window: Supported Activities in Africa

TF #	Country	Activity	%	FY
TF053963	Kenya	Quantitative Survey Development for Kenya	33	2005
TF053966	Senegal	Improving Support to Vulnerable Groups in Senegal's Poverty Reduction Strategy	100	2005
TF053967	Mauritania, Congo	Orphans and Vulnerable Children (OVC) Toolkit Testing, Mauritania and Democratic Republic of Congo,	100	2005
TF053971	Rwanda	Preparation of a Social Protection Strategy for Rwanda	100	2005
TF054110	Benin	Discrimination of Orphans in Benin	100	2005
TF054118	Ivory Coast,	Disability among Children and Poverty in Ivory Coast,	100	2005
TF054203	Sub-Sahara	Youth in Africa: Poverty and Labor Market Opportunities	100	2005
TF055620	South Africa Lesotho	Scaling Up and Harmonization of an Integrated Approach to CDD, Decentralized Governance, Service Delivery and Participatory Local Development, in South Africa and Lesotho	100	2006
TF055675	Ethiopia	Ethiopia Productive Safety Nets	100	2006
TF055676	Africa	Africa Regional Labor Market Study,	100	2006
TF055682	Kenya	A Qualitative Study on Disability and Living Standards, Georgia, Kenya and Yemen,	33	2006
TF055759	Senegal	Informal Support for the Elderly, Senegal, Sri Lanka and India	33	2006
TF055842	Nigeria	Support to Participatory Monitoring of the Nigeria National Economic Empowerment and Development Strategy (NEEDS),	100	2006
TF056362	Guinea	Guinea Conflict risk and Vulnerability Assessment (RVA)	100	2006
TF057002	Eritrea	Tackling Vulnerability to Improve Usage of Health Services in Eritrea	100	2007
TF057304	Malawi	Responding to Natural Disasters through a Community Driven Approach	33	2007
TF057305	Southern Africa	Responding to Natural Disasters through Social Protection Instruments Including Vulnerable Groups (Disability, Gender)	33	2007
TF057400	Southern Africa	Toolkit: Safety Nets for Natural Disasters	20	2007
TF090720	Cote d'Ivoire, Gambia, Ghana, Guinea, Malawi, Madagascar, Mauritania, Niger, Tanzania, Uganda	Ethnic Minorities, Poverty and Human Development - A Global Assessment	60	2008
TF090779	Nigeria	Development of Participatory M&E Framework for Nigeria Social Safety Net Program	100	2008
TF090917	Sub-Sahara	Youth Exclusion and Political Violence	60	2008
TF091040	Rwanda	Building and Evaluating Social Assistance for Rwanda's Poor and Vulnerable	100	2008
TF091773	Sierra Leone, Liberia, Angola, DRC, Burundi	Social and Economic Impact of Disability in Post-Conflict Countries	100	2008

4.1.1 Progress of Ongoing Activities

57. Projects are generally progressing well and the pace of implementation has been satisfactory during the review period. TTLs often underestimate the time required for project implementation, and many request closing date extensions (typically 6-12 months). Delays are usually caused by changes or complications in country conditions e.g. elections, civil unrest and security concerns, and only rarely by staffing changes or shifts in work program priorities. Window management feels it better to be flexible, particularly in cases of deteriorating country conditions, delays caused by elections and political unrest, rather than insist projects adhere to initial schedules.

4.1.2 Project Closings

58. Five projects closed during the reporting period, all with fully satisfactory outcomes.

4.2 Disbursements and Commitments

59. Disbursements under the Social Protection Window are moving well. In aggregate, Social Protection has committed or disbursed \$3.69 million (79%) out of receipts totaling \$4.66 million since the window was opened in FY05. (Table 3). Both the FY06 and FY07 portfolios are disbursing well, and new projects approved in FY08 are off to a good start. The aggregate share of spending in Africa remains at 0%.

Table 3: Social Protection Window: Disbursements and Commitments

Social Protection Window	Receipts (US\$)	Cumulative Disbursements / Commitments as of 1/31/08	Commitments as of 1/31/08	% of receipts disbursed / committed	Africa Portion of Disbursements/Commitments	Africa % of cumulative disbursements/commitments
Activities approved in FY05	1.148	0.962	0.066	84%	0.584	61%
Activities approved in FY06	2.094	1.778	0.248	85%	0.989	56%
Activities approved in FY07	0.910	0.726	0.285	80%	0.198	27%
Activities approved in FY08	0.506	0.228	0.201	45%	0.073	32%
Window account	772					
Total	5.430	3.695	0.802	79%	1.844	50%

4.3 Actions Taken or Recommended

4.3.1 Annual Strategic Review by Sector Board

60. A strategic review of Social Protection Window projects will be undertaken during May-June with the aim of identifying and addressing problem projects, also responding to requests for additional funds. Criteria for identifying problem projects were provided by the Secretariat viz.

- Overall slow movement in implementation and disbursement;
- No disbursement in the past 6 months or more;
- Outstanding commitments that are over a year old;
- The activity is unlikely to be accomplished after a year's extension;
- Satisfactory progress report is not delivered on time.

61. The Social Protection Window portfolio is relatively small and delays in implementation are typically addressed when they come up over the course of the project cycle. Moreover allocations to projects are generally modest. Our initial assessment and GRM review suggests that all active projects are progressing satisfactorily.

4.3.2 Extensions, Fund Reprogramming and Cancelled Activities

62. A number of projects requested and were granted extensions (see Section 4.1.1) based on satisfactory progress and a clear implementation plan for completing the work during the extended period. There were no cancellations during the review period.

Fund Reprogramming

63. Based on discussion with the SP Board, the SP Window agreed to respond to TTL's requests for additional funding and re-allocations when they came up over the course of the year, rather than only make reallocations at the time of the annual strategic review. Note that funds are also available for reallocation as part of the forthcoming annual strategic review.

64. Five requests for additional funds were received during the reporting period and discussed at regularly scheduled SP Board meetings. Four requests were approved for a total of \$225K (see below) and one was deferred pending further information from LAC SP colleagues.

1. TF055617 Risk, Growth and Poverty in Low Income Countries – 70K for East Asia Vulnerability Flagship support
2. TF057304 Responding to Natural Disasters through a CDD Approach – 70K for additional case studies, more work in responses
3. TF057004 Toolkit for Policy on At-risk Youth in Middle Income Countries – 40K for expanded dissemination of the toolkit, translations and publishing in Spanish and Arabic
4. TF057435 Crime and Violence Prevention for Caribbean Youth – 45K for expanded analytic work, building in-country partnerships

III. ADMINISTRATION AND GOVERNANCE

1. The secretariat aims to provide efficient administration and enhance the quality of trust fund processes and products whenever possible. This year has been a period of change for the Secretariat with changes in staff and management and heightened interest in searching for ways to improve quality and efficiency, sparked also by the evaluation. The Secretariat has also sought to explore synergies with the Norwegian trust fund for private sector and infrastructure.

2. This chapter summarizes some of the major events, including the Call for FY09; efforts in knowledge management and results monitoring; and the bi-annual meetings and workshops. First, however, the chapter starts with a presentation of the reference group.

A. THE WORK OF THE REFERENCE GROUP

1 Summary of activities February 1st 2007 – January 31st 2008

RG mandate and members

3. The mandate of the Reference Group (RG) states: “The Reference Group shall advise the Norwegian and Finnish Ministries of Foreign Affairs (MFA) on the progress, direction and usefulness of the TFESSD, and assist in promoting a substantial dialogue between the Bank and the Norwegian and Finnish ESSD communities”.

4. The focal points in the two ministries were Mr. Olav Seim (Norway) and Ms. Lotta Karlsson (Finland). In July 2007 Ms. Karlsson was replaced by Ms. Leena Viljanen.

5. Norwegian RG members: Desmond McNeill (head of RG), Marianne Berg Haaland, Berit Aasen, Eva Kløve, Hans Olav Ibrenk, Brita Slettemark and Tanja Winther (RG secretary).

6. Finnish RG members: Timo Voipio (up to August 2007), Matti Nummelin, Pekka Hukka, Elina Leväniemi, Anita Kelles-Viitanen (from September 2007), Ari Huhtala (from September 2007), Ronald Wiman (from September 2007).

RG activities

7. The RG had four regular meetings in the period (26.04.07, 25.09.07, 16.10.07 and 24.01.08). RG members also participated/contributed during the two major annual events of the TFESSD:

- Annual Conference and Consultations, held in Oslo, May 8-9 2007.
- Washington meetings. The Reference Group visited the World Bank 13-14 November 2007, with learning events, meetings and discussions filling the two days.

9. These semi-annual meetings are perceived as lively and informal, and the discussions constitute an important and fruitful part of the TFESSD partnership.

10. In general, RG meetings are scheduled so as to fit with crucial steps in the TFESSD procedures. In the period, the following activities and documents produced by the group are highlighted:

- RG's evaluation of the new TFESSD procedures (May 2007)
- Dialogue with the Bank towards the Call for proposals FY09 (autumn 2007)
- RG's comments to the draft TFESSD Evaluation Report by COWI (November 2007)
- RG's comments to the Bank's recommendations for concept notes FY09 (January 2008)

11. The RG meetings took place in the Norwegian Ministry of Foreign Affairs, and all of them were organized as telephone conferences between the Norwegian and the Finnish members. Two of the meetings were also attended by World Bank representatives. In addition, the regular meetings have been supplemented by smaller separate meetings in Norway and Finland. Email is widely used for communication between meetings. This has proved quite effective, facilitating a timely response to various requests. The RG Secretariat (RG leader and secretary) facilitated the meetings and prepared and followed up on various issues in the periods between meetings. They also kept regular contact with the Bank's TFESSD Technical Advisor (initially Ann Hjetland and subsequently Rasmus Heltberg).

Other activities involving RG-members

12. RG contributed with the planning of the program for the Oslo conference on May 8, 2007: 'Energy access and climate change: The role of the private sector and the World Bank Group'. The conference was hosted by the Norwegian Ministry of Foreign Affairs and jointly organised by the NTF-PSI and the TFESSD. 100 participants attended including some 10 people from the World Bank Group. It was held at Norad's premises in Oslo.

13. Selected RG members formed part of the Advisory Panel for the TFESSD Evaluation.

B. FY09 CALL FOR PROPOSALS

14. The theme of adaptation to climate change was proposed by the donors and agreed to by the Bank. It was agreed that, in contrast to the multi-theme Calls in previous years, there would be just a single thematic focus for FY09. However, within the theme of adaptation to climate change, a broad variety of disciplinary approaches would be eligible. At the request of the reference group, a background note on issues related to adaptation was prepared. On November 12, 2007 a Call went out Bank-wide for concept note (CN) proposals focusing on adaptation to climate change, accompanied by the background note. The Call requested proposals focused on (a) direct impacts of climate change; (b) socio-economic impacts of climate change at micro, meso, and macro level; or (c) adaptive capacity and policy. The text of the Call and the background note is reproduced in the Annexes.

15. As in other years, a two step process was followed. First, one page CNs were assessed. Next, successful teams were invited to submit somewhat longer full proposals. Proposal evaluation was coordinated by the Secretariat.

16. Fifty-three CNs were received with requests of around \$14 million for FY09. The CNs were scored and discussed by a cross-sectoral Technical Panel (with members nominated by the four TFESSD sector Boards). The panel focused on quality and value for money, scoring the CNs according to three criteria:

- (i) innovative and catalytic;
- (ii) strategic relevance; and
- (iii) multi-sectorality.

17. The Panel recommended some CNs be declined and that others go forward but with reduced budgets. The Panel's recommendations were shared with the four sector boards for their comments and approvals. The comments made by some of the sector boards were taken into account, and led to certain modifications of the Bank's recommendations to the donors. The donors approved the Bank's recommendations. The RG made useful comments which were taken into account, for example expressing support for particular proposals and pointing out that ratings should not be used in a mechanistic manner. In all, 41 CNs were approved and invited to submit full proposals.

18. Forty full proposals were subsequently received (one team was unable to prepare the proposal) with budget requests totaling \$9.5 million. Again, the Technical Panel scored and commented on the proposals. The criteria used were as follows:

- *Strategic fit (in line with Bank strategic directions; in line with CAS or PRSP);*
- *Overall quality (technical soundness and realism; promotes innovative idea(s) in the area of adaptation to climate change;*
- *Clearly defined outputs and outcomes);*

- *Catalytic and cross-sectoral (sets the stage for future operations; promotes cross-sectoral collaboration, includes more than one network).*

TFESSD value added (rationale for grant funding versus WBG own work).

19. The Technical Panel recommended that 38 of these full proposals receive funding. It also recommended some proposals have their budgets reduced or delayed from FY09 to later years, and provided technical comments, paying particular attention to potential overlaps and to results indicators. Teams responded quickly to the proposed revisions which were made and incorporated in the final full proposals that were submitted for donor approval. The sector board heads and the donors approved these decisions.

20. The approved proposals entail a FY09 commitment of \$8.3 million and a \$21.2 million total commitment with an Africa share around 46%, somewhat below the intended 50%. The relatively narrow theme this year and the concomitant decline in proposals, including proposals from Africa, made it impossible to reach the 50% Africa goal. The lesson for the future is that broader multi-theme proposals make it easier to generate and fund a sufficient number of high-quality proposals focused on Africa.

21. While the distribution of the FY09 approved proposals across sector boards has not been finalized at the time of writing, it is clear that Environment and Social Development Sector Boards will manage the majority of proposals. This reflects relatively few proposals received from teams interested in pursuing the poverty and social protection dimensions of adaptation to climate change. The approved proposals in terms of units that would be responsible for the management are distributed across anchor and regional units as follows:

Regions – 22
Anchor Units – 11
DEC – 2
WBI – 1
LEGAL – 1
IFC – 1

22. The RG requested the Bank's assessment of what this level of commitment would mean for the ability of the fund to start new activities during the next few years. The total budget requests approved in this round is fifty percent higher than the corresponding approval in FY08, where it was \$12.4 million. However, on the assumption that donor contributions continue at their previous levels, there should be no problem starting a substantial number of new activities in future years. This is because TFESSD has accumulated a certain cash surplus (see Chapter IV) and because the weak dollar increases the value of the donor contributions in dollar terms.

23. The RG also requested the Bank's assessment of the quality of the portfolio emerging from this process. It seems likely that the successful proposals will complement and substantially strengthen the Bank's overall work program on climate change. One of the strengths of the emerging TFESSD climate change portfolio is its diversity and

breadth. While central (anchor) units are well represented, sometimes with large programmatic proposals, it is positive that all six Bank regions are represented with strong proposals, testifying to the importance given to this topic in the regional vice presidencies and in the client countries. Further, many different sectors and issues are represented in the proposals (agriculture, environment, fisheries, forests, energy infrastructure, post-disaster safety nets, gender, child welfare, index-based insurance, migration, poverty, rural institutions, human rights, indigenous people, and more). Although not many FY09 proposals cover natural disasters, this area has been covered in previous years and by other funding sources such as the Global Facility for Disaster Risk Reduction. (If anything is missing from this portfolio it would be social issues in relation to carbon mitigation (emissions reduction) related to, for example, land use changes, carbon finance, or introduction of low carbon technologies. These topics fell outside the Call's focus on adaptation). Moreover, many different approaches from across the natural and social sciences will be deployed, including participatory coastal zone management, advanced economic, ecological, and meteorological modeling, and stakeholder data collection. In particular, it is encouraging to see strong multi-sectoral efforts at integrating climate sciences/climate forecasts and social science approaches, and at ensuring dissemination and capacity building.

24. There is little doubt that many of these activities will influence Bank strategies, policies, lending, and advice in years to come. Almost all the proposals include plans for dissemination and capacity building, and some aim to create partnerships. A positive feature of the approved portfolio is the large number of activities to be managed by teams from the regions which ensures that activities are anchored in country work programs. It is particularly encouraging that several of the approved activities tie in closely with regional climate change business plans. In Africa and South Asia, the link to regional business plans is the most direct (through programmatic proposals) but it is also present through individual proposals in the other four regions. This regional engagement has strong potential to translate into impact on country dialogue and lending in future years. There is also good potential for influencing the Bank at central levels. For example, support to the Bank's ongoing climate change strategy development and implementation was built in through, for example, a social development strategic proposal; the World Development Report 2009 on climate change; capacity building through the World Bank Institute; and the many other relevant activities at country or regional level.

25. Going forward, it will be important to strive for quality in implementation and supervision of these activities. All the approved activities contain measurable results indicators against which progress will be monitored and reported annually (unlike the previous logical framework which was not used for reporting purposes). As further discussed below, these indicators are chosen to measure how well each activity achieves its stated objective and complement the program-specific reporting questions.

26. Moreover, it will be important to ensure that the total contribution of the portfolio is greater than the sum of its parts. The secretariat is considering ways to best promote coordination and knowledge sharing across the portfolio. Given the single-theme focus this year, there is greater scope for such coordination as many of the proposals share

similarities in issues, methodologies, or data needs. Moreover, climate change is a fairly new theme for many Bank teams and there is a great demand for learning and knowledge sharing to help bring them up to speed. On this background, the Secretariat will aim to play an increasing role in knowledge management going forward.

C. PROPOSALS OUTSIDE THE CALL

27. As in other years, a small share of the funding will be allocated outside the competitive process of the Call. The donors agreed to continue the earmarking of funds for disability, motivated by the extraordinary challenge posed by mainstreaming disability issues into global development practice. A proposal from the Disability & Development Team in the Social Protection Hub was shared with the donors and the RG and approved along with the other FY09 proposals. This proposal aims to spend \$240,000 in FY09 and FY10 and \$200,000 in FY11 on demand-driven activities initiated by the regions, for example studies on barriers to the inclusion of women with disabilities in micro credit in Africa.

28. As a follow-up to the evaluation, the Bank's Africa Region is preparing a strategic "Blue Sky" proposal, outside the Call, on Human Security in Africa. The proposal, which is first of its kind, will be submitted to the donors and RG for comments and approval. Hopefully, this proposal can form the basis for a discussion between the Bank and the donors on the objectives and appropriate approval mechanisms for future Blue Sky proposals.

D. FOLLOW-UP TO THE EXTERNAL EVALUATION

29. As mentioned, the evaluation found it hard to trace influence and ascribe causality. This is unavoidable. Results of analytical work and capacity building are always hard to measure, and the challenge is all the greater given that TFESSD co-finances a diverse and complex work program. There is no way to answer the counterfactual—what activities would have taken place, and what results would have happened in the absence of the fund? No system for results monitoring can change this situation.

30. This being said, the secretariat has already taken steps to improve monitoring of results at the activity level. New activity specific results indicators have been incorporated in the FY09 approved proposals and will be used to monitor progress of these activities. These indicators were assessed and often revised as part of the approval process (see box III.1). The indicators will automatically form part of the annual Grant Reporting and Monitoring (GRM) Report which all teams need to file and which form the basis for the trust fund's reporting to the donors (this is part of an upgrade of the Bank-wide trust fund reporting tools effective from April, 2008). The results indicators are additional to the existing program-wide questions that seek to measure the influence of the activity on Bank and country policies and projects.

Box III.1: Results Monitoring Terminology

TFESSD uses the following terminology in its progress reporting:

- Outputs – delivered products such as reports, workshops, etc
- Outcomes / results – a change in behavior resulting from the activity and its outputs.
From next year, TFESSD GRM reports will contain two types of outcome indicators:
 - ***Self-defined activity level results.*** If, for example, people have received training are they using the knowledge gained to perform tasks in a different and better manner? Has dissemination of a report influenced the design of policies, projects, or strategies?
 - ***Program-wide questions on results,*** phrased so as to shed light on the attainment of the objectives of the TFESSD. The questions focus on influence at country-level and on the Bank, as well as on partnership creation.
- Impact – improvements in living standards, empowerment, governance etc of a long term nature. Causality—how these impacts were achieved—cannot normally be determined unless an impact evaluation is carried out. Such (randomized) impact evaluations are costly and often ill-suited for analytical work.

E. SEMI-ANNUAL MEETINGS

Semi-annual meetings and workshops, Oslo, May 8-9, 2007

31. The successful May 8 workshop focused on Energy Access and Climate Change. The May 9 consultations discussed annual report, results monitoring, output tracking, approval procedures and the role of the RG, and priority themes for FY09.

Semi-annual meetings and workshop, Washington, DC, November 13-14, 2007

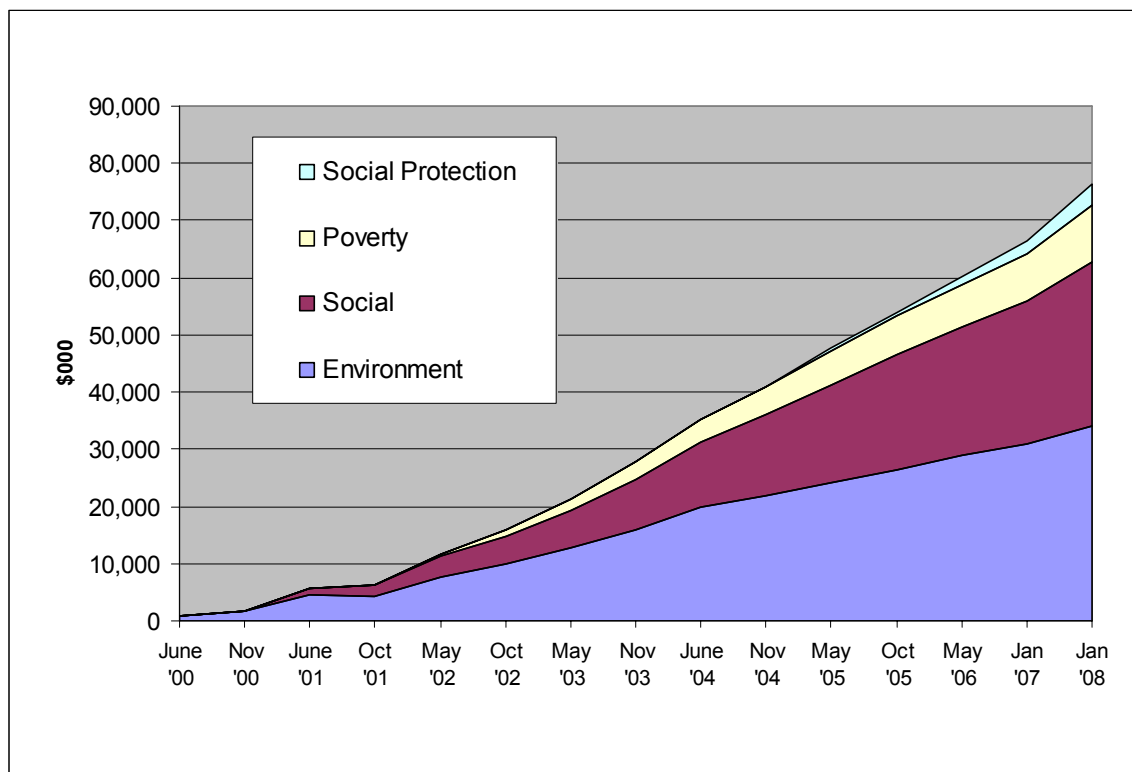
32. The November 13 consultation meetings focused to a large extent on the evaluation report, which had been shared in draft form and which was discussed in depth. Participants agreed that the draft report raised many pertinent issues, but pointed out a number of areas for improvement and clarification. Several members of the Reference Group were critical of the analytical quality of the report. Other issues discussed included dissemination, implications for TFESSD of the Bank's network integration, annual report, and May meetings in Helsinki. Further, Kristalina Georgieva gave a presentation on Social Development at the World Bank Group, noting that the integration of the Infrastructure and the ESSD networks has led to many opportunities. The key challenge facing the sector after the network integration is span of control since units have become very large and therefore not easy to manage.

33. The workshop on November 14 focused on climate change, Disability & Development, an Update on Poverty Work and analytical tools. The presentations are available on the web site (www.worldbank.org/tfessd).

IV. FINANCIAL SITUATION

1. As of end January 2008, cumulative disbursements and commitments reached \$81.68 million (as shown in Figure 1 and Table 1 below). This amount represents an increase of \$10.61 million from the prior reporting period (Jan 2007).
2. Increases occurred across all windows (details under individual window reports) with the highest increase in the Social Protection Window generating 49% which is the highest percentage of the increase compared to the other windows (20% for Poverty, 16% for Social and 9% for Environment).

Figure 1. Cumulative Disbursements and Commitments as of January 2008



3. Overall, the level of cumulative commitments and disbursements as a percentage of funds transferred to activities reached 93%.

<p style="text-align: right;">Table 1</p> <p style="text-align: center;">TFESSD: Receipts, Disbursements and Fund Balance By Window As of January 31, 2008 (\$million)</p>							
Windows	Cumulative	Funds Transferred to activities	Cumulative Disbursed and Committed			Difference (01/31/07 to 01/31/08)	Balance
			As of 01/31/2007	As of 01/31/2008	As a % of Allocation		
Environment	35.801	35.489	31.080	33.928	95.6%	2.848	1.873
Social ^{1/}	32.254	31.233	24.750	28.787	92.2%	4.036	3.467
Poverty	11.179	10.988	8.255	9.866	89.8%	1.611	1.313
Coordination	1.559	1.559	1.203	1.385	88.8%	0.181	0.175
Social Protection	5.430	4.658	2.474	3.695	79.3%	1.221	1.735
Parent	14.474	-	-	-	-	-	-
Other ^{2/}	4.028	4.028	3.311	4.028	100.0%	0.717	0.000
Total	104.724	87.955	71.073	81.688	92.9%	10.615	23.037
^{1/} Excludes the West Africa Hub Secondment Account ^{2/} Includes currency gain, investment income, and disbursement for administrative fees.							

4. The cumulative commitments and disbursements for the Africa region reached \$34.7 million, up by \$4.9 million from the Jan 2007 (previous reporting period). This represents 46% of the cumulative total disbursements and commitments ^{1/} And denotes a slight increase from the prior period (44%). The Poverty and Social Protection Windows have higher rates of 57% and 50% respectively, compared to the Environment and Social Windows with 45% and 42% respectively.

5. Overall, World Bank trust fund disbursements for FY07 exceeded 5.5 billion of which \$331 million represented Bank-executed activities. As shown in Table 2 below, TFESSD disbursements of \$10.88 million represented 3.3% of all Bank-executed trust fund activities in FY07. This is a decline from 5.2% in FY06. The majority of the TFESSD disbursements were in the Africa region comprising 5% of the total Bank-executed resources for the region as compared to 6% in FY06. The TFESSD percentage of Bank wide disbursements has been decreasing as the overall size of the Banks Trust Fund Portfolio has been growing consistently.

^{1/} Excludes disbursements and commitments for administrative fees and program coordination.

<p style="text-align: right;">Table 2</p> <p style="text-align: center;">FY07 Trust Fund Disbursements Comparison of TFESSD with all Bank-Executed Trust Funds By Major Bank Unit \$million</p>			
	All Bank- Executed TF	TFESSD	TFESSD % of All Bank TF
Regions	170	7.026	4%
Of which Africa Region	61.24	3.237	5%
Networks	116	2.944	3%
Research & Training	33	0.881	3%
Others	12	0.032	0%
Total	331	10.883	3.3%

Fund Balance and Projections

6. The total uncommitted fund balance as of January 31, 2007 was \$23.1 million (Table 3 below), representing funds remaining in trust fund accounts at various levels waiting to be committed under ongoing or future projects. The projected balance of 13.8 million will be used to support cash allocations to ongoing projects (FY08 and prior) and to fund the accounts to be established from the newly-approved proposals until the FY09 receipts from the donors arrive.

Table 3
Projected FY09 Cash Balance
(\$000)

	FY09 Cash Bal
Current Beginning Balance	23,067
Less Allocations due by 06/30/08	<u>2,775</u>
Projected Balance at 6/30/08 1/	<u>20,292</u>
Minus: Projected Funding Needs	
Program Coordination	275
Ongoing Projects 2/	9,750
Of which: Environment	4,262
Poverty	571
Social Development	3,327
Social Protection	1,314
FY09 New Projects	<u>8,800</u>
Subtotal	18,825
Plus: Contributions	
Total Donor's contribution 3/	13,000
Norway	11,000
Finland	2,000
Contribution	12,350
(net of 5% fee and invest income)	
Projected Balance at 6/30/09	13,817

1/ Transfers to be made before June 30th

2/ Net of commitments and disbursements to date.

3/ Assumed equivalent to FY08 receipts from the Governments of Norway and Finland net of 5% administrative fee and investment income.

7. As of January 31, 2008, cumulative donor contributions to the TFESSD since inception totaled \$101.28 million as shown in Table 4 below.

Table 4
TFESSD
Cumulative Cash Contributions
By Donor and Fiscal Year

Donor	Contributions Received (US\$)	FY	Posting Date
Norway	3,083,295.71	00	Dec. 99
Norway	2,419,512.00	01	Jul. 00
Norway	4,493,711.00	01	Dec. 00
Norway	5,663,970.24	02	Sept. 01
Norway	292,015.00	02	Feb. 02
Norway	4,762,174.43	02	Mar. 02
Norway	210,493.40	02	Mar. 02
Norway	2,647,889.10	03	Dec.17
Finland	1,321,538.72	03	Jan.7
Norway	8,830,085.99	03	Feb.12
Norway	5,705,238.80	04	Nov.19
Finland	1,615,787.73	04	Dec. 31
Norway	5,762,443.20	04	Apr.29
Finland	1,899,416.67	05	Oct.27
Norway	5,581,473.00	05	Dec. 27
Norway	4,073,482.00	05	Jan. 10
Norway	3,201,614.96	05	Apr.25
Finland	1,757,100.00	06	Nov. 10
Norway	5,636,515.86	06	Dec.19
Norway	4,991,795.09	06	Apr. 20
Finland	1,990,590.00	07	Jan. 5
Norway	6,351,222.61	07	Nov. 29
Norway	4,660,701.04	07	Jan. 19
Norway	1,621,520.29	07	Apr. 11
Finland	2,054,400.00	07	Sept. 11
Norway	10,658,899.53	08	Jan. 28
Total	101,286,886.37		
Of which:			
Norway	90,648,053.25		
Finland	10,638,833.12		

V. WEB STATISTICS

Web Statistics Summary Report, March, 2006 – February, 2007

1. The following is a summary of the web traffic for the Trust Fund for Environmentally and Socially Sustainable Development (TFESSD) web site, for the period covering March, 2007 through February, 2008 (please see tables below for more comprehensive details).
2. During the period covered in this report, the TFESSD web site had a total of 3,439 visits by 2,547 unique visitors. The World Bank's web statistics software does not record the visits of people who hide/delete their cookies, thus the above number of total visits is likely to be under-estimated by up to ten percent. Approximately, thirty-eight percent of the unique visitors were World Bank staff, logging in from the worldbank.org domain.
3. The 2,547 unique visitors originated from ninety-five different countries, with more than fifty-one percent from the United States, ten percent from Norway, four percent from the UK, two and half percent from Canada, and 2 percent from Finland. India was the only developing country which had more than a one percent share of the visitors.
4. Fifty-three percent of the return visitors came back to the site within one day, while nearly thirteen percent came back anywhere between one and three days. Other categories included: three to seven days with over twelve percent; seven to fourteen days with seven percent; and the remaining return visits fell in the longer than fourteen days range.
5. The average time spent per visit is more than six and a half minutes: thirty-five percent of visitors spent less than one minute on the TFESSD web site, while the same amount of thirty-five percent spent anywhere between one to five minutes browsing the different web pages. Other significant visiting time intervals included: five to ten minutes with over twelve percent; ten to thirty minutes with nearly fifteen percent; thirty to sixty minutes with more than two percent; and the remaining two percent of the visits fell in the more than one hour category.
6. Out of the 11,589 individual web pages viewed during the above time frame, 4,521 consisted of visits to the TFESSD Homepage. Other notable viewed pages included: "Calls for Proposals" with 1,195 hits; "Activities" with 656; "About Us" with 577; "the Environment Window" with 249; and "Reports", with 530 hits. The Database of Activities visited by 758 visitors.

7. On a different note, the most popular documents downloaded from the TFESSD web site comprised: “FY08 Calls for Proposals” with 332 instances; “FY09 Calls for Proposals” with 196; “Trust Fund Brochure” with 66; “TFESSD 2006 Annual Report” with 120.

8. When it came to finding methods, majority of visitors used Google (including Google-Finland, Google-Denmark, Google-Norway and Google-UK) as the preferred search engine to reach the TFESSD web site. Yahoo was next as the preferred search engine. As for the top search keywords used to find the TFESSD web site, it was “TFESSD” with 178 occurrences.

Site Name	Total Visits	Unique Visitors (Monthly)	Return Visits (Monthly)	Visitors' Origins			Internal/ External		Most Popular Pages		Most Popular File Downloads	
				Countries	#	%				#		#
TFESSD (ext)	3,777	2,547	1,013	United States	1,613	51.45%	38%	62%	TFESSD Home	4,521	OPEN_CALL_FY08_one_page_concept_	332
				Norway	304	9.70%			Calls for Proposal	1,195	OPEN_CALL_TFESSD_FY09.pdf	196
				Denmark	142	4.53%			Database of Activi	758	Approved_FY07_proposals.xls	72
				United Kingdom	83	2.65%			Activities	656	FY07CallforProposals.pdf	71
				Canada	76	2.42%			About Us	577	TFESSD_FY09_background_note.pdf	68
				India	68	2.17%			Reports	530	http://www.oecd.org/dataoecd/43/51/3583	67
				South Africa	52	1.66%			Contacts	315	TrustFundBrochure.pdf	66
				Germany	48	1.53%			Norwegian Institut	257	TFESSD_annual_report_Apr23.pdf	63
				France	42	1.34%			Environment Winc	249	AnualReport_Jun2006revised.pdf	56
				Germany	40	1.28%			Social Developme	207	TF-ESSD-Finland.pdf	32

Search Engines Used			
Search Engine	Searches	%	
1. Google	166	31.50%	
2. Google - Denmark	109	20.68%	
3. Google - Finland	45	8.54%	
4. Google - Norway	24	4.55%	
5. Google - United Kingdom	23	4.36%	
Total	527		

Search Keywords Used		
Keyword	Searches	
1. tfessd	178	
2. trust fund for environmentally and socially	14	
3. logframe template	11	
4. socially sustainable development	9	
5. tfessd world bank	9	
6. consulting international development finl	7	
7. ann ingeborg hjetland	6	
8. environmentally and socially sustainable c	6	
9. tauno k&A=ri&A=	5	
10. rasmus heltberg	5	
Total	527	

Time Spent Per Visit		
Time Interval	Visits	%
1. less than 1 minute	765	39.07%
2. 1-5 minutes	643	32.84%
3. 10-30 minutes	272	13.89%
4. 5-10 minutes	198	10.11%
5. 30-60 minutes	68	3.47%
6. 1-2 hours	11	0.56%
Average Time Spent per Visit: 6.89 minutes		

Web Site Stickiness		
Return Frequency	Visits	
1. less than 1 day	550	
2. 1 to 3 days	139	
3. 3 to 7 days	128	
4. 7 to 14 days	74	
5. longer than 1 month	71	
6. 14 days to 1 month	68	
Total	1,030	

VI. ANNEXES*

ANNEX 1	PORTFOLIO TABLE (LIST OF ACTIVITIES)
ANNEX 2	AGENDA OF NORAD MEETING APRIL 17, 2008 TO LAUNCH THE EVALUATION REPORT
ANNEX 3	TEXT OF FY09 CALL AND BACKGROUND NOTE TO CALL
ANNEX 4	LIST OF FY09 APPROVED FULL PROPOSALS
ANNEX 5	MAY 2007 MEETINGS
ANNEX 6	NOVEMBER MEETINGS – AGENDA AND MINUTES
ANNEX 7	PROGRESS REPORTS OF ONGOING AND RECENTLY COMPLETED ACTIVITIES

* Annexes sent separately by CD-ROM