



ANNUAL REPORT 2010

for the

**TRUST FUND FOR ENVIRONMENTALLY AND
SOCIALY SUSTAINABLE DEVELOPMENT**

(TFESSD)

January 1 to December 31, 2010

World Bank TFESSD Team

Acknowledgements

This Annual Report for 2010 to the TFESSD 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: Nora Dudwick and Paula Suarez (Poverty); Remi Kini and Nenuca Munoz Robles (ENV); Kury Cobham and Abdul Salam Syed (SDV); and Briana Wilson and Inas Ellaham (SP). Judith de Costa oversaw the financial reporting, Rasmus Heltberg led the preparation of the report, and Carmen Martinel provided support with proofreading and formatting.

Corrigendum May 12, 2011

This report has been revised since it was first copied and distributed. Editorial changes have been made in Chapter 1, 2A (Environment), and 3 (text and notes regarding Table 1 in that chapter).

TABLE OF CONTENTS

I.	Overview.....	4
II.	Window Reports	15
A.	Environment Window.....	16
B.	Poverty Window	44
C.	Social Development Window	65
D.	Social Protection Window.....	93
III	Financial situation	123

I. OVERVIEW

2010 was another good year for the TFESSD. While talks were ongoing at the program level about restructuring, and possibly phasing out, activities continued to disburse at high levels and produce strong results. The Bank context was characterized by the uncertain global economic climate externally and flat budgets internally, leading to stronger interest in trust funds, in particular trust funds that would co-finance staff costs, which TFESSD opened up for effective February 1, 2011. The FY11 Call, focused on Vulnerability, was concluded satisfactorily and the FY12 Call, on Addressing Inequality, was launched at the end of the year and attracted record interest. Leadership of the Sustainable Development Network passed from Kathy Sierra to Inger Andersen, and Andrew Steer was named Special Envoy for Climate Change. ENV and SP launched the preparation of their new strategies, and SDV concluded a mid-term update of its strategy. TFESSD remained an important source of support for innovation and analytical work on poverty, environment, social development, and social protection sectors with climate change as an important cross-cutting theme.

The remainder of this chapter describes the context and summarizes main achievements for the TFESSD program. Chapter two contains the window reports from the four sections and comprises the bulk of the report. Chapter three contains the financial statement. Progress and completion reports for the individual TFESSD activities are available as annex on CD-Rom.

New sector strategies and the TFESSD

Three of the sectors were in the process of redrafting their sector strategies. The new draft sector strategies of ENV and SP and the SDV sector update build on many themes that have been supported by TFESSD over the years. Preparation of the new environment sector strategy has benefited from TFESSD funding (as has the SDV strategy update) for background papers and consultations, and the draft strategy explicitly recognizes the importance of the TEFSSD for capacity building and analytical work.

The draft environment strategy notes that the world is moving beyond the old philosophy of “grow now, clean up later” and instead exploring a different kind of growth that builds in resource-efficient agriculture, clean industrialization, and climate-resilient low-carbon technologies and practices. Greening development is the goal of the draft strategy, meaning development that is clean, climate-resilient, resource-efficient, and low in carbon. In this vision, countries will create more wealth from their natural resources while valuing natural ecosystems as essential for future growth and future generations. To ensure that hard-earned development gains are not lost, countries will manage environmental risks in the near term, such as those of poor environmental health, and in the long term, those of climate change. And they will adopt existing and new technologies and practices that will enable them to transform their growth paths. The draft strategy defines one of the core action areas for the Bank as policy analysis and research, emphasizing that the latest thinking on green development will be needed to provide

enabling policy environments and appropriate pricing structures that promote environmentally sustainable outcomes—no doubt an area where the continued support of the TFESSD would be highly welcomed.

The SP strategy concept note is entitled ‘Building Resilience and Opportunity’ and introduces a ‘3P’ framework: Protection, promotion, and prevention. It sets out an agenda of investing in SP and labor systems in low income countries aimed at protecting the poor from destitution, promoting improved livelihood opportunities, and preventing well-being decline due to shocks. The strategy concept note singles out promotion aspects as having been relatively less explored in social protection practice. TFESSD has been in the vanguard of helping the sector explore income promotion, e.g. via activities on productive safety nets in Ethiopia and Nicaragua. TFESSD has also been supporting work on SP systems in several countries, including activities in Rwanda, Ethiopia, and West Africa that advanced the sector’s understanding of safety nets and labor programs in low income countries.

The draft SDV sector update entitled ‘Empowering People By Transforming Institutions’ proposes that social resilience be included in the conceptual and operational framework for social sustainability, alongside the operational principles of inclusion, cohesion and accountability. This dynamic notion of resilience is critical for reducing vulnerability and enabling communities at different levels to organize and confront a range of negative trends and shocks be they economic, natural, or emanating from conflict. A number of TFESSD activities (e.g., on natural disaster, conflict, and economic crises) have helped underpin the social resilience pillar. The SDV sector update also proposes a shift away from compliance with a narrow range of issues and focusing on mainstreaming social sustainability via a comprehensive range of social opportunities, risks, and impacts. The sector update notes that upstream engagement on social issues has mostly been possible only because of trust fund support, undoubtedly much of this from the TFESSD.

Major achievements

TFESSD continues to support a wide range of activities in all regions of the world and indications are that most activities produce good outputs and make efforts to disseminate them and achieve impacts. However, it is always difficult to link and attribute from analytical work and capacity building to outcomes in country, and there are large variations in the degree to which teams are able to pursue dissemination and capacity building and achieve impacts. Some notable examples of impacts are listed below, with many more in the sector chapters.

Africa

- UNICEF is using survey results from a TFESSD activity as baseline for a pilot conditional cash transfer program in one region of Senegal.

- TFESSD-supported country assessments for Liberia, Sierra Leone and Togo are informing project preparation focusing on Cash for Works in Liberia and Sierra Leone and School Feeding in Togo.
- TFESSD activities on Participatory Budgeting and Community Score Cards enabled continued engagement and scaling up innovative activities, which were instrumental in ensuring community oversight of new mining royalties, resulting in tangible social benefits at the local level during a period of crisis.
- A TFESSD-activity on climate change and fisheries in West Africa aided in the establishment of a Toolkit that has been incorporated into a 5-country sub-regional Bank operation, The West Africa Regional Fisheries Project (WARFP) as well as into the Senegal Sustainable Fisheries Management Project.
- “Responding to Climate Changes in West Africa” provided information on the vulnerability of the irrigation, hydropower, navigation and environment sectors of Senegal. The studies on the Niger River Basin contributed to a better understanding of the climate risk and promoted a Sustainable Development Action Plan for the Niger Basin.
- A TFESSD-funded study on Governance for Sustainable Land Management in Mali provided important inputs to an agricultural improvement project in that country while a related study in Nigeria informed a climate change analytical work and the design of a GEF supplement to a sustainable land management and community-driven development project.

East Asia and Pacific

- The TFESSD-funded activity on Air Pollution Control in China raised the awareness of the government on the harmful effects of fine particulate matter as a result of which the Ministry of Environmental Protection requested the Bank’s assistance to expand China’s Air Pollution Control program in two provinces and to develop Air Quality Management models for Chinese cities for the 12th Five-Year Plan.
- PREM has advanced a model to analyze the size, structure and incidence of taxes and expenditures and their impacts on poverty and inequality and applied it to Thailand, Indonesia and other countries (Liberia, Bolivia).
- The Real-time crisis monitoring activity produced country summaries of crisis impacts and coping in Cambodia, Laos, Mongolia, Philippines, and Thailand that pointed to significant continued hardships stemming from the globally high food prices and the economic contractions and was used in country teams’ poverty dialogue.

Eastern Europe and Central Asia

- Recommendations from a TFESSD-supported assessment are being used to design livelihood support activities under a new Living Standards and Livelihoods Project for internally displaced people in Azerbaijan and Georgia.
- Results from an activity on the poverty and distributional impact of climate change in Tajikistan were discussed with the government and in the Bank; an innovative climate vulnerability index was being replicated in other countries in the region and in Mexico.

Middle East and North Africa

- The Morocco Country Assistance/Partnership Strategy focuses for the first time on youth development issues and the need to address them operationally, following in the wake of strong government engagement and capacity building efforts in a TFESSD activity on youth inclusion.
- Analytical work on responses to fragility identified critical societal factors that influence fragility and explored how development interventions interact with these factors. Yemen and other country teams have been discussing the inclusion of the preliminary findings in their CAS updates.
- Egypt's Ministry of Education gained understanding and interest in social accountability for improving services to the poor and will be scaling up pilot social accountability activities in education and possibly health.

Latin America and the Caribbean

- Following the development of a national weather data grid and training on its use to undertake probabilistic risk assessments in the agriculture sector, the Honduran government created an agriculture risk management unit. The governments of the Dominican Republic and Jamaica have also been mainstreaming the results and trainings from this project on climate risk modeling.
- TFESSD contributed to the preparation of a new activity on capacity building for territorial management in Honduras, linked to the National Land Administration project. It also contributed to the policy dialogue on the land sector in Honduras and Guatemala.
- In Haiti, messages from the TFESSD-sponsored nutrition assessment are being applied to the revision of the National Nutrition Policy.

- Poverty economists are testing the use of cell phone network as an alternative to costly door to door surveys. The TFESSD activity Listening to LAC uses mobile technology to improve collection of welfare and event data in real time.

South Asia

- The study on Coastal Cities and Adaptation to Climate Change and Sea-Level Rise identified the most flood-vulnerable areas in Kolkata, assessed the economic damage resulting from climate change and identified an adaptation strategy to protect urban infrastructure and the livelihood of urban communities.

Multi-regional

- The Surveying Public Attitudes activity was the first to undertake a comprehensive public opinion poll on climate change in a broad set of developing countries. A range of local and global media outlets picked up the poll results in the run up to COP-15.
- The TFESSD-supported analytical work on Upgrading Informal Settlements contributed to a national policy on slums and a request for a lending project in India; request for development policy loan for urban upgrading in Brazil; and analysis of urban settlements and informal real estate markets in Angola.
- Findings of the global study on Crime and Violence were presented to the governments in South Africa and Kenya. A possible follow-up is under discussion in South Africa, with study outcomes also serving as a base to the already launched research action program in Kenya. This work also informed the preparation of a Development Policy Loan in Brazil and the East Asia region is interested in the results to inform the development of a regional violence prevention program.

Restructuring the TFESSD

Several important developments are transforming and reinvigorating the TFESSD program. Talks about financing staff time and travel concluded with a decision in November, 2010 to allow up to 20% of approved grants to be spent on staff time and travel. After amending the legal agreement to include this expense category, the change was made effective and communicated to task teams per March 1, 2011. The allowance is for an initial period of 18 months. Its impact on the amount of staff time spent on TFESSD activities and the quality of the outputs and outcomes will be assessed and reported on in next year's Annual Report; a baseline for this is already in place (see Box).

Box 1: Why should a trust fund finance staff time?

The demand for covering staff time and travel has been on the rise, particularly in the regions. To be an effective source of innovation and learning support, the substantive engagement of task team leaders is vital for TFESSD-funded work but, in the constrained budget environment facing the Bank, many managers are increasingly reluctant to allocate staff time to trust funded activities. Charging staff time and travel can help ensure that implementing units take ownership of and devote adequate supervision effort to trust funded activities. However, the Bank understands that trust funds are not intended to be a substitute for the administrative budget and a ceiling of 20 percent of the grant resources has therefore been put in place to fund staff time and travel with the intent to help improve staff engagement in implementation. Such staff engagement in implementation also contributes to internal capacity building, an aspect that would be lost if all the work is performed by consultants.

Staff time and travel will be eligible expenses during a pilot phase after which the Bank will document how the funding influenced and improved results and a decision will be made whether to continue or end the support for staff time and travel. The reporting will cover both resource management and quality issues.

Box 2: baseline for assessing impacts of staff time

A *baseline* survey of all current task team leaders was carried out as one of the preparations for the reporting on the impacts of financing staff time and travel in the form of two questions in the standard grant reporting template.

The first question was on current annual time spent supervising TFESSD grants before the change took effect. The question was phrased as “In the last 12 months, how many staff weeks did you and other staff on your team spend on supervising this grant? Count only time by open-ended and term staff that could not be charged to TFESSD. Do not count ETCs and consultants charged to this grant.”

The answers range from 1 to 26 staff weeks with an average of 6.9 staff weeks per grant. In total, 1,069 staff weeks have been spent in FY10 on supervising TFESSD activities. Because some activities only were active for a part of the year, this means that staff on an annualized basis on average spends more than seven weeks. This is more than what we had expected.

The other baseline question was about the expectations of the impacts of the change: “TFESSD will soon allow you to use up to 20% of the grant for staff time & travel to supervise TFESSD activities. How do you expect this change to influence (a) the time you and other staff spend on the activity; and (b) the quality of outputs & outcomes?”

In general, the change was widely welcomed and expected to enhance both quality and timeliness of the activities, as well as to lead to more innovative and visible outcomes. 97% of the polled TTLs considered that the possibility of using part of the grant for staff time and travel to supervise TFESSD activities would add flexibility and benefit the quality of outputs and outcomes. According to the answers, the new policy would allow TTLs to increase field supervision and improve quality, as well as spend more time on exchange of lessons and coordination and communication across multi-country teams. Furthermore, more time could be dedicated to in-country discussions and dissemination, and TTLs also noted that they would invest more in planning, supervision, and M&E involvement of both international and local Bank staff, capacity building, and writing up of results. Moreover, they also expected that project implementation would be accelerated, and allow more opportunity for seeking Bank

expertise outside the team, which again would help achieve objectives and render project outcomes more visible inside and outside the Bank.

Especially in this current tight budget environment, this new policy is considered important. As one TTL put it, "staff travel for Washington-based staff has been severely hampered and (...) allowing travel will also help to improve the quality of the TORs, outputs and also help make the preparation process participatory." It was added that often, "the most creative, but somewhat more risky and potentially important initiatives, absorb the most time and are hardest to justify within traditional Bank budget frameworks. Allocating trust fund resources to cover some of the staff time will help to support more innovative and time-consuming initiatives," something which could render the outcomes of the TFESSD more path-breaking.

Only three TTLs out of 160 reported that they didn't expect changes in outcome or time allocation (although the benefits to other TTLs were acknowledged). Another TTL criticized the 20% allocation as still being very modest and was worried that the process of actually getting to use these funds might turn out to be cumbersome.

Financial highlights and solvency position

As of December 31, 2010, cumulative donor contributions to the TFESSD since inception in 1999 totaled \$134.21 million while cumulative disbursements and commitments reached \$116.3 million. During Calendar 2010, the TFESSD disbursed and committed \$5.9 million. Africa continues to represent 46% of the total.

With the possible phasing out of the TFESSD after FY13, the FY12 Call for Proposals could possibly be the last. The TFESSD carries forward sizeable obligations in the form of ongoing grants approved in earlier years which will need to be financed from the remaining future donor contributions. The Bank will present a detailed solvency projection at the upcoming bi-annual meetings for the discussions about the potential for future Calls.

Meetings

Seminars and consultation, November 10-12, 2010, Washington, DC

The technical seminars on November 10-11 contained presentations and discussion of the TFESSD support to select thematic areas, namely (1) sustainable development in Africa, in particular the support to sustainable land management and to the Africa region's program of related analytical work; (2) promotion of social protection systems in low-income countries; (3) the work program on conflict and fragility around both the 2011 WDR and the Social Development Department's Flagship on Societal Dynamics and Fragility; and (4) climate change. These are all important areas where TFESSD has provided support over several years and spanning multiple sectors. A well-attended brown-bag lunch open to all staff put spotlight on inequality and social exclusion. In addition, there was a discussion of environmental and social

safeguards, where work is ongoing to reform and broaden the Bank's approach to safeguards. The seminars concluded with updates from the four sectors and a dinner reception.

The consultations on November 12, 2010 discussed the proposal to allow Bank staff time and travel to become eligible expenses under TFESSD; Norway's three year funding framework and a possible exit strategy for TFESSD; and the Call for Proposals for activities to start in FY2012.

The demand for covering staff time and travel has been on the rise, particularly in the regions. It was agreed to proceed with a pilot period for funding staff time and travel. The Bank will report back in the Annual Report for 2011 on the outcomes of the pilot. A maximum of 20 percent of individual grant amounts would be allowed for staff time and travel. Subsequent to the meetings, the legal agreement was amended and the pilot became effective on March 1, 2011.

After supporting the fund for 11 years (with \$109 million), Norway has entered into a three year funding framework for TFESSD with the Bank. The framework specifies that Norway's contributions to the fund will be NOK 110 million over the three year period from Calendar 2010 to Calendar 2012. Well before the end of the three year period, a decision will be made whether to end or continue the funding to the TFESSD. If funding is ended, activities would need to end disbursements by 2017. Norway explained that they face an increasingly restricted budget environment and tougher thematic political priorities for the development cooperation budget. Finland's planned support to the TFESSD remains 1.5 million Euros per year.

It was also decided to commission a review of TFESSD which would look at (1) the main benefits from the TFESSD partnership; (2) how the various components of TFESSD fit together; (3) whether the themes selected annually actually have set a footprint in the Bank's policies and operations.

The theme for the FY12 Call was discussed and it was decided, despite some dissent, to focus on inequality and social exclusion. The Call was finalized subsequent to the meeting in consultation with the four sector boards and the reference group.

Seminar and consultation, May 20-21, 2010 Helsinki

The Ministry for Foreign Affairs of Finland and the TFESSD hosted a one-day public event entitled "Land and forest governance in developing countries: ensuring a fair deal for communities, investors, and the environment". The first part of the seminar focused on large-scale land acquisition in developing countries, emphasizing social, environmental, and overall findings from the global study of land acquisitions. The second part featured presentations on the benefits from managing forest-farm landscapes, with inputs from forestry, climate change, and private sector professionals.

The semi-annual consultations discussed the 2009 annual trust fund report which was well-received and provided the basis for a wide-ranging discussion of topics of relevance to the Fund

and the participating sectors. A common thread running through the discussion was the reference group's wish to see a deepening of the Fund's engagement on root causes of vulnerability, particular those related to exclusion and inequality. The balance between environment and other topics was also discussed. Some meeting participants felt that recent Calls have resulted in insufficient resources to environmental topics, particular environmental topics other than climate change. Other participants emphasized that although themes and resource allocations fluctuate from year to year, environment remains a core component of the Fund and that, by design, activities supported under the Fund have a wide spread. Moreover, the selection in recent years has emphasized innovative ideas, methods, and approaches. However, regional Environment and Social units in the Bank primarily demand funds for mainstreaming relatively accepted concepts into their policy dialogue with governments, for example by tailoring global knowledge to country circumstances. Operational units have adequate resources for lending but lack resources for upstream analytical work that can shape sector strategies and help implement them. Operational units argue that mainstreaming into strategies and operational work has higher impact than pure innovation and that setting the innovation bar too high might curtail their access to TFESSD resources. The picture is slightly different for SP and PREM, where the Fund has mainly been used to explore new frontiers.

The Finnish donors concluded this part of the meeting by emphasizing that TFESSD's main objective is to add value and create results, not merely to pursue innovative ideas. TFESSD needs to remain well-aligned with WBG corporate and sector priorities and avoid any perception of causing strategic drift. At the same time, the Fund should continue to reflect core donor country political priorities such as, for example, climate change.

The FY12 Call for Proposals

The FY12 Call's focus on Inequality was agreed in close collaboration with the donors, the RG, and the sectors and launched in December 2010. After an extension of the deadline, 143 concept notes were received with a total budget request of \$52 million against approximately \$7 million available.

The selection process remained the same as in recent years. The Secretariat convened a Technical Panel with members nominated by the Sector Boards to make recommendations on which of the concept notes should proceed to the full proposal stage. In addition, the Africa region had vetted those pertaining to Africa for strategic relevance ahead of the meeting. The panel scored the concept notes on the criteria announced in the Call, emphasizing quality and relevance to the theme of the Call. Many of the rejections were rooted in quite basic quality and relevance concerns. The panel met to discuss so that decisions were not based only on the ratings that were sent in ahead of the meeting. The Panel recommended that 35 concept notes with a total budget of \$9.5 million go forward to submit full proposals. One additional activity was added at the request of the PREM Poverty Sector Board so that 36 activities were put forward with a total budget of \$9.78 million.

The donors came back with several concerns that they requested the Bank to address in the full proposals put forward for funding. These concerns included a high degree of fragmentation; operational program contributions rather than innovativeness; focus on mitigation rather than causal analysis; and poor specification of partners and capacity building. In particular, the donors criticized the Call for:

- Weak innovation. New conceptual frameworks to address the problem of inequality were to a large degree absent and the majority of the proposals aim to do more of the same (evaluations, testing existing models, surveys, generating indices).
- No direct references to the World Development Report 2006 and its approach. Consequently, it was not easy for the donors to understand where the Bank currently stands on inequality and where it will be heading.
- It was unclear whether the Call would be able to generate a movement within the Bank that questions current approaches to the study of poverty and inequality and critically addresses issues that the Bank has previously ignored.
- Unclear or weak attention to capacity building.

The selection process also met some internal dissent, with representatives of social and environment sectors questioning the very high rate of rejection (exceeding 75% of concept notes and 85% of funding requests) which left some operational units in those sectors without any TFESSD funding at all.

From the Secretariat's perspective, the FY12 Call raised unusually large issues with proposal quality. Many proposals only marginally linked to the theme of the Call and many other over-emphasized the context while paying insufficient attention to the specific activities and methodologies, making the Technical Panel question their ability to achieve stated objectives.

Other developments

Dan Banik resigned as head of the Reference Group and was not replaced as Norway chose to discontinue the Norwegian part of the Reference Group. The Finnish part of the Reference Group continues as before.

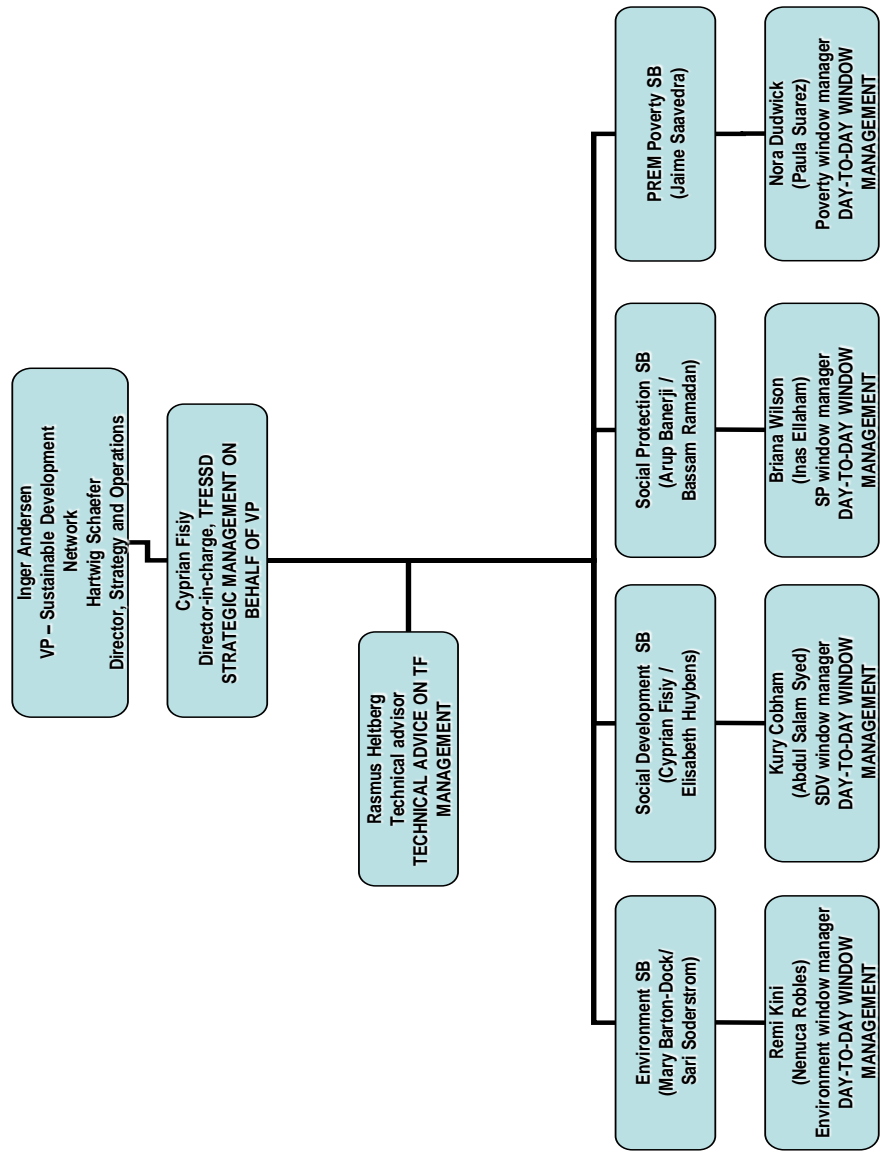
The Bank firmed up and standardized its approach to management of ongoing TFESSD grants with the goals of maintaining a flexible, TTL-friendly approach to TFESSD trust fund administration while making the rules more explicit and more uniform across Windows. The guidelines set parameters for activation of new trust funds, replenishment of funds, extension of closing dates, review of implementation progress, reallocation of funds, and reporting. They are posted on the TFESSD website (www.Worldbank.org/TFESSD).

Delays surrounding the drafting and signing of legal amendments led to a bottleneck in receiving the donor's contribution in the Fall of 2010, sparking a situation in which the Fund temporarily had insufficient liquidity to replenish some of the ongoing grants.

Who is Who in TFESSD

As mentioned, Inger Andersen came on board as the new VP for the Sustainable Development Network in July 1, 2010. Ana Revenga left PREM Poverty and Equity. Two new staff changes occurred in the Environment Department, Mary Barton-Dock took over from James Warren Evans as Director and Sari Soderstrom took over from Michele de Nevers as Sector Manager. With these changes, the TFESSD organogram looks as follows:

TFESSD Organogram, World Bank



II. A ENVIRONMENT WINDOW

This is a review of the performance of the Environment Window of the TFESSD portfolio during the period of January 1 to December 31, 2010. Section 1 presents a summary of the FY10 results, followed by a discussion of progress toward the development objectives of the TFESSD Environment Window (Section 2). Section 3 presents activity summaries for each thematic area of the Environment Window. Section 4 summarizes the overall implementation progress.

1 Summary

TFESSD continues to strongly contribute to the implementation of the World Bank environmental agenda in its client countries. For this review period, this contribution was channeled through 49 grants supporting a series of analytical and advisory activities (AAAs). The grants have filled critical gaps in knowledge, awareness, and human and institutional capacity in five thematic areas: (i) natural resource management, (ii) environmental health, (iii) poverty-environment linkages, (iv) environmental policies, institutions, and programs, and (v) reducing vulnerability to climate change and natural disasters (see Box 1 for an example of a highly successful grant).

Implementation progress of the grants has been satisfactory, except for a handful of activities which were delayed due to unfavorable country circumstances (political unrest, conflict, etc.). Implementation of three grants has not started yet, as they were activated only recently. Their implementation plans have been agreed and discussed with counterparts, and activities have now started.

During the reporting period, the closing date of 11 grants was extended. Political instability and sudden changes in the institutional structure of counterpart agencies in beneficiary countries were the key reasons for the extension requests. In some cases, additional time needed for data collection, overall quality assurance, and dissemination of grant results justified extension of the closing date. Eleven grants closed during this review period, and nine others are scheduled to close by June 30, 2011 (these grants are listed in section 3).

Box 1: Expanded knowledge base on climate-resilient land management and farming systems in semi-arid West Africa

The West African Sahel is known to be one of the most vulnerable regions to climate change in Sub-Saharan Africa. Decreasing rainfall during the last 50 years and periodic severe droughts affected the resilience of the ecosystems and farming systems in many areas where population density continues to increase. Land degradation resulting from continuous cultivation with limited application of organic sources of soil nutrients, from deforestation and over-grazing are among the key factors contributing to low agricultural productivity, widespread poverty, and food insecurity. These poor livelihood conditions will exacerbate with the foreseen adverse effects of climate change if farmers and herders do not adopt land management practices that are more sustainable and productive.

TFESSD (TF090664: *“Improving Governance for Scaling-up Sustainable Land Management”*) financed a study that evaluated the most promising indigenous and modern sustainable land management practices with the aim to identify those that can be easily scaled-up. The study identified various soil and water conservation techniques which combined with integrated soil fertility management can help to increase productivity of farm, pasture and forest lands, improving livelihoods while maintaining or improving the health of ecosystems. The study reports the results of a large number of empirical studies showing that these sustainable land management practices deliver increased socio-economic and ecosystem benefits to households and communities--thereby increasing their resilience to the effects of climate change, and increase the carbon sequestration in soils and in above-ground biomass. In short, these sustainable land management practices help to mitigate and to adapt to climate change.

The combination of these national and global benefits allowed the Bank through TFESSD's support to team-up with GEF/TerrAfrica to develop sustainable land management training modules for farmers and extension service workers. This TFESSD-TerrAfrica partnership also helped to recommend policy, institutional and economic measures that will accelerate the adoption of the sustainable land management approaches that are adapted to the agro-ecological characteristics of the key zones of semi-arid West Africa. The results of these joint efforts were integrated into the design of three World Bank investment operations in the Africa region: (i) *“Nigeria Erosion and Watershed Management Project (NEWMAP)”*; (ii) *“Nigeria Fadama III”*, and (iii) *“Mali Agricultural Productivity Support Project.”*

2 Progress towards Achieving the Development Objectives

One of the overall objectives of TFESSD is “to act as a catalyst for the mainstreaming of environmental, social and poverty dimensions of sustainable development into Bank operations.” Since its establishment in 1999, TFESSD has contributed about US\$52 million to the Environment Window (as of December 31, 2010). The 2008 report of the World Bank's Independent Evaluation Group acknowledged that during the last decade the World Bank Group has achieved significant results in influencing how client countries set their environmental priorities and how private firms address internal environmental management. In addition to the expanding lending portfolio for environmental management, the report mentioned specifically

the important role that the Bank economic and sector work and research played in helping countries to better understand the nature and causes of their environmental problems. It also highlighted the Bank's significant efforts in disseminating knowledge on the nature and causes of environmental problems at the regional and global levels.

TFESSD has made a crucial contribution to these achievements by financing numerous activities that enhanced the analytical underpinnings of the Bank's lending operations, and strengthened the capacity of client countries to set environmental management priorities and effectively address them. In particular, TFESSD resources has helped finance innovative analytical work (action-research, evaluation and exploratory studies on critical issues), knowledge sharing, and non-lending technical assistance in the following thematic areas: (i) natural resource management; (ii) environmental health; (iii) poverty-environment linkages; (iv) environmental policies, institutions and programs; and (v) reducing vulnerability to climate change and natural disasters. It should be noted that since the adoption of the World Bank Group Strategic Framework for Climate Change and Development in 2008, the share of climate-related activities has increased significantly in the TFESSD portfolio. Hence, grants addressing climate change represent about 56 percent of the portfolio covered by this review.

2.1. *Impact on the Bank and on Client Countries' Policies*

Positive impact on the World Bank Analytical Capacity: The positive impact on the Bank's effectiveness results mostly from TFESSD's contribution to the institution's internal knowledge generation and learning agenda through support of targeted applied research, and country-specific and cross-country analyses. For example, TFESSD supported several background studies for the preparation of the new Environment Strategy of the World Bank Group. TFESSD also helped to establish the Bank's Climate Change Knowledge Portal, an important knowledge asset that enhances the quality of climate change-related analytical work (improved availability and quality of data, harmonized enquiry methods, etc.). Internally organized discussions and dissemination of the results (e.g. through "brown-bag-lunches") of many innovative studies and research also contribute to broadening the knowledge base of the Bank's operational staff. Finally, TFESSD activities have helped to strengthen the design of investment operations and the quality and substance of upstream policy discussions with client countries and global partners.

Impact on Country Policies: Understanding the nature, causes and consequences of environmental problems is precondition for solving them effectively. TFESSD activities have raised awareness about some of the most challenging environmental problems in client countries, thereby helping them to adopt effective corrective actions. Selective and representative examples are provided below (see Box 2; more details are described in section 3):

- **China:** The TFESSD-funded study on "*China: Air Pollution Control Program – Improving Environmental Health*" (TF090972) raised the awareness of the government about the harmful health effects of fine particulate matter (PM_{2.5}). As a result, the Ministry of

Environmental Protection (MEP) requested the Bank's assistance to (i) expand China's Air Pollution Control program in the provinces of Shanxi and in Xinjiang, (ii) to design Air Quality Management models aimed to reduce the concentrations fine particulate matter in the air, and (iii) to lay the foundation for future comprehensive work on PM_{2.5} control in Chinese cities.

- **Honduras:** The activity on *"Central America Integrated Indigenous Land Administration and Natural Resources"* (TF057168) contributed to the preparation of a new capacity building initiative for territorial management in Honduras. This initiative is linked to the National Land Administration project. The TFESSD study also contributed to the policy dialogue on the welfare enhancing effects of land resources management and allocation in Honduras and **Guatemala**.
- **India:** The study on *"Coastal Cities and Adaptation to Climate Change and Sea-Level Rise"* (TF091350) helped to identify the most vulnerable areas of Kolkata to the effects of climate change, to assess the potential economic cost of climate change and to identify a climate adaptation strategy aimed to protect infrastructure and the livelihood of vulnerable urban communities.
- **Mali:** The TFESSD-funded study on *"Improving Governance for Scaling-up Sustainable Land Management"* (TF090664) provided important inputs to the *Projet d'Appui de l'Amélioration de la Production Agricole au Mali (PAPAM)*.
- **Niger:** The studies on the Niger River Basin under the *"Responding to Climate Changes in West Africa"* (TF057357) provided critical information and knowledge on climate risk management in the 8 countries of the Niger Basin and contributed to a better understanding of the potential impact of climate change on the Sustainable Development Action Plan and the Investment Program of the Niger Basin.
- **Senegal:** The Senegal case studies conducted under the *"Responding to Climate Changes in West Africa"* (TF057357) provided information on the potential effect of climate change on the Senegal Basin. It also generated greater awareness and better knowledge on the vulnerability of irrigated agriculture, hydropower, and water navigation to and environment sectors.

Box 2: Progress toward objectives and synergies with FAO, UNDP and GEF.

The TFESSD-funded activity on *"Caspian Fisheries Management"* (TF090971) marked the beginning of a major step towards regional and international cooperation for sustainable fisheries management. A joint Bank-FAO technical workshop marked the first meeting of the Caspian fisheries and environment officials with development partners. A UNDP/GEF project which became effective in April 2009 provided parallel financing for the community-level engagement component of the TFESSD. The results from the TF activity increased technical understanding of hatcheries management resulting in changes in breeding programs to maintain genetic diversity and no-kill harvesting of caviar. This marked the beginning of more active engagement of the Caspian states with international partners on related technical policy issues.

The increased awareness of the development challenges associated with climate change generated a rapid growth in client countries' demand for technical assistance and analytical work. The Bank's regional units leveraged TFESSD resources to this demand by initiating work aimed to enhance mitigation and climate-resilient development paths for critical economic sectors in these countries, as further elaborated in Box 3 and 4 below.

Box 3 TFESSD's Impact on the Africa Region's Climate Change Program

In the past three fiscal years (FY09-FY11), the Africa region has catalyzed the use of TFESSD funds by structuring their activities in a programmatic way under the overarching theme of Climate Change. This enables teams to complement Bank resources to: (i) develop new analytical capacity to evaluate the impacts of climate change and to develop methodologies for improving adaptation options to climate change impacts on coastal and land based resources (including biodiversity, fisheries, forestry and livelihoods); (ii) focus on developing methodologies and case studies to improve the Bank's understanding of the impacts of climate change on crop productivity and food supply and availability at regional, national, and household level; and (iii) mapping climate change, poverty and growth nexus to ensure better targeting of adaptation measures. The program is also assisting in reducing the vulnerability of Sub-Saharan Africa (SSA) to climate change by enhancing knowledge, strengthening capacity and spurring action in key priority areas.

Progress has been made in developing methodologies, promoting integration of climate change into the Bank's country-level dialogue and outreach to Government and other stakeholders. For example, in the Congo Basin, *CONGOBIOM* model has been developed to assess the adaptation potential and socio-economic trade-offs involved in programs such as REDD. For the economic analysis of coastal adaptation to climate change in Senegal, a DIVA model-based approach has been developed. The model assesses biophysical and socio-economic consequences of sea-level rise and socio-economic development taking into account coastal processes. In Nigeria, the program has helped build the evidence based on the welfare impacts of climate change on different socio-economic groups, with a particular focus on the rural poor, in order to inform future strategies for poverty prevention programs.

Box 4: Implementing South Asia Regional Climate Change Strategy through the TFESSD Umbrella Trust Fund, TF081132

The findings from the analytical work on the social dimensions of climate change is being integrated into projects in India (Bihar Rural Livelihoods, National Ganga River Basin Project) and non-lending technical assistance (NLTA) work in Bangladesh and India (Sundarbans). The draft report on climate change and agriculture in South Asia presents trade policy options for addressing the impacts of climate change given that SAR plays an important global role in the production and consumption of key cereals and staple foods. The findings of this major analytical and cross-sectoral piece will be disseminated in workshops with participation of officials from the trade and agricultural ministries of SAR countries.

The Sundarbans NLTA, which will also be supported by the umbrella TF, will leverage and build on existing and past studies and analyses that have been supported by Bank budget (BB) and other trust funds. This

activity will inform the strategy being developed by the authorities in Bangladesh and India on tackling climate change and environmental degradation in a highly vulnerable and ecologically sensitive region that straddles the two countries. The work that has commenced on the Karnataka climate studies will guide the Government of Karnataka in developing a climate strategy and action plan for the state of Karnataka in Southern India where rural and urban communities are confronting the consequences of climate change.

The TFESSD grants have played a significant role in the Bank's engagement with the governments in South Asia region, specifically in the dialogue involved in preparing the activities to be financed by the grants and the implementation and dissemination of the TFESSD-supported activities. Also, the grant activities are being mainstreamed into lending and non-lending activities towards implementation of the South Asia climate change strategy in response to the requests by the client countries.

2.2 Knowledge Sharing and Capacity Building

Inadequate technical and institutional capacity is one of the greatest obstacles to achieving development effectiveness in many of the WBG's client countries, especially the poorest ones. Limited capacity to formulate and implement effective environmental policies is one of the major reasons why the integration of environmental concerns into economic (and sectoral) planning and decision making is particularly weak in most client countries. Increasing the ability of individuals and institutions to integrate environmental issues adequately into the economic development process is therefore an important objective of the WBG in achieving sustainable development in these countries.

During this evaluation period TFESSD-funded activities made a significant contribution to client capacity building by funding many activities that helped to generate and to disseminate new knowledge and action-oriented information through training workshops, knowledge platforms, development of technical guidelines, learning-by-doing, etc. Illustrative activities include: (i) regional training workshops for climate-resilient land and water management in semi-arid West Africa (Mali, savanna areas of Nigeria; (ii) piloting market-oriented livestock production systems using improved community-based technologies producing high quality forage in Central America and West Africa; and (iii) developing guidelines and tools for monitoring the performance of local governments in natural resource management in Eastern Africa (Kenya, Uganda, Tanzania), etc.

TFESSD also co-financed capacity building with other development partners. Examples include collaboration with: (i) FAO in promoting effective technologies for reducing post-harvest losses in Sub-Saharan Africa; (ii) FAO, UNDP/GEF on sustainable management of Caspian Sea fisheries; (iii) bilateral donors including the Netherlands, France, Spain and the UK in awareness raising about climate change risks and increasing deeper knowledge of practical opportunities for reducing climate risks among decision makers, private sector, and civil society (youth, media professionals) in selected Africa, MENA and ECA countries; and (iv) the World Bank Institute to develop a web-based learning program on climate change adaptation (see box 5 below), etc.

World Bank staff also benefitted from TFESSD-funded learning activities. Brown bag lunches to share the lessons learned from the exploratory study on the benefit sharing schemes associated with carbon finance and REDD +, the Bank's Climate Change Knowledge Portal, and the analytical background papers of the new World Bank Group Environment Strategy are some of the learning activities that benefitted from TFESSD funding.

All of the above activities will result in increased human and institutional capabilities of the Bank's client countries. As a result, these countries will be more able to set environmental and natural management goals within the framework of their economic development policies, and to prioritize the interventions needed to meet these goals. While the magnitude of the impact of the increased capacity in terms of improved quality of the environment and natural resources will depend on a number of exogenous factors in each country context, TFESSD's outcome will contribute to ensuring that the economic growth in the beneficiary countries follows a more sustainable path.

Box 5: Example of Partnership and Capacity Building

TFESSD helped the World Bank Institute to establish a climate adaptation program by funding a comprehensive and highly effective knowledge and learning package on climate change adaptation. This package consists of an enhanced web-based knowledge sharing platform for youth (see links below), short videos and audio interviews in multiple languages to help knowledge sharing; a virtual platform and a community of practice for urban planners. The success of this work fostered collaboration across the Bank. For example, the information in the climate change knowledge portal is being used in the PPCR funded operations. The short videos and audio interviews were used in projects like the Fadama III and the Commercial Agriculture Development Project in Nigeria as a tool to assess the risks of climate change in the agriculture-water nexus. The TFESSD funded work also leveraged additional trust funds of about \$500,000 from other donors like France, Spain and the Netherlands. The work with *Youth Leaders* in Africa (AFR), the Middle East and North Africa (MNA), and Eastern and Central Asia (ECA) which was funded and done jointly with the British Council has empowered the youth to become actively involved in climate change and be champions for action in their countries and in their community. For example in Cameroon, they are putting the knowledge and skills they have gained by training the media on climate change. In Nigeria they are developing education materials for school children.

The work with the parliamentarians and urban planners resulted in a stronger parliamentary constituency. Additional funding was received from the Dutch and the Commonwealth Secretariat to continue and expand the work to focus on small island states.

The 2009 Development Marketplace website which was co-funded by TFESSD has provided an ongoing communication platform for the winners and the finalists to share knowledge on innovative solutions from social entrepreneurs on adaptation.

TFESSD also contributed to the Bank's Climate Change Portal. TFESSD funds were used to develop downscaled and high quality climate data for the developing countries that did not have good coverage and increase the access speed so that it works even in low-band width conditions.

Source: <http://wbi.worldbank.org/wbi/stories/catch-them-young-climate-change> and <http://ycan.moonfruit.com/>

2.1 Challenges

Implementation Challenges at Country Level: Some of the TFESSD activities have encountered moderate, and in a few cases - severe implementation challenges due to a number of reasons, such as political turmoil leading to institutional and administration lethargy or sudden change (e.g. Niger, Kyrgyz Republic, Guinea-Bissau). These types of challenges were exacerbated in some countries in the MENA Region during this review period. In some cases, insufficient government commitment contributed to slow the pace of implementation. Client buy-in has also been problematic, especially for stand-alone climate change studies when countries were facing extraordinary circumstances, such as the financial crisis, the food crisis, or a conflict. Nevertheless, three regional conferences funded by TFESSD in the LAC Region (Colombia, Mexico, and Peru) helped to raise countries' awareness about climate change, stimulating policy dialogue on the long-term development challenges related to climate change.

Multi-country activities involving multiple focal points can also delay implementation. For example, a disagreement on the focus of the study and on the selection of the consulting firms for the work on *Hydro-Agronomic-Economic Model for the Mekong River Basin and Local Adaptation in Thailand and Lao*, PDR delayed this activity. The difference in the level of technical capacity of the respective country experts also played a role.

Implementation Challenges at Window Level: The quality of the monitoring information (grant report monitoring) has improved steadily over the last few years. However, there is still room for further improvement. The Bank's task teams have expressed appreciation for the opportunity to use a portion of their grants to supplement Bank Budget in managing and supervising TFESSD grant activities. It is anticipated that this will significantly improve the quality of the implementation and monitoring of activities.

More generally, the importance of trust funds for the continuous delivery of high quality technical support and knowledge sharing to the Bank's clients was discussed in a recent Environment Sector Board meeting. During this discussion, the Sector Board under the leadership of the new Environment Department Director gave high marks and expressed appreciation for the long lasting and invaluable contribution that TFESSD has made to the environment sector's work in the Bank, in particular to the development of the new World Bank Group Environment Strategy.

In this context, while acknowledging the financial and budgetary constraints that the Bank's member countries and global partners face, the Sector Board expressed concerns about the increasing difficulty to access TFESSD resources for environmental activities. The recent calls for

proposals have been very difficult to use for funding of environmental activities. The Sector Board members expressed their hope that future calls for proposals will include themes that respond to the Bank regions' operational needs in the area of environment. Biodiversity and natural resource management, and pollution management, in particular in conjunction with climate change – are areas of very high demand in the Bank's client countries.

3 Activity Summaries

The key focus areas of the Environment Window activities encompasses five major themes, i.e., Natural Resources Management; Environmental-Health; Poverty-Environment Linkages; Environmental Policies, Institutions and Programs and Climate Change.

Theme 1: Natural Resources Management

Ongoing Activities

TF090780 Contractual Arrangements in Forest Management, (FY08), \$150,000. This activity will support the Bank and other development partners and client governments to implement institutional frameworks that facilitate private investments in forestry with strong link to poverty reduction strategies to benefit local level stakeholders. During implementation, it became apparent that there was a need to broaden the scope of the activity to respond to the emerging issues surrounding carbon finance and REDD with regards to benefit sharing. The first phase of the work, i.e., "rethinking forest partnerships and benefit sharing" has been completed. The report was well received at the FCPF and the FAO COFO event last November. This first phase examined process factors that foster strong partnerships between local level stakeholders and private entities and government, and found what process elements were critical in over 60 partnerships. The second phase of work has been launched. The first subcomponent of the second phase that examines how to legitimate beneficiaries when rights are unclear has been completed. The findings from these works showed that: (i) while the need for laws on carbon rights is real, a sustained, incremental approach to legal reform may work best; (ii) existing property rights should be taken into account and historic claims under customary laws even where these are not recognized in national law should be dealt with some sensitivity; and (iii) contracts are a key tool to creating and realizing expectations with regard to REDD + benefits. A series of Brown Bag lunches have been planned as the findings of the second phase of studies begin to emerge.

TF093683 Improving Groundwater Resiliency: Adaptation Options for the Water Sector (FY09), \$300,000. This activity will develop an analytical framework for managing groundwater in a sustainable way and will explore opportunities for improving groundwater resiliency as a key adaptation option for the water sector. Although disbursement has not been optimal, there has been good progress towards achieving the grant objective. TFESSD supported the development of a systematic methodology for defining impacts of climate change on groundwater and for exploring opportunities for expanding adaptation options in the water sector. The key issues and lessons from the issues paper funded by TFESSD provided input to the Bank's Water and Climate Change. The next phase is to define options for improving groundwater resiliency. This work is expected to be completed by June 2011.

TF093684 PROFISH – Adaptation to Climate Change into Fisheries (FY09) \$450,000: The objective of this project is to integrate adaptation to climate change into fisheries reform. TFESSD funds continued to support the integration of climate change adaptation language in the fisheries management plans and policies for Senegal, Liberia, Sierra Leone and Cape Verde. A study on the potential impacts of climate change on the fisheries sector in Guinea-Bissau was also completed and a dialogue on Fisheries Governance Reform in Ghana was carried out. The country case study carried out in Ghana will inform a \$50 million fisheries investment project, waiting for Board approval.

TF094946 Piloting Eco-Livestock Production (FY10), \$200,000: The development objective of this project is to replace traditional cattle herds with modern, market-driven multi-product livestock activities for food security, income generation, sustainable land management and adaptation to climate change. More specifically, TFESSD will support the implementation of a community-based management tool for integrated management of communal grazing lands to enhance year round production of high quality forage and reduce land degradation. It will help implement fodder banks for intensification in which communities will manage fodder banks as a strategy for the adaptation to climate change and for the reduction of degradation. This activity will also help establish improved silvopastoral-fodder technologies on five pilot farms to promote and demonstrate market-oriented beef production system. Good progress has been achieved thus far. Pilot farmers are seeing the results of the silvopastoral technology and early adopters are emerging. Environmental and climate change management are taking place; fodder banks and paddocks have increased, grazing is controlled and top soil erosion has been mitigated. However, invasive weeds are still a big concern. The achievements of this activity represent a true example of South-South cooperation (Central America-West Africa), which may be used as a model for future projects. The Bank is now exploring ways to showcase these achievements.

TF095357 Policy and Action-Oriented Research on Post-Harvest Loss Reduction Technologies for Basic Grains in Sub-Saharan Africa (FY10) \$150,000: The objective of this grant is to take stock of the current state of knowledge and technology in the post-harvest loss (PHL) reduction along the chain for basic staple foods with emphasis on available options to achieve on-farm and community level post-harvest improvements. The grant will also aim to illustrate the evolution of donor/government/private sector approaches to PHL reduction along grain supply chains, highlighting critical factors determining sustainable outcomes of this initiative. A TFESSD-funded desk review to assess the status of adoption of post harvest loss technologies provided the input to the finalization of a joint World Bank/FAO publication (ESW) entitled *“Missing Food: The case of Post-harvest grain losses in Sub-Saharan Africa.”* In collaboration with FAO, regional workshops will be organized to disseminate the findings and identify means of establishing donor and stakeholders managed Community of Practice for Post Harvest Losses in Africa. Further work will be needed to get a better measure of the nature and level of post harvest losses along the different types of grain value chains.

TF095510 Economics of Charcoal Consumption, East Africa (FY10), \$230,000.: This activity will provide decision-makers with key up-to-date analyses of the charcoal value chain in the Sub-Saharan African countries. These analyses will present new insights to charcoal consumption at the macro- and micro-level. Implementation of activities supported under this TF made good progress in the period under review. A report on *“Enabling Reforms: A Stakeholder-based Political Economy Analysis of Tanzania’s Charcoal Sector,”* was delivered and disseminated to

the Government of Tanzania, development partners, local level counterparts and other stakeholders. This report filled a critical gap in the existing knowledge on the charcoal trade. TFESSD also funded the production of a short film which captured the voices of stakeholders, putting a human face on the policy debate on the charcoal sector in Tanzania. Both products were well received by the government, other stakeholders and development partners. It has created positive momentum. For example, in Tanzania the new Minister of Environment in has expressed interest in further discussing operational activities on sustainable charcoal as well as enhanced the policy dialogue on biomass energy. The report was also used as background information to the WBG Energy Strategy, the Africa Biomass Energy Approach Paper, and the Africa Environment Forest Strategy. In Rwanda, the work is guiding the implementation of a GEF funded operation on sustainable energy development.

TF096975 Economically Cost-Effective, Environmentally Sound and Geographically Accessible Mechanisms for Reduced Deforestation and Degradation [REDD] (FY10), \$45,000.: This activity will provide practical insights for ongoing efforts to develop different REDD mechanisms that will benefit Bank client countries, participants in carbon finance, and stakeholders in international climate negotiations. The activity will focus on the design of REDD that helps not only GHG reduction but also overall economic development. An analysis of alternative institutions and incentives for implementing and financing REDD projects is currently underway. Field experiments with country level partners will also be carried out. This will provide opportunities for direct engagement with stakeholders in setting up actual REDD agreements.

Closed Activities

TF090685 Natural Resources Management (NRM) Decision Tools (FY08, Closed June 30, 2010), \$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. The findings from the field work in Kenya, Tanzania, and Uganda, supported by TFESSD, was regarded as best practice for addressing natural resources management under the decentralization rubric by stakeholders. TFESSD also supported the development of systematic approaches for the devolution of NRM in the local governments that provides specific responsibilities and guidelines for the various tiers of local government to avoid the gray areas of decentralization and unfunded mandates. TFESSD also helped develop and deploy tools for monitoring the local government's performance in the NRM. The findings from this study will provide the analytical underpinning to develop Uganda's new NRM program. All the planned activities have been completed and the activity has satisfactorily achieved its objective.

TF090971 Caspian Fisheries Management (FY08, Closed June 30, 2010), \$300,000: The main objective of this grant is to assist the recovery of Caspian sturgeon and sustainable management of the fisheries and introduce economically attractive alternatives to unsustainable practices at the community level. This grant is now closed and the grant objectives were met satisfactorily. TFESSD grant enabled the Bank together with other development partners to help the five Caspian states address challenging sets of political economic and technical issues linked to shared fisheries management. As a result, notable progress on fisheries management by the Caspian states has been evident and they continue to seek solutions to their fishery management challenges through regional cooperation and with international partners. The

increased understanding of hatcheries management has resulted in changes in breeding programs to maintain genetic diversity and no-kill harvesting of caviar. Other key outputs were: (i) the development of a draft fisheries scoping paper that examined issues regarding the adoption of a fisheries protocol to the Caspian Environment Framework Convention; (ii) a joint Bank-FAO technical workshop which marked the first major step towards cooperation for sustainable fisheries management; (iii) preparation of an Economics of Bioresources Utilization study for the five Caspian states; and (iv) a report on Development of Technical Capacity for Genetic Testing of Sturgeon Products in Trade.

Theme 2: Environmental Health

Ongoing Activities

TF090972 China Air Pollution Control Program: Improving Environmental Health (FY08) \$500,000: This activity will 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. All the activities for this grant have been completed. The China Air Pollution Control (APC) report along with the legal framework and technical guidelines for APC were presented to the Ministry of Environmental Protection (MEP) at the 100 cities seminar in December 2010. The findings from the TFESSD funded reports incited China's MEP to establish a Particulate Matter (PM) Control Program which will focus on ensuring that the 100 Chinese cities participating in the program meet class 2 or better PM & sulfur dioxide (SO) levels, a big accomplishment and a first for China. The government is now asking the Bank's help to expand and disseminate this program to the 655 cities in China.

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. Despite the initial challenges faced by the project (e.g., political instability, limited involvement of relevant Government ministries and inefficient and unsafe stoves), good progress has been made in achieving the grant objectives. After a thorough process of testing and comparing alternative ethanol stoves, a safe and efficient ethanol stove (Clean Cook) for household use has been identified. The data collection has been completed and the economic analysis on the competitiveness and benefits of ethanol as a household fuel and the study of African experience with indoor air pollution reduction interventions are now being finalized. The results from this work are being integrated into the Bank's environmental lending program in Madagascar. This will provide support for the adoption of ethanol as a household fuel. This grant is expected to complete all the activities by the set closing date of March 31, 2011.

TF094735 Impact and Process Evaluation of Smallholder Biogas in China (FY10), \$175,000.: This activity will enhance the development community's (World Bank, China and knowledge partners) understanding of health, greenhouse gas, food security, and local environmental effects of smallholder biogas and the factors leading to the successful implementation of projects. The knowledge built will help scale up the use of biogas and other clean fuel, and improve indoor air quality initiatives in Sub-Saharan Africa, China and other developing countries. The first phase of the activity, i.e., field survey, data processing and analysis has been

completed. The baseline impact evaluation report has provided a starting point for assessing project impacts. The findings from this activity will inform the ongoing China Eco-Farming Project, particularly at its mid-term review.

Theme 3: Poverty-Environment Linkages

Ongoing Activity

TF096245 Study of Incentive Schemes for Improving Vehicle Energy Efficiency in Yemen (FY10), \$200,000. The objective of this activity is to design social support and financial incentive schemes for improving vehicle fleet efficiency in Yemen. The activity will formulate practical measures for implementing vehicle replacement programs, such as defining the amount of financial incentive to replace old taxis and minivans, defining social support programs to assist those taxi/minivan drivers and owners who wish to change their economic activity. The scope of the study was reviewed and finalized with counterparts and implementation has started in January 2011.

Closed Activity

TF057168 Central America Integrated Indigenous Land Administration and Natural Resources (FY07, June 30, 2010), \$200,000: Initially, this activity proposed 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. However, after consultations with the governments of Honduras and Guatemala, the scope of the grant objectives was re-oriented to focus on improving existing land administration projects and integrate future programming with land administration and territorial planning. On this basis, analytical activities on a range of land administration activities with greater focus on environmental and social (including indigenous land issues) linkages and policy frameworks in Central America projects were carried out. The project is closed and it has achieved its objective at the level of policy analysis. However, it had a limited up-take due to the political crisis in Honduras and changes in the Guatemala Land Administration management. TFESSD funded two publications, i.e., a Land Policy Note and a joint FAO paper on indigenous land tenure. The recommendations in the Land Policy Note sparked the interests of the governments of Honduras and Guatemala to improve their existing projects and coordinate future programming with land administration and integrate territorial planning. TFESSD contributed to the preparation of a new activity on capacity building for territorial management in Honduras linked to the National Land Administration Project, it also contributed to the policy dialogue on land sector in Honduras and Guatemala. This activity also contributed to an increased awareness in Bank operations on the importance of capacity building in land administration for local government officials, and of the conditions for local governments to utilize nationally produced spatial data for a variety of territorial management functions.

Theme 4: Environmental Policies, Institutions and Programs

Ongoing Activities

TF090726 Project Level Institutional Analysis (FY08), \$200,000: The original 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 through 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. To encourage innovation at the city level, the grant was restructured to include an evidence-based analysis on coastal cities and adaptation to climate change. A joint report on Coastal Megacities and Adaptation to Climate Change was published and presented at the World Bank-IMF Annual Meetings and at the IAIA forum in October-November 2010, respectively. This is an excellent example of donor coordination between the World Bank/TFESSD & NTF-PSI, Asian Development Bank, and JICA. This report is the first systematic effort to assess climate risks in an urban context using climate downscaling, hydrological analysis and damage cost assessment. The findings from the pilot activity in Rwanda on governance analysis was incorporated in the preparation of the Rwanda Land Husbandry, Water Harvesting, and Hillside Irrigation Project. This work is being replicated in Maldives, a similar pilot activity will be carried out in the next two months.

TF091074 Egypt: Measuring Impacts of Public Disclosure Systems for Pollution Abatement Performance (FY08), \$250,000: Originally, this grant proposed 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. However, the Egyptian Environmental Affairs Agency (EEAA) were concerned that the study might have negative implications which would result in a political backlash and diminish the buy-in. Hence, the proposal was restructured to focus more on raising awareness. The expected results on the restructured activity are: (i) identification of lessons learned and a road map for the Egyptian Program for Pollution Control, Evaluation and Rating (PROPER) program; (ii) development of a public awareness campaign of EEAA pollution abatement initiatives in “hot spots”. The report on the lessons learned from best practices, acceptance issues related to public disclosure system has been completed. This has prompted discussion on the ratings and disclosure approach and EEAA is revalidating the performance ratings done as part of the Second Environmental Pollution Abatement Program. This process helped create readiness for public disclosure campaign among EEAA staff. So far, about nine announcements and press citations related to PROPER program were posted in 2010. The draft communication materials for the Public Awareness Campaign of Pollution Abatement and the launch of the pilot public disclosure program are expected to be carried out during the first quarter of 2011. All activities are expected to be completed by January 2012.

TF094326 Support to Innovative Activities at the Community Level Taking Full Advantage of the Development Marketplace (FY09), \$300,000: The objective of this activity is to support knowledge sharing and learning among the 22 winning projects of the CY2008 Global Development Marketplace (DM) on a variety of development topics, including environmental, social and poverty-reducing dimensions of climate change through the creation of a learning alliance. TFESSD funds supported the creation of a DM learning alliance, also known as a community of practice. This is a ground breaking activity in the ten-year history of the Development Marketplace Competition, as it is the first pilot that has tried to capture and share knowledge obtained during implementation of a cohort of projects. This learning alliance has enabled the grantees to troubleshoot and share best practice information with the World Bank and other DM grantees. In past competitions, the conversation was limited between the World

Bank administering the program and the grantees reporting on progress. The DM Alliance has placed the grantees in the center and through multiple points of engagement, and enabled them to troubleshoot and share best practice information with the World Bank and other grantees. Furthermore, the DM Alliance has allowed the Bank to intervene and provide assistance at an earlier stage if a project is struggling during the implementation. As the projects are near the end of their implementation cycle, the last phase of this grant activity will gather the lessons learned and put together a knowledge product that will examine the issues of scale and whether projects can be replicated. This knowledge product will be disseminated through an external website located off of the main DM site.

TF094863 Environment Strategy Consultations with External Stakeholders and Analytical Work (FY10), \$500,000: This activity will support the consultations with external WBG stakeholders in the preparation of a new WBG Environment Strategy and the analytical work to underpin the preparation of the strategy. These activities will help the Bank better understand core environmental concerns of external stakeholders and their expectations for WBG engagement. A total of 44 face-to-face consultation events were held in 31 countries, including 1,728 participants from 97 countries, in 2010. Stakeholders included developed and developing country governments, U.N. agencies, NGOs, faith-based organizations, women's groups, academia, think tanks and the private sector. These activities have resulted in 66 external consultation sessions conducted with more than 2300 stakeholders from over 126 countries. Thirteen background analytical papers were completed and disseminated through the WBG Environment Strategy website (www.worldbank.org/environmentconsultations). The three remaining analytical background papers are currently undergoing final stages of internal review and will be made public after management approval. A second phase of consultations with external stakeholders is planned to take place following discussion of the draft Strategy by the Board's Committee of Development Effectiveness (CODE) in May 2011.

Closed Activities

TF090664 Nigeria & Mali: Improving Governance for Scaling Up Sustainable Land Management (SLM) (FY08, Closed December 31, 2010), \$400,000: The development objective of this 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 task is linked to a broader set of lending and non-lending activities in Mali and Nigeria which focuses on investment programming in natural resources, climate change, water resources, and agriculture to counter land degradation and climate risks in the rural space. The TFESSD work will directly support the investment dialogue in agriculture and in environment and natural resources management. Results from the TFESSD-financed analytical work provided important inputs to the recently delivered agriculture operation in Mali (Projet d'Appui de l'Amelioration de la Production Agricole au Mali {PAPAM}). The work in Nigeria is informing a new major piece of climate change analytical work being implemented by the Africa Region. It was also used in the design of a GEF supplement to the IDA and GEF-financed FADAMA III operation on sustainable land management (SLM) and community-driven development. In addition, the work helped the client develop a list of SLM technologies eligible for project support and highlighted areas for improving extension, advocacy and outreach on SLM.

TF090916 West Africa Mineral Sector Strategic Assessment (WAMSSA) (FY08, Closed, June 30, 2010), \$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. This activity is closed and the objectives of the grant were achieved satisfactorily. The results from the WAMSSA analysis were used in the design of new lending operations, i.e., Burkina Faso Mineral Development Support Project and the Sierra Leone Mining Technical Assistance Program. The TFESSD funded study was regional, building country case-studies which allowed the Africa team to have economies of scale and allowed them to produce generic conclusions which are now being put to use in countries not covered specifically by this study. Further opportunities for applying the WAMSSA in Africa are actively being identified.

Theme 5: Reducing Vulnerability to Climate Change and Natural Disasters

Ongoing Activities

TF092631: Diagnosing and Mainstreaming Tree-Based Adaptation in Rural Landscapes (FY09), \$500,000: The objective of this activity is threefold: (i) to improve understanding of the actual and potential role of forests and trees in climate change adaptation; (ii) mainstream policy relevant findings into key policy processes and strategies (e.g., sector policy dialogue, CAS and PRSP); and (iii) identify mechanisms for financing to stimulate tree-based adaptation strategies and climate sensitive forest management. Implementation of the case study work was delayed due to procurement challenges, i.e., proposals from consulting firms did not meet the quality standards. Furthermore, due to recent changes in the CGIAR (Consultative Group on International Agriculture Research) system, Center for International Forestry Research (CIFOR), a competitively placed and highly qualified research entity, was not allowed to bid for any consultancy contracts with the Bank under the new arrangement. Hence, the team sought the donors' no-objection, and the donors agreed, to change the implementation arrangements into a "recipient-executed grant." This modification will not result in any changes in the components or the objective of the grant. Extensive dialogue with relevant stakeholders in Burkina Faso and Lao PDR to refine the scope of work were carried out. The discussions in Burkina Faso pointed to doing work on dryland forests, its role in adaptation and the role of community-managed forests in adaptation strategies. The results from this work will inform the thinking on the Forest Investment Program (FIP) looking at climate change from a landscape perspective. The work in Lao PDR will focus on dry dipterocarp forests in the rural landscapes, it will be coordinated with other ongoing work on forests and its role in mitigation of climate change through REDD and FIP activities.

TF092632: Building Climate Resilient Economies in South Asia (FY09), \$700,000: The objective of this grant is to reduce vulnerability to current and future climate variability and change in South Asia, with particular focus on the poor and most vulnerable communities and sub-regions. Most of the planned activities have already been completed. They have led to broader

understanding of climate change issues in the region. This has led to preparation of South Asia climate change strategy, climate sensitive CASs etc. The two major regional conferences funded by TFESSD have significantly stimulated regional dialogue on issues such as water resources, energy and glaciers. For example, the Kathmandu to Copenhagen Conference, the first ever held regional Ministerial level conference on climate change in South Asia, helped identify the urgent and common challenges of the region. It promoted a more unified and strengthened voice in the UNFCCC negotiations. In addition, TFESSD's contribution was critical in effectively leveraging limited resources and in promoting ownership of climate change issues. As a result, the Prime Minister of Nepal announced at the COP15 that he will lead a sustained Mountain Alliance Initiative to ensure continued attention to the concerns of vulnerable mountain countries in the UNFCCC dialogue.

TF092657: Climate Change Adaptation Handbook for Mayors (FY09), \$405,000. The objective of this activity is to develop and publish a Climate Change Adaptation Handbook for Mayors, including a companion web-based platform with resources and links to accompany the downloadable PDF file and enable continuous updating via a web-based platform. The Handbook will provide a concise checklist of all key issues to address talking points, items for various municipal managers to undertake, and the resources to address the issues identified. The Handbook will enable Mayors to dialogue with decision-makers at provincial and national levels of government on issues of policy reform support and inter-governmental institutional and financial support for municipal adaptation activities more efficiently and effectively. Work on the remaining activities of the Handbook is on track. A stakeholder consultation to review and confirm the objectives and scope of the Handbook was held in South Africa last November 2010. The consultation provided useful guidance on linkages with other initiatives, practicality of information and the issue of basic services. These comments have been taken into account in the preparation of the Handbook. It is also worth noting that during the preparation of material for the Handbook a number of ongoing initiatives and knowledge products were drawn upon including work in EAP on Cities Risk Index; the Urban Risk Assessment framework and methodology; and analytical work and city case studies in Dar es Salaam, Jakarta, Mexico City and Sao Paulo under the Mayors' Task Force on Urban Poverty and Climate Change.

TF092659: Building the Analytical Capacity to Mainstream Adaptation to Climate Risk in Bank Operations in Africa: A Program Approach. (FY09), \$2,300,000. The overarching objectives of this programmatic activity is to help mainstream adaptation to climate variability and change in the poverty reduction strategies of African countries and in the World Bank's country assistance strategies across the region. These objectives are imbedded in the first two pillars of the regional climate change strategy, which are: (i) to make adaptation a core component of development, with a particular focus on increasing resilience of small holder agricultural productivity, natural resource-dependent rural poor and coastal fishing communities, and (ii) enable Bank and client capacity by improving weather forecasting, water resources monitoring, land use information, disaster preparedness, as well as filling knowledge gaps in adaptation in rapidly expanding sectors such as transport and strengthen buy-in and collaboration with key stakeholders. The activities being carried out are focusing on adaptation and mitigation strategies and it is building the knowledge base and technical assistance to inform the

governments' capacity to address climate change in SSA. For example, the *Analysis of Climate Change Adaptation for Small-holder Agriculture in SSA* has contributed to the preparation and implementation of the Kenya Agricultural Carbon Project. It will inform the design of the proposed development program in the Arid and Semi-Arid Lands in Kenya. The activity on *Making Transport Climate Resilient in SSA* was conducted in close partnership with road management government agencies. It has raised awareness of policy makers on the need to address adaptation issues in the transport sector and strengthened the ability of practitioners to design more climate resilient road infrastructures. The *SADC Regional Project in Support of Rainwater Harvesting* provided important analysis for projects such as the Shire River Basin Development Program and the Regional Project on Lake Conservation and Development.

TF092842: Adapting Vulnerable Energy Infrastructure to Climate Change (FY09), \$240,000: This grant will pilot a climate vulnerability and adaptation assessment for the energy sector in two countries in East and Central Asia (ECA) and disseminate results in at least 5 other countries in South East Europe (SEE) and South Caucasus. The climate assessment for Uzbekistan has been completed and a preliminary report has been drafted but was delayed due to data constraints from the Government of Uzbekistan. This problem has been resolved and the full report is expected to be completed in 2011. The positive experience of the Albania and Uzbekistan pilot programs spawned an innovative regional approach and the methodology is now being replicated in three other countries in Central Asia as part of the Bank's new Central Asia Energy-Water Development Program. An online application, i.e., "*Hands On Energy Adaptation Toolkit*" (HEAT), aimed to provide guidance to countries interested in embarking on similar work was developed. This was disseminated in various fora (internal and external) and training program conducted in January 2011. The work in Albania was disseminated at the ABCDE conference in Tirana in June 2010 and the paper under IFC Smart Lessons on experience in Albania was disseminated to external audience in the fall of 2010.

TF092931: IFC CLIMATE CHANGE (CLIMATE RISK) ADAPTATION STUDIES (FY09): IFC has initiated an Adaptation Studies Program (ASP) to assess the risks posed by climate change to private sector investments, and TFESSD will help scale up the work done by the initial pilot studies and build upon each of these pilots aiming to produce a comprehensive understanding of risks, methods and adaptation options specific to the private sector investment characteristics. This activity will undertake a series of pilot studies in 3 sectors and 3 regions: (i) a hydropower project (CIN) in South Asia; (ii) a pulp and paper project (GMS) in the MENA region; and (iii) an agribusiness (CAG) project in West Africa. These pilots will assess the potential impact of climate change on financial returns of three companies. The ultimate objective of these studies would be to identify adaptation options that might be deployed by the firms to reduce the most significant risks. The findings from a TFESSD-funded study on *Climate Risk and Financial Institutions* highlighted the range of risks that the financial institutions are exposed to if climate impacts were not taken into account, this led to the first step towards incorporating mitigation measures in financial institutions' operations. In addition, the study served as a platform for including climate risk considerations in IFC's Performance Standards. Another TFESSD-funded study, *Muelles El Bosque, MEB*, which analyzed the risks and adaptation options that the port sector is faced with is providing the analytical approach for sea port operations.

TF092963: A Roadmap for Adaptation to Climate Change in the Amu Darya River Basin, Central Asia (FY09). This activity will develop a roadmap to help mainstream adaptation to climate change in the East and Central Asia Region's operations in the Amu Darya river basin by assisting riparian countries with adaptation. Results from this activity will help identify ways to integrate climate change adaptation into CASs for Central Asian countries. Implementation has been slow due to increased sensitivity related to energy and transboundary water issues in the Amu Darya Basin. Hydropower development plans in upstream country is causing protest by downstream riparian and increasing political tensions in the region. Hence, the Bank deemed it necessary to increase its involvement and take a more measured approach to help decelerate tensions. Implementation has resumed.

TF093108: Developing Readiness for Climate Adaptation (DRCA), (FY09) \$1,000,000. This grant will help build a strong constituency for climate adaptation among decision makers, the private sector, and civil society through awareness and dialogue on the risk climate change poses, and deeper knowledge of practical opportunities for reducing the risk of climate change. The three components funded by TFESSD which covered a broad scope of areas ranging from agriculture, water, cities, youth leaders, media and parliamentarians helped WBI establish a climate adaptation program. The success of this work leveraged additional funding of about \$500,000 from other donors like, France, Spain, UK, and Netherlands. For example, the work with youth leaders in Africa, Middle East and North Africa, and East and Central Asia was done jointly with the British Council (BC). The BC provided small grants to the youth which enabled them to implement activities such as developing education materials for school children in Jos, Nigeria and training the media on climate change in Cameroon. TFESSD also supported the development of a youth platform. This has resulted in a stronger community of practice among the youth and has also helped keep the link with the group of youths that the team has worked with from all the regions. TFESSD have also co-funded the work on the Bank's *Climate Knowledge Portal*. TFESSD funds helped develop downscaled and high quality climate data for some developing countries that did not have a good coverage and increase the access speed so that it works in low-band width conditions. The plans for the rest of the implementation period are to ensure that there are established mechanisms, including partnerships that will help continued use of the knowledge products.

TF093109: Hydro-Agronomic-Economic Model for Mekong River Basin and Local Adaptation in Thailand and Lao, PDR (FY09), \$995,000: This activity will develop policy tools for adapting to climate change impacts on water and natural resources in the Mekong Basin. TFESSD will support the development of state-of-the-art hydrological models of river systems that are integrated with agricultural and economical models of the watershed, including the preparation of policy papers and two regional workshops for the Lower Mekong Basin (LMB) countries. This project is innovative as this will be the first time that a coupled hydro-agricultural and economic modeling with the impact of climate change in a shared water basin will be linked. While the project has encountered some technical difficulties, particularly in Lao, PDR, progress on the implementation of the activities is satisfactory. In Thailand, a preliminary model has been prepared in collaboration with the Department of Water Resources and the Ministry of Natural Resources and Environment (MONRE). The final model is expected to be developed by June 30, 2011. In Lao, PDR the model is expected to be developed by end-December, 2011. Although there are no tangible results as of this reporting period, it is expected that the outcome of the grant would be reflected in the forthcoming Country Partnership Strategies in Lao, PDR. In

addition, the outcome of this project will inform the Mekong Integrated Water Resources Management Project, a regional project covering Lao, PDR, Cambodia, Vietnam and the Mekong River Corridor.

TF093328: Climate Change Ecosystem Assessment (FY09), \$450,000. The objective of this grant is to undertake an assessment of the real and potential shifts in ecosystems and agro-ecosystems due to climate change and explore the implications for development planning and management in the target countries. After an initial delay in the start-up of activities, implementation has resumed. The Inception Report which includes a detailed methodology for analyzing climate change induced shifts in natural ecosystems and agro-ecological zones has been finalized. The next phase of analytical work and country level data collection is underway. Initial results will be completed around the second half of FY12. However, new challenges in building ownership at the country level may cause further delay, this might be more difficult under the existing political and security situation in Tunisia and Yemen.

TF093351: Wetlands Carbon Market Development for Funding Coastal Communities Adaptation to Climate Change in Sub-Saharan Africa (FY09), \$500,000: The activity will help introduce carbon market trading for coastal wetlands to Sub-Saharan Africa through two pilot areas: the Saloum in Senegal (with 800 square kilometers of pristine mangrove) and the trans-boundary coastal mangroves of Guinea and Guinea-Bissau, in order to fund coastal communities' local adaptation funds. The political instability in Guinea and the lack of a suitable in-country partnering organization along with lack of data in Senegal have led to the suspension of project activities in these countries, hence, the initiative has fully focused on Guinea Bissau. Comprehensive analysis has verified the economic potential of carbon stores present in the coastal protected areas of Guinea Bissau. The stable government, along with the market structure and the protected area management structure reflected strong potential in Guinea Bissau becoming the first Sub-Saharan country to expand the carbon market beyond inland forest trading. This will be the first to go under the REDD mechanism and through the Voluntary Carbon Market (VCM), thus making it easier for replication of similar coastal carbon projects in the neighboring countries and other regions. The pilot also presents an excellent opportunity to showcase an extension of carbon markets to coastal wetlands for climate change adaptation purposes. This could be an invaluable starting point for conservation of coastal wetlands along West Africa and an important step towards reducing vulnerability towards climate change in coastal countries.

TF093578: The Economic and Social Impacts of Climate Change on Agriculture in Middle East and North Africa (MENA): A Regional Analysis (FY09), \$200,000. This grant will aim to improve the understanding of the impacts of climate change on agriculture throughout the region and to help the exchange of knowledge on policies and program supporting adaptation. There has been significant progress made towards achieving the grant objectives. The TFESSD-funded technical work on *Climate Change and Agriculture and Social Issues* facilitated a dialogue with the Governments of Morocco, Syria, Tunisia, and Yemen to include Climate Change aspects into their development plans. For example, in Morocco, the TF supported work on climate change and agriculture led to the Bank's involvement in the Plan Maroc Vert project. In Yemen, a regionalized dynamic economy-wide model (CGE) will feed into the development of the PPCR, currently entering phase 2. Furthermore, the Bank received a request from the Government of

Tunisia to assist them with their first climate change strategy, this TA is under implementation. Given the political instability in the MENA region some of the Bank's counterparts may be leaving office, there is a risk that the data needed to implement and complete the work will not be readily available. But the team will continuously follow-up on the dialogue that has been established with the MENA countries.

TF094845: A Strategic Approach to Climate Change in the EAP Region (FY10), \$600,000.: This grant will enhance the East Asia Region's ability to respond to client demands for assistance in the development of climate change strategies. TFESSD will complement the Bank's budget resources in the implementation of *Development and Climate Change: A Strategic Framework for the World Bank Group* particularly in the development of methodology and applications in selected countries in East Asia. This activity will also support the refinement and replication of the four-city *"Coastal Cities Climate Change Impact and Adaptation Study."* The grant will also help understand the impacts of climate change in the Philippines on different socio-economic groups, the adaptation measures needed and the financing required. There's been some progress made in Vietnam, China and the Philippines towards achieving the grant's objectives. In Vietnam, a strategic approach to climate change paper was developed and completed in December 2010. This paper will guide the government in the development of its climate change strategy in 2011. In the Philippines, the analysis of "the impacts of climatic variability on household welfare" is being developed with PAGASA. Findings from the analysis facilitated the dialogue on a possible climate change DPL. The activities in Ningbo, China will be completed by the first quarter of 2011 and the *Local Resilience Action Plan* will be finalized by the end of April 2011.

TF095217: Increasing the Capacity to Adapt Water Resource Management, Planning and Operations to the Forecasted Impact of Climate Change in South-Eastern Europe (FY10), \$200,000: The activity aims to develop tools to increase the capacity of water management institutions in lower middle income countries in Europe to adapt water resource management. The activity will focus on the Sava river basin which flows from Slovenia via Croatia and Bosnia to Serbia where it enters the Danube river. A final draft of the preliminary water and climate change adaptation plan (WATCAP) for the Sava river basin has been developed in close collaboration with the International Sava River Basin Commission. The final WATCAP includes a component of hydrologic modeling. Implementation of activities has encountered several challenges, i.e., slower than expected preparation of the World Bank projects targeted for climate change adaptation and the completion of the trend analysis was delayed due to difficulty in obtaining data. Hence, it is likely that an extension of closing date for six months will be requested.

TF095806 Urban Agriculture: A Sustainable Solution to Addressing the Food Crisis, Adapting to Climate Change, and Alleviating Urban Poverty (FY10), \$280,000: The objective of this activity is to explore urban agriculture as a sustainable solution to addressing the food crisis in the short- and medium-term and as a mechanism to help urban communities adapt to climate change in the longer-term. TFESSD will fund case studies in selected cities in Africa, South Asia and Latin America where existing urban agriculture activities have had some success. The lessons learned from these case studies will be shared with development partners to help build capacity and further analysis will be done to explore the potential for scaling-up activities to other cities. This activity will catalyze the creation of a global network on Urban Agriculture which will include the World Bank, FAO, International Development Research Center (IDRC), and Resource Centers on

Urban Agriculture & Food Security (RUAF). Start-up was delayed due to data collection challenges but implementation of activities is back on track.

TF097784 Pursuing Low Regret Climate Adaptation and Disaster Risk Reduction Options in the Republic of Djibouti (FY11), \$200,000. The objective of this activity is to reduce the adverse effects of climate variability and change and natural hazard on Djibouti communities through “low-regret measures,” i.e., interventions that make sense regardless of the effects of climate change. The work will aim to (i) strengthen and systematize meteorological data collection, quality control and dissemination across various ministries and relevant agencies; (ii) improve contingency planning for dealing with the impact and aftermath of extreme events; and (iii) develop training seminars and simulations for most vulnerable communities. Identification of priority activities has been completed. To ensure complementarity with the technical assistance from the World Bank Global Facility for Disaster Reduction Recovery (GFDRR), the list of priorities were discussed and agreed with the teams from the University of Djibouti and from the National Meteorology Agency. The complementarity of TFESSD funded activities to the GFDRR climate and risk management program plus the leading role played by the Djibouti stakeholders in the design and implementation of activities provided the Djibouti partners with good level of ownership and confidence which will be critical for the development of the technical assistance. The TFESSD work is generating useful knowledge which will be utilized by the Government of Djibouti to upgrade their climate change and risk reduction systems.

TF097837 Innovative Institutional and Technological Solutions to Reduce Vulnerability to Resource Degradation and Climate Shocks in LCR (FY11), \$500,000. The objective of this activity is to strengthen resilience to natural resource shocks by improving the regulatory framework, governance and institutions, and through innovative use of technological tools to guide planning and decision making. This will be achieved by improving the availability of environmental information to tackle priority environmental challenges, and by strengthening the role of communities in environmental planning. Implementation of activities started in late October 2010 and activities are proceeding as planned. An analysis of deforestation and forest degradation patterns in Honduras was carried out. A report on the key findings of global epidemiological research on the effects of pollution and the work on the sustainability of land use was prepared. The findings from this report will inform the work on regulatory strengthening in the mining sector in Bolivia.

TF098226 Reducing Vulnerability through Improved Information Access and South-South-North (SSN) Cooperation, (FY11), \$250,000. The objective of this activity is to strengthen client and Bank staff capacity to access relevant climate information and knowledge to help mainstream climate risk management measures in policy dialogue and operations by including an Ecosystem Based Adaptation (EBA) component within the Climate Change Portal (already operational), this will help facilitate a South-South-North knowledge sharing in South Pacific and in Africa. Information is being gathered and new approaches to creating topic related summaries from the portal are being explored.

Closed Activities

TF057357 Responding to Climate Changes in West Africa (FY07, Closed June 30, 2010), \$300,000: This activity aims to develop a strategy including a framework of actions for adaptation to Climate Change in the Senegal and Niger River Basin. After reassessing the scope of the grant, the team deemed it was too ambitious to cover both the Senegal and Niger basins. Furthermore, Senegal expressed less interest after the initial study, hence the activities focused on the Niger Basin. The grant activities have been completed and the development objectives were achieved. TFESSD funded the Niger Basin flagship AAA case study on *Climate Change and Water Resources* which provided significant information on the climate risk management in the Niger Basin. The report contributed to better understanding of the climate risk on the Sustainable Development Action Plan (SDAP) and the Investment Program (IP) of the Niger Basin. The results of the study showed that the historical climate variability effects are predominant until the mid-century and around 2060. It also showed that there is a low probability that climate change effects becomes outside the range of events that have been experienced in the Niger Basin in the last century. The Niger Basin Authority was very pleased with the results, they asked the Bank to expand the articulation of the climate risk effect in economic terms and identify a methodology to estimate the climate risk for rainfed agriculture. The methodology was endorsed at the technical summit of the Heads of State followed by an agreement of the next steps of the climate risk management.

TF057358 Adaptation to Climate change in the MENA Region (FY07, Closed March 31, 2011), \$200,000: The objective of this project is to improve the understanding of how and where the Middle east and North Africa (MENA) Regions' rural populations will be affected by climate change, in particular droughts and of adaptation mechanisms. While the issues addressed are relevant for the region as a whole, particular attention is paid to Morocco and Yemen. An analysis on the impact of climate change in agriculture and water with an emphasis on the consequences on food security, social aspects and on the economic system in Morocco was carried out. As a result, the Minister of Economic Affairs requested the Bank's support to develop an integrated strategy to address climate change. The analysis has also informed the design of a GEF investment operation on climate change adaptation activities in agriculture and water. It has also been included in the preparation of an agriculture DPL series, i.e., "*Support to Plan Maroc Vert.*" The final report provided important insights for the National Program for agriculture regarding the adaptation options in Morocco. It is also informing a new ESW on Supporting Morocco's Climate Change Strategy. In Yemen, the analysis funded by TFESSD is filling the knowledge gap on the implications of climate change for managing water resources. The study will also inform the fourth Five-Year Economic Development Program in Yemen, which is currently being prepared. It will also provide background work for the PPCR pilot project being developed in Yemen.

TF057385 Natural Disasters and Risk Management in Rural Vietnam (FY07, June 30, 2010), \$150,000: The objective of this grant is to strengthen the Government of Vietnam's move towards integrated disaster risk management using data-based disaster risk analysis and evaluation. This activity is closed and all the activities have been completed. A note worthy outcome of this activity is the adoption of mapping techniques to spatially locate rural development projects and compare them with the map of natural disaster risk in Vietnam. This activity has provided a useful monitoring and evaluation tool to see how rural development projects are localized vis-à-vis weather volatility. There is also a demand from the Social Development Department (SDV) of the World Bank to use these natural disaster maps and

associate them with poverty maps to target their projects better. The results from this work were well received and the data will be used to do follow-up analytical work.

TF090581 Kyrgyz Republic: Support to Development of the National Strategy on Secondary Use of Rangeland Resources (FY08, Closed June 30, 2010), \$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. Activities were delayed to address the need for additional information that resulted from the new pasture law that was instituted during the course of project implementation. Key stakeholders have been identified and the review of the policy and legal framework has been outlined. The initial report indicates that the significant information related to the new pasture law will provide more relevant results and guidance to the follow-on project work. However, there is a risk that the activities may not be completed as planned due to the current political instability in Kyrgyzstan.

TF090698: The Social Policy Dimensions of Climate Change (FY08, Closed June 30, 2010), \$400,000: The goal of this grant was to contribute to set 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. An extensive program of work has been accomplished, including a major publication on *“The Social Dimensions of Climate Change: Equity and Vulnerability in a Warming World”* which has set a global agenda for understanding the social dimensions of climate change. An edited volume was distributed at the Copenhagen CoP Climate Change summit in December 2009 (http://extop-workflow.worldbank.org/extop/ecommerce/catalog/product?item_id=8961826). The book focuses attention on the previously neglected and poorly understood social dimensions of climate change. It highlights equity and vulnerability as central organizing themes and illustrates the multiple ways that pro-poor climate policy and action should be integrated into existing approaches to poverty reduction and development—from the local to the global levels. An integration needed both in terms of pro-poor approaches to climate change adaptation and in terms of better managing the social risks and potential benefits associated with measures to reduce greenhouse gas emissions. A methodology for the participatory assessment of impacts and response to climate change among the urban poor has been developed and tested in fieldwork in Mombasa, Kenya and Estelli in Nicaragua. The methodology and results of the fieldwork formed the basis for an ESW on pro-poor urban adaptation to climate change.

TF091350: India - Coastal Cities and Adaptation to Climate Change and Sea Level (FY08, Closed June 30, 2010), \$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 funded by TFESSD in the city of Kolkata helped analyze and understand the impact of climate change in large coastal cities. The study modeled the impact of climate change, identified the most flood vulnerable areas in Kolkata, assessed the economic damage resulting from climate change and identified an adaptation strategy to protect urban infrastructure and the livelihood of urban communities. The final report was submitted to the Government of India in June 2010. However, due to the Climate Change negotiations, clearance to publish the report

has been delayed. A discussion on follow-up activities will ensue immediately after.

TF092566: Dissemination and Adoption of Lessons from Pilot Adaptation Projects to the Bank's Regional Portfolio (FY09, Closed June 30, 2010), \$500,000: This activity supported the dissemination and adoption of adaptation policies into the wider Bank portfolio in the Latin America and Caribbean region based on the data and experience generated by the adaptation projects under implementation focusing on vulnerable ecosystems (high mountains and coastal), vulnerable sectors (water resources, irrigation), and vulnerable populations (coastal residents, urban poor). TFESSD funded three major regional events: (i) the Meeting on Adaptation Practice in Latin America in Peru; (ii), Meeting on Adaptation in Wetland Ecosystems in Mexico; and (iii) the meeting on Monitoring of Climate Impacts in Mountain Ecosystems in Bogota. TFESSD was instrumental in providing information and practices for the preparation of the Adaptation to Climate Change Impacts project in the Gulf of Mexico Wetlands, now approved by the Board. All activities have been completed and the grant objectives were successfully achieved.

4 Implementation Progress of the Window

4.1 Summary of Implementation Progress

Since inception, TFESSD has funded 176 activities of which 49 are active. During the reporting period, 11 projects closed and about 9 are scheduled to be close by June 30, 2011. The activities that closed in 2010 and those that are expected to close by June 30, 2011 are listed in the table below.

Table 1: TFESSD Environment Window activities as of December 31, 2010

Call/year	Approved Activities	Ongoing Activities	Closed Activities	Activities in Africa
FY00-02	28	0	28	8
FY03	30	0	30	7
FY04	15	0	15	8
FY05	11	0	11	4
FY06	13	0	13	10
FY07	15	1	14	9
FY08	21	6	15	8
FY09	16	15	1	9
FY10	12 ¹	22	0	12
FY11	4 ²	5	0	3
Total	165	49	127	78

¹ Two of the FY10 approved activities (Africa & South Asia Region) are programmatic proposals which are composed of individual trust fund activities. Hence, the number of ongoing activities will be more than the actual number of approved activities.

² One (Africa) of the four activities approved FY11 is a programmatic proposal which is composed of 4 individual trust fund activities. Hence, the number of ongoing activities will be more than the actual number of approved activities in FY11.

4.2 Implementation Progress

Forty-six out of the forty-nine active trust fund activities have reported good progress as reflected in the Activity Summary in section 3. Three recently activated activities have just started implementation. During the reporting period, closing date extension was granted to 11 activities. The reasons for the request for extension in most cases were due to political instability, institutional changes, or lack of support from the countries where the work is being undertaken. In some cases the set-back is due to difficulty in obtaining data and case study results. In other cases additional time was needed for quality assurance and dissemination of results. All of the FY11 activities have been activated and some have started implementation.

In 2010, 11 projects have completed their planned activities and are now closed (see below).

TF057168	Central America Integrated Indigenous Land Administration and Natural Resources
TF057357	Responding to Climate Changes in West Africa
TF090581	Kyrgyz Republic: Support to Development of the National Strategy on Secondary Use of Rangeland Resources
TF090616	West Africa Minerals Sector Strategic Assessment (WAMSSA)
TF090664	Nigeria & Mali: Improving Governance for Scaling Up Sustainable Land Management
TF090698	The Social Policy Dimensions of Climate Change
TF090726	Project Level Institutional Analysis
TF090971	Caspian Fisheries Management
TF091350	India: Coastal Cities and Adaptation to Climate Change and Sea Level Rise
TF092566	Dissemination and Adoption of Lessons from Pilot Adaptation Projects to the Bank's Regional Portfolio
TF092631	Diagnosing and Mainstreaming Tree-Based Adaptation in Rural Landscapes

4.3 Disbursements and commitments

The Environment Window portfolio is performing very well. As of December 31, 2010, the Environment Window received \$51.9 million of which \$46.1million (89 percent) has been committed and disbursed. Of the \$46.1 million disbursed \$20.4 million (39 percent) was allocated to activities in Africa. While it may seem that Africa's share is below the desired target of 50 percent, the 39 percent reported on this section and in Table 2 below only represent Africa's share vis-à-vis the overall disbursement and commitments. Africa's low percentage is also due to the low ratio (23 percent) of approved Africa activities in FY05. We expect this number to increase as the Africa activities mature plus Africa's total share of the approved activities has increased steadily (over 50 percent) since FY06.

Table 2: Disbursements and Commitments

Environment Window	Receipts (US\$)	Cumulative Disbursements/ Commitments as of 12/31/10	of which Outstanding Commitments	% of receipts disbursed or committed	Africa Portion of Disbursements/ Commitments	Africa % of cumulative disbursements/ commitments
Activities approved prior to FY03	13.784	13.784	0.000	100%	6.095	44%
Activities approved in FY03	6.867	6.867	0.000	100%	2.386	35%
Activities approved in FY04	5.958	5.958	0.000	100%	2.906	49%
Activities approved in FY05	2.802	2.802	0.000	100%	0.658	23%
Activities approved in FY06	3.120	3.120	0.000	100%	2.185	70%
Activities approved in FY07	2.225	2.193	0.008	99%	1.277	58%
Activities approved in FY08	5.973	5.485	0.217	92%	2.230	41%
Activities approved in FY09	7.657	4.700	0.290	61%	2.110	45%
Activities approved in FY10	3.123	1.170	0.068	37%	0.539	17%
Activities approved in FY11	0.195	0.055	0.036	28%	0.016	8%
Window account (TF024369)	0.179					
Grand Total	51.883	46.134	0.619	89%	20.402	39%

4.4 Strategic Review and Actions Taken

The Environment Sector Board will carry out a thorough strategic portfolio review by July 2011 in order to include the activities that are expected to close by June 30, 2011. During the review reallocations, request for incremental funding as well as the quality and timeliness of reporting and priority areas for the coming fiscal year will be discussed. The following nine projects are expected to close by June 30, 2011.

TF090780	Contractual Arrangements in Forest Management
TF091250	Addressing Indoor Air Pollution in Sub-Saharan Africa
TF092632	Building Climate Resilient Economies in South Asia
TF092657	Climate Change Adaptation Handbook for Mayors
TF092842	Adapting Vulnerable Energy Infrastructure to Climate Change
TF093683	Improving Groundwater Resiliency: Adaptation Options for the Water Sector
TF094863	Environment Strategy Consultations with External Stakeholders and Analytical Work

- TF095357 Policy and Action-Oriented Research on Post-Harvest Loss Reduction Technologies for Basic Grains in Sub-Saharan Africa
- TF095971 Climate Change Impacts on South Asian Food.

II. B POVERTY WINDOW REPORT

We have re-organized the discussion of activities under the poverty window under the following focus areas, which are the areas under which Poverty staff are now organizing their work, and include: (i) Measuring and understanding poverty and inequality; (ii) Shocks and vulnerability; (iii) Growth, employment and poverty reduction; (iv) Equity: the role of the State; and, (v) Monitoring and evaluation for policy effectiveness.

Measuring and understanding poverty and inequality

Poverty can be measured using a range of approaches and methods. By measuring and monitoring different indicators we can assess progress, monitor strategies and evaluate impacts of policies and programs. Work in this area includes improving data collection systems and data harmonization, and developing methods to increase the frequency of available information. We are also exploring new ways of conceptualizing and measuring poverty, such as the multi-dimensional approach. An important tool for this work is capacity building.

TFESSD has been instrumental in helping us innovate, supporting new ways of gathering data. In Latin America, for example, poverty economists are testing the use of cell phone network as an alternative to costly door to door surveys. A recently approved TFESSD activity includes, Listening to LAC, an initiative that is trying to address the huge data gaps in low income countries (LICs) using mobile technology, and to improve collection of welfare and event data in real time.

Shocks and vulnerability

During shocks such as the financial crisis, disasters related to climate change, or food price increases, it is assumed that the poor are hit the worst. However, who takes the pain, by how much, and how people cope with shocks, depends on the structure of the economy and the profile of vulnerabilities is not immediately evident, and thus requires analysis.

TFESSD has supported our work on the distributional impacts of the financial crisis. We now know that the crisis had differential impacts across demographic groups: rural and urban; high- and low-skilled workers; and men and women. Thanks to that support we are now able to provide tools to better predict (ex-ante) and evaluate (ex-post) the poverty and distributional impacts of macroeconomic shocks. TFESSD support helped us produce country studies for Bangladesh and Philippines; work is ongoing for Mongolia and Egypt. This work is both cross regional work and cross-sectoral, carried out in cooperation with the Human Development Network and with the Development Economics unit. Moreover, simulation models are now being packaged as simulation tools to estimate different types of shocks.

TFESSD has also supported the analysis of the distributional and welfare impacts of climate change. The expected impacts of climate change are challenging development efforts around the globe. Through multiple channels, climate changes are likely to exacerbate the incidence, severity and persistence of poverty. Work on this issue is ongoing in Nigeria, India and Philippines.

Growth, employment and poverty reduction

The impact of growth on the poor depends on its sustainability, and whether it leads to higher productivity jobs for low income people. Work under the poverty window is resulting in a better analytical framework and tools to understand the impact of growth, the broad patterns of job creation, and the likely entry points for policy actions.

TFESSD has been critical in helping us further our understanding of how labor market adjustments operate. The paper on “Fewer jobs, smaller paychecks” showed that although the financial crisis did not necessarily cause the unemployment rates to drop, it changed the quality composition of jobs in many countries. This finding points to the importance of analyzing other labor indicators beyond the unemployment rate.

Equity: The role of the state

Opportunities are not the same for everyone. Differences in circumstances affect social outcomes and there is a role for the State in increasing access to opportunities and outcomes for all. Fiscal policy is an instrument that governments can use to reduce poverty and increase equity. TFESSD has supported work that helps us respond to questions such as: How does the spending of tax revenues affect the poor? Who benefits from government spending and how can opportunities be equalized? How does the structure of government spending help reduce inequality?

With the help of TFESSD, we are analyzing the size, structure and incidence of taxes and expenditures and their significant impacts on poverty and inequality. This program has activities in Liberia, Bolivia, Thailand and Indonesia. Moreover, with the last call TFESSD helped us putting this issue in the research and corporate agenda.

Monitoring and Evaluation for Policy Effectiveness

M&E systems are critical for evidence based policy making. To be truly effective, programmatic decisions should be supported by evidence of what works and why. We are developing methodologies and making tools accessible to maximize the poverty reduction effects of interventions.

These areas of work do not come without challenges. At the sector level, we continue to pursue ways of ensuring that TFESSD-supported work is of the greatest relevance to policy, program and operations design across Regions. These efforts are supported by the creation of

“community of practices” across the Bank, networks of practitioners committed to sharing information and providing timely advice to teams working directly with clients. The Poverty Practice has already assembled a set of instruments for disseminating knowledge, sharing experiences and making available a pool of technical, technological and human resources to World Bank staff.

Two Practice Groups are up and functioning; one on Poverty and Inequality Measurement and Analysis; and, another one on Monitoring and Evaluation. They meet, on average, once every three weeks. We are currently organizing a third group on Equity and Public Resource Use. These groups also have a collaboration website where online discussions can be held and where participants can post relevant material. In addition to that, we disseminate the Poverty and Equity Exchange, a bulletin that showcases what people around the World Bank are doing. This bulletin includes concept notes and papers resulting from TFESSD-funded activities.

Impact on the Bank and in client countries

The impact of TFESSD on the Bank and in our client countries cannot be assessed on the basis of a single year. It is a sustained process of influence and change achieved through longer periods of time and subject to risks and challenges pertaining to the development process.

First, TFESSD aligns incentives to work around critical issues. It creates learning that can be used by others and helps us innovate, often by directing seed funding into critical issues that might otherwise receive less attention. Second, the TFESSD has contributed to the creation and dissemination of knowledge among Bank’s staff, counterparts and partners in the countries where the Bank works, including governments, NGOs, academics, think tanks and politicians. Third, the TFESSD has shaped operations, policies and reforms by providing evidence and technical input to people who participate in the design of projects and programs.

During the past two years, one important impact of the TFESSD has been the leveraging of resources to develop knowledge and innovative interventions on vulnerability and equity, the specific topics of the last two calls. These topics tend to be at the tail of the priorities in the research and operational agenda. The TFESSD has helped fill a gap for funding without crowding out other resources, creating a multiplier effect that has increased the allocation of other resources to equity and vulnerability issues. In addition to that, TFESSD activities have helped increased capacity among country clients to analyze, design, and test better policies.

TFESSD contributed to mainstreaming Poverty and Social Impact Analysis (PSIA), and thereby catalyzed the formation of the Multi Donor Trust Fund for PSIA, which will have significant impact in the Bank over time. This multi-donor fund can be considered an indirect impact of the TFESSD, since an important part of the Bank’s portfolio is based on policy loans that promote a wide range of reforms, and are now likelier to be preceded by PSIA.

The impact of TFESSD in the Bank and in client countries has several dimensions. In addition to concrete output and outcomes, the implementation process itself, brings a lot of learning for teams and their counterparts, in particular about how strategic development issues can be tackled from a cross-sectoral perspective.

Innovation

On the innovation front, the trust fund has supported the development of new measures and indicators such as the climate vulnerability index, created in ECA to support multi-sectoral analysis of the implications of climate change at a sub-national level. The work on poverty, inequality and conflict in West Africa touches upon the links between crisis, social protection and the politics and sociology of exclusion.

The World Development report on Climate Change has, among many other things, been the basis for setting up a Platform on Green Growth, that starting in 2011, will concentrate knowledge and develop sector specific policy messages. The activity on financial equity and health in Africa is using analytical techniques to measure equity and financial protection using ADePT Health, a new, user-friendly software platform developed by the Bank, which makes this type of analysis accessible to researcher, staff and policy makers who face time, skills or software constraints for using econometric software to undertake such analysis. the ADePT tool will also integrate the micro-simulation work on the distributional impact of macro shocks, an area in which the Bank has acted as a knowledge broker, identifying relevant knowledge produced by academic research and formulating it in a way that is useful for policy makers

Dissemination

International conferences and negotiations forums such as Copenhagen and Cancun, websites, seminars, workshops, publications, and most recently, the practice groups, are all venues that have been enriched and made more relevant thanks to TFESSD funded work.

TFESSD has funded activities from which results have been spread, shared, discussed and criticized. The work for the World Development Report on Climate Change that closed in 2010 was presented in Bolivia, Brazil, Mexico, Ethiopia, United Kingdom, Germany, Sweden, Switzerland, Norway, Denmark, Belgium, Poland, France and many other countries.

Capacity building

TFESSD funded activities have helped create and strengthen analytical skills, not only among staff, but especially among country organizations that partner with the Bank. That sort of learning by doing, we believe, is the most powerful means through which we create capacity. In addition, dissemination activities and training contribute to increase awareness, make policy dialogue more productive, and master particular skills such as the use of a given analytical tool or approach.

At the same time, Bank staff build their capacity by interacting with country partners and questioning the validity of the tools that we use and their relevance on the ground. In many cases, TFESSD experiences have given staff the opportunity to innovate and come up with practical, second best solutions to implement their grant funded activities. This includes finding ways to deal with data gaps, engaging in policy dialogue with stakeholders with different and competing interests, and suggesting policies that are politically feasible.

Policies and reforms

The World Development Report on Climate Change was used to support operational work, mainstream climate change analysis in Bank operations, and also to provide concrete analytical input towards the climate negotiations in Copenhagen. Key partners included the UNFCCC, UNDP, OECD, UNEP, DFID, EU Commission and the Danish government.

The work on addressing extreme poverty in low income countries that started in 2006, put risks in the center of the analysis. Nobody could foresee how important this work was going to be when the financial crisis hit in 2008. The analytical framework developed by the team and findings from the work on the distributional impacts of the financial crisis informed Bank operations in Poland, Philippines and Bangladesh. The team working on financial equity in health in Africa has been requested to provide inputs for operations and country strategy for Pakistan and Nepal.

Shortfalls

As we note below, teams face a series of implementation challenges that result in extensions, delays and in some cases lack of political viability to fulfill the initial objectives. Anyhow, the balance remains by and large positive. However, looking at the problems that task managers face during implementation, can give inputs for future selection processes and for the policies that the TFESSD will take moving forward, in order to increase the effectiveness of this fund

Implementation of these grants is subject to the problems, risk and constraints inherent in all development activities, such as country risk, political turmoil, and limited in-country capacity. However, in addition to those, TTLS have faced other shortcomings in TFESSD executed grants. We could expect that to some extent, part of these issues will be addressed with the recent change in TFESSD regulations that now allows grant funding to cover some staff time and travel, in order to improve the quantity and quality of TTL supervision and contribute to better results.

Issues mentioned by TTLs are: (i) the ownership of the grant resides more on the TTL than on the unit executing the activity; and, (ii) the slowness of procurement processes. Not in all, but in several cases we see that when TTLs change, activities get delayed because they are less of a priority to unit management as they were to the TTL. Procurement seems to be challenging, especially when hiring data collection firms and local consultants with specific and high technical

skills. This, however, is a general Bank-wide issue not specific to the TFESSD, which follows the general Bank procurement guidelines.

New challenges for the Poverty Reduction and Equity

This reporting period has been one of many changes in the practice of poverty reduction and equity at the World Bank. The Poverty sector wants to act more as a service provider to teams facing concrete issues in the field. The new structure has been functional to address those needs. It has helped create tools and approaches that have been useful to teams and counterparts. Along the same lines, we have structured three Practice Groups that function as a venue to share experiences, problems, insights and create collective knowledge. These need to be sustained and strengthened. Some of the areas of future work are laid out in the following paragraphs. Note that some of them were mentioned in last year's report and they are still relevant.

Equity and the use of public resources Taxes and transfers have traditionally been approached from the macroeconomic and fiscal perspective, however there is little work done on the microeconomic implications of this process; and it is not very clear who bears the cost and who gets the benefits of taxes and transfers.

Food, fuel and macro shocks There is much to understand about who is most affected by shocks, and what constitute the best policy responses for reducing vulnerabilities to shocks. Since food and fuel price shocks affect the most vulnerable, access to coping mechanisms, insurance and safety nets may be critical.

Monitoring and evaluation for Results As part of the investment lending reform, the World Bank is creating a new lending instrument called Program for Results. Disbursements will be based on the accomplishment of results after evaluating some pre agreed indicators. This presents a great opportunity for staff working on poverty issues and M&E systems to apply the analytical knowledge to interventions that produce measurable results.

Equality of opportunity and social mobility: Shifting the framing of the problem of inequality to access to key goods and services, may be strategic in achieving a better distribution of outcomes and facilitating social mobility, while giving more political room to re-distributive policies.

Quantity and quality of Jobs Jobless growth has been a concern in the development agenda for a while. However, there is still little understanding about the poor and their relation to labor markets. Informality plays a very important role in low income countries and the traditional frameworks seem to be limited to understand it.

Activity Summaries

TF098513, Timely and accurate poverty and labor market monitoring (started in FY11), \$ 300,000, Joao Pedro Azevedo. This activity started only at the end of 2010. Its objective is to provide policymakers with a broader toolkit and more rapid data collection and processing. This will enable them to monitor trends in poverty and labor market outcomes in a more timely fashion; thereby overcoming current problems of inadequate recent data for identifying affected groups and estimating impacts. It will use the recent global economic crisis as an

application. Even though it is a very new activity, the LAC region has already presented some of the results in briefs disseminated in the region. The team is also putting together a portal to include the data in LAC and publications that use it. The link is <http://www.ihsn.org/apps/lac/>

TF057289 Addressing Extreme Poverty In Low Income Countries, Risks And Shocks (started in FY06), \$327,000, Valerie Kozel. This work is based on the premise that shocks are an important cause of downward mobility. The objective of the work is to better understand the specific factors and conditions that push households into extreme poverty. Country case studies in three countries, Nicaragua, India and Ethiopia were carried out to explore this trajectory, with a particular focus on understanding the coping mechanisms used by the poor.

All the case studies were carried out through collaborative arrangements between the core team (Bank and Oxford University) and local researchers and institutes. In Ethiopia, the local partner was the Department of Sociology and Anthropology at Addis Ababa University. In India, local partners were key to implementation, including Vanangana, an Indian NGO.

Results show that risk and shocks are factors in pushing people into and keeping them in extreme poverty. Some unexpected findings are that many more people have been moving out of poverty than into it, even in the poorest areas in India where the study was conducted. However, despite overall good progress, the poorest and most destitute households are heavily exposed to risk and experience numerous shocks that keep them mired in chronic and extreme poverty. High exposure to shock prevents them from improving their welfare. These findings have important policy implications. Papers were presented at international conferences, e.g. *“Do shocks affect poverty persistence: Using welfare trajectories from Nicaragua”*. The lessons from these country studies are used in country poverty reduction strategies and are also being brought into the Social Protection dialogue in Vietnam and other countries in East Asia. Given the priority importance of vulnerability in relation to the food prices shock and the financial crisis, this work is expected to have considerable impact, since a lot of operational work has shifted toward dealing with vulnerability in response to increased country need.

TF097908 Reducing vulnerability to poverty (started in FY11), \$400,000, Quy-Toan Do. Policy to reduce vulnerability is needed; this activity aims to understand the importance of focusing policy on ex ante risk mitigation versus smoothing the effects of shocks ex post. The team wants to differentiate context and circumstances. The implementation only started in the last quarter of 2010; so there is little to summarize so far. Case studies will cover vulnerability to weather shocks and socio-economic shocks such as price shocks, unemployment and health. The team will disseminate the outputs in the case study countries and local researchers will be involved in each study.

TF098165 Reducing Poverty, Inequality and Vulnerability in Southern Africa (started in FY11), \$300,000, M. Louise Fox. This grant activity aims to contribute to reducing the short and long term drivers of vulnerability by providing the Government, civil society and development partners with data and analysis to improve the effectiveness of policy and expenditure interventions. The activity will lay out the options for redirecting public expenditures towards effective interventions in food security, poverty and vulnerability reduction, with emphasis on women (gender roles are well separated) within and overall constrained fiscal environment. It will use newly collected household data.

The work will be centered in Malawi and Angola. The activities in Malawi are proceeding very well. Discussions have taken place with Government and stakeholders to define the scope of the work, and the technical assistance activities to the Central Statistics Office (CSO) started in December. In Angola, progress is limited because data has not been released. Access to data has been identified as the main risk affecting this project. However, discussions are underway.

The plan for capacity building in Malawi will be implemented during 2011. It will be centered on work with the CSO but will involve other stakeholders so that they can analyze the data themselves, making the policy dialogue a more informed process. Local consultants and research institutes will participate in the study from the beginning.

TF 094729 Assessing Poverty and distributional impacts of the financial crisis (started in FY11), \$200,000, Ambar Narayan. In the midst of the financial crisis, this grant developed a methodology for predicting and evaluating the distributional impacts of the financial crisis, exploring differences across social groups. 5 country studies have been completed (Bangladesh, Philippines, Mongolia and Poland). These studies have provided a strong base of evidence on the different impacts of the crisis. A Volume summarizing the main lessons will be issued in 2011, supplemented by commentaries from 3 external experts. The team produced short notes, an issue of Economic Premise and VoxEU article.

Outcomes have gone beyond the team's expectations. The findings have informed Bank operations such as a policy loan in Poland and the Emergency post-cyclone operation in Philippines. In addition, analytical work such as the Mexico Poverty Report and economic updates for Bangladesh have also benefitted from this work. Governments and other multilaterals have expressed interest in learning and applying the model. Materials are available on <http://go.worldbank.org/Y9H6NE7OC0> and have been subject of many presentations, learning events and bilateral discussions with interested teams. The methodology that was developed is also being put together in a toolkit that will be accessible to country teams as well as other parties interested in assessing the impacts of macro shocks. Demand for training has already resulted in a course, "*Assessing the distributional Impact of Financial Crisis*," in Egypt in November 2009 and in Mexico in 2011. This work is innovative in expanding the analysis that without increasing data requirements. It shows that focusing on aggregate poverty and inequality measurements is inadequate. Emphasis has been put on labor market and distributional impacts results, providing the opportunity to differentiate across the distribution of households, either by income, by geographical location or by other possible criteria such as employment status. Only then we can fully understand impacts and think about effective policy.

As noted in the last report, the most challenging part of implementation has been the volume of demand for the services this activity is offering b/c it goes beyond the crisis and can be used for shocks.

TF096949, Monitoring Impact of the Food Fuel and Financial Crisis in ECA through LITSII (started in FY10), \$ 250,000. Salman Zaidi. This activity will add a special module to the Life in Transition Survey (LITS) II to be carried out in partnership with EBRD. The objective of this grant is to improve our understanding of the impact of the recent food fuel and financial crises on households, as well as to ascertain the effectiveness of responses of governments. In October 2010, data collection started, and preliminary findings were presented in the Spring Meetings 2011 in Washington DC. In addition to that, publications and selected countries presentations

will be the venues for disseminating, and moreover, all data will be widely accessible in the Internet.

TF097357, Poverty, Inequality and Conflict in West Africa (started in FY11), \$ 300,000. Andrew Dabalen. What types of inequalities and income shocks lead to conflict and how costly is it? This activity aims at understanding the determinants of conflict and the extent of the welfare loss due to conflict in three African contexts: Liberia, Cote d'Ivoire and Sierra Leone. The analytical work will also explore policy options to reduce conflict. It will look into the links between income shocks, inequality and onset of conflict. It will also examine the magnitude of the welfare loss faced by households due to experiencing conflict.

At this point, the team has worked on data collection and assembling poverty data for the countries. That work has progressed on Cote d'Ivoire, and will be soon done for Sierra Leone and Liberia.

All three countries have had recent experience with conflict. However, it is an actual issue; the presidential election in Cote d'Ivoire that turned into a political crisis has increasingly turned into open conflict. Tens of thousands of Ivoirians have fled to Liberia, which is also fragile and has its own presidential elections next year. The events of the last few months and the fear of what is to come, makes the study even more relevant. The team is working in order to shed some timely insights into the sources of anger, exclusion and conflict. Due to the extreme situation in Cote d'Ivoire the team has struggled finding the right local partners to undertake the work and will imply some delays in the execution of the grant.

TF096793, Food Price, Climate Change and Food Insecurity (started in FY10), \$ 250,000. Quentin T. Wodon. The grant will improve the understanding of, and policy dialogue about issues related to food prices, climate change and food insecurity in Africa by making data and analytical tools freely available on the web. It will also organize high quality training courses targeted not only to Bank staff, local researchers and government staff, but also to non-profit organizations running a wide range of social protection programs to help households cope with food-related shocks.

Over this period the team has worked on (i) conducting evaluation work in a number of countries including Burkina Faso, Guinea, Liberia and Sierra Leone; and (ii) setting up the data and tools for the work to proceed. The work on Liberia was instrumental in informing Bank operations, while the work in Burkina Faso helped increase government funding for appropriate policies to deal with the food price crisis. Preliminary work on the simulation tools has been conducted, and a first publication will be forthcoming on using social accounting matrices for policy. The work is being done in close collaboration with local agencies. Capacity building activities will start in the second semester of 2011. By June the team will have 2 reports and working papers in print from this project.

TF094766 Mozambique, Poverty, vulnerability, food security and malnutrition (started in FY09), \$200,000. This grant was initiated to assist the Government of Mozambique in formulating its five-year strategy and contribute to the new Country Assistance Strategy by analyzing newly available data. The original objective was to produce (i) analysis of poverty and human development indicators; (ii) spatial analysis of poverty and growth; (iii) analysis of

nutrition and long term growth; and (iv) analysis of risks, shocks and household productivity with focus on climate events.

The use of GIS information and the census to produce an illustrated Atlas of Demographic and Socio-Economic statistics has been really innovative and is a very powerful information dissemination tool. The use of GIS and census information to produce small area estimates of child malnutrition has only been done in a couple of countries previously. The team also uncovered a previously unknown problem with the Mozambique household survey data affecting all previous surveys (1997, 2004 and 2008), and which has implications for the poverty analysis that needs to be revised.

This raised issues that still have not been solved. There are questions about the robustness of poverty analysis carried out on the 1997 survey and 2004 survey, some carried about by other Bank Teams. The Government and the Statistical Office recognized the validity of the issues raised by the team, and now they will receive TA support / analysis to later decide how to publish the report.

TF097704, Reducing Vulnerability through Microfinance in Egypt (started in FY11), \$ 200,000. David J. McKenzie. This grant is targeted to disadvantaged women, with an emphasis on divorced or widowed women. It will try to explore the best products to expand microfinance in the poorest villages in Egypt. The idea is that they could establish microenterprises to improve their income opportunities and reduce vulnerability and marginalization. This activity entails an impact evaluation and is performed in partnership with the Social Fund for Development. Therefore, it will increase local capacity to make rigorous impact evaluations. Research findings will be used to fine tune the product offerings of the SDF, as well as to provide feedback into operations of the Bank.

The choice of villages where the Egyptian SFD will expand its microfinance activities has been delayed. One reason is the Egyptian law that limits which financial intermediaries can provide financing, and prevents microfinance companies to legally exist as companies – rather, they have to remain NGOs. This law was expected to change in 2010 but did not. The choice of villages will be ready in the first quarter of 2011, since SDF arranged alternative ways of expanding microfinance through NGOs. The use of post office locations as credit windows involved additional delays, because it was an innovation in the system. The additional time has been used to refine the design and pilot the questionnaires. A full time project associate has been hired to enhance the workflow.

TF092326, Inequality of opportunities, exclusion and vulnerability among Peruvian and Indian children (started in FY11), \$ 200,000. Ambar Narayan. This activity will investigate how circumstances affecting a child (parental characteristics, race, gender, location of birth, etc) influence access to goods and services important to outcomes, particularly nutrition and education. The idea is to look behind average measures. The study will do this by producing and analyzing synthetic measures of how a country is providing access to all, and the degree of inequality in the distribution of opportunities. It will then recommend the type of interventions needed for more equitable access. It will also identify which children are vulnerable. This grant should raise awareness about patterns of inequality in order to influence public policies that promote better opportunities for everyone, including traditionally excluded population.

It will use Young Lives surveys, which provide panel data on the nutritional status of children between 6 and 18 months, and again 5 years later. It also includes qualitative information about the family and community environment. That allows an extremely rich analysis of children's lives and how they are affected by government policies. Briefing notes for a broad audience will be produced and stakeholders will be given access to this understanding. Two workshops, one in each country, are planned to discuss and disseminate findings. The Project is working with local researchers from Peru who participated in a joint conference with Oxford University on Equality of Opportunities. In the short reporting period, there is progress for Peru and some delays in starting the project in India, due to coordination between different players.

TF090857, Climate Change, Agricultural Productivity and Rural Poverty in India (started in FY08), \$ 320,000. Emmanuel Skoufias. This study contributes to understand the long-run impact of climate change on poverty and income distribution in rural India. The draft report has been submitted to the Country Managing Unit for clearance and it will be published as a WB Policy Research Paper. The methodological framework and results have raised the interest within the Africa region and discussions have taken place with the Chief Economist's Office about the possibility of doing a similar study for countries in Africa.

The study is featured in the Poverty Website of the World Bank, an issue of Economic Premise was devoted to the Distributional Impacts of Climate Change and the study has been submitted for consideration to the GTAP meetings planned for June 2011. The main innovation of this study has been the combination of different data sources to weave a story about the poverty and distributional impacts of climate change. The most important challenge reported by this TTL is the high turnover in the India CMU (country director and sector leaders) that occurred at the early stage of the study. This resulted in having no champion in the local Bank office and apparent indifference to its results.

TF090857, Youth Employability (started in FY07), \$ 100,000. Andrea Vermehren. This activity aims to identify innovative modalities and models to integrate disadvantaged youth in the labor markets of India and Bangladesh with a specific focus on street children. In addition to that it assessed models of programs that can be up scaled for improving their social, entrepreneurial and technical skills. In India, an additional study was done on a promising initiative to increase youth employability in urban areas that will inform urban development strategies. All studies have been finalized and disseminated on time and the grant has been fully disbursed on its closing date. The final studies were discussed with donors, NGOs, Government officials and Bank staff.

The results of this activity have influenced Bank's operations. In addition to what was reported last year, the Social Protection Team in India has incorporated the findings in their programmatic AAA and in the Technical Assistance project prepared by Urban Development. In Bangladesh this work informed the Disability and Children at risk project. The Social Protection team is also working with ILO, Unicef and the Ministry of Labor in the initiative "Understanding Child Labor" and it is taking this work as one of their backgrounds papers. Finally, the Education team, per request of the Government, influenced a new Vocational Training project that takes into account the recommendations of these studies. The work has also influenced work on skills development in Pakistan, which also seeks to develop the capacity to provide meaningful skills development in public-private partnerships.

The main challenge this activity faced was working in two countries at the same time with different teams. India is a large country, therefore defining the scope and direction was hard. But at the end, the grant allowed new alliances between the Social Protection work on labor and urban development, which was unique. Mapping of the initiatives in Bangladesh was less hard and allowed for easier dissemination process.

TF097640, Redistribution and the State: Assessing the distributional impact of fiscal policy (started in FY11), \$ 250,000. Jose Antonio Cuesta Leiva. Are fiscal policies pro-poor or do they benefit more the rich? This activity aims at closing the knowledge and practice to help countries assess the distributional impacts of their expenditures and tax systems. The specific objectives are: (i) to increase the understanding and capacity among regional teams and counterparts to produce these analysis; (ii) to broaden the understanding of the impact of public expenditures on equality of opportunities; and (iii) to increase effectiveness and equity impact of policy advice and operational work by WB teams in client countries.

The team developed an instrument for monitoring fiscal decisions with potential distributive impacts during the crisis. A technical working paper on the merits and limitations of analytical options in the area of distributive analysis of fiscal policies is also completed. A less technical operational note for TTLs and country economist not familiarizes with distributive analysis is close to completion. Overall, there is also progress one moving into non-traditional sectors of analysis (roads, agricultural spending and justice services). The team has also given an angle of Equality of Opportunities angle to the distributive analysis of fiscal policies; and three, by developing products and tools operationally useful for Bank and outside clients. Looking forward, the team is exploring the possibility of use innovative tools such as GIS to produce the analysis on road related spending combining it with fiscal data.

TF090727 Promoting decent work in Africa (started In FY08), \$ 600,000, Setareh Razmara. Given the importance of the informal sector as an engine of employment and income in most economies in Sub-Saharan Africa, this grant has two objectives; (i) improve the welfare of informal enterprises that provide employment and incomes to a growing number of participants in the labor force; and (ii) strengthen the links between education and skills development and employment in both the formal and the informal sectors. The grant used a three-stage approach. The first phase was achieved as planned and it consisted of a methodological guide. The second phase was the preparation of selected country case studies, which will be finished in June 2011. The third phase is the production of a synthesis report based on the results of the country cases that will take place at the end of 2011.

This activity involves collaboration between various sectors at the Bank (PREM, Education, Private Sector Development and Social Protection). The implementation also involved local consultants and Government officials. The analysis was based on household survey data to review the measurements of informal sector employment and characterize it. It also focuses on non-agricultural employment. The study has already resulted in several outputs, including (i) "*A Framework for the Study of Skills Development in the Informal Sector of Sub-Saharan Africa*" by Arvil V. Adams; and (ii) "*Raising Productivity and Reducing Risks of Household Enterprises: Diagnostic Methodology Framework*" by William F. Steel and Donald Snodgrass.

Findings are expected to influence upcoming and ongoing operations in these countries since it will be presented to different stakeholders and will include concrete policy and program

recommendations. To increase the impact, the team suggests that the Bank follows up closely the policy dialogue.

Political turmoil in Ivory Coast and Madagascar have not allowed for the case studies to start, so instead the team will work in Burkina Faso. The case study for Uganda has been complete. In Tanzania and Ghana the draft paper was prepared and discussions with stakeholders are ongoing. The field work and complete report are being prepared for Ghana, and Mozambique is in pre-field work stage. Implementation has taken more time than expected because of difficulties identifying eligible countries. Other delays have stemmed from difficulties finding qualified consultants, lack of adequate data and delays in commitments from CMUs. Another challenge was balancing between English and French speaking countries in the Africa region, qualified consultants were more easier to find in Anglophone countries, therefore there is only one French speaking country: Burkina Faso. By December 2011 all country studies are expected to have finished and the TF closing date has been extended until then.

TF057365 Zambia Country Study (started in FY06), \$ 553,000, M. Marie Sheppard. The main objective this activity has been to generate information and capacity that can help the government expand pro-poor growth and develop market opportunities. The closing date has been extended until April 2011. The overarching goal was to contribute to diversified and export oriented economy while improving lives and protecting vulnerable groups. The grant carried out analytical studies, drawing on widespread collaboration among key stakeholders and the promotion of policy dialogue between decision makers, civil society and other direct beneficiaries.

The work has been undertaken in partnership with several agencies, which has been time consuming and difficult to manage, but which gives local stakeholders more ownership and will result in greater impact. It looked at: (i) four agricultural value chains changes that could benefit the poor; and, (ii) a productivity assessment on rural and peri-urban firms. 2010 was dedicated to sharing the results and engaging in policy dialogue. Since the work was done jointly with Government, business and donors, the platform to share the results with different audiences was already in place.

The Government used the work for (i) the sixth development plan; and, (ii) the development and implementation plan of the MSME policy that was enacted in 2010. In addition, several donors are using the results to design their program, which enhances coordination among donors. Finally, the private sector are using the mapping of business to design new services such as mobile banking, which is likely to have more impact in terms of extending financial services, business development services, etc. Malawi is currently implementing a similar survey, applying much of the methodology developed by this grant.

An important problem faced by the team was that this work did not fit any of the standard Bank products. It was particularly challenging because it did not have any recommendations from the team. They wanted them to emerge from the dialogue stakeholder dialogue, and it was hard to get the support of some staff within the Bank for a non-standard product.

TF094878 Randomized Impact Evaluation of the National Solidarity Program (started In FY10), \$200,000 Elliot Wamboka. This activity has focused on filling the lack of evaluation structures; and demonstrates the feasibility and desirability of rigorous evaluation of development activities

even in difficult environments. It wants to increase the capacity and the demand for rigorous analysis in the realm of the ability of community based development to generate durable improvements in food security and access to related infrastructure services. It aimed at providing evidence to help design more effective mechanisms to reduce vulnerability in rural Afghanistan and other post-conflict environments with weak government capacity.

The report on interim findings is finalized and disseminated in Kabul, Washington and various workshops in South Asia. It was very well received and went through formal review process focusing on both the technical aspects of the evaluation and appropriateness of outcome indicators. The comments and suggestions are being incorporated in the second follow-up survey, which will allow also a virtual review to strengthen the evaluation and ensure it benefits from the expertise in the Bank and Academia. The Vulnerability Analysis Unit in the Ministry of Rural Rehabilitation and development conducts the survey work. The high participation of local consultants should add to the legitimacy of the undertaking and progress in consolidating Afghan institutions, particularly given sensitivities about foreign intervention. The project has faced significant challenges, foremost among them the difficult security situation in Afghanistan, especially in rural areas.

TF097866 Financial Protection and equity in health, (started in FY11), \$ 160,000, Caryn Bredenkamp. This grant has two general objectives: (i) increase global knowledge of equity in health outcomes, health care utilization and the extent of catastrophic and impoverishing health expenditure; and, (ii) increase the capacity of governments, country researchers, bank staff and the international community to effectively measure, analyze and monitor the same.

It wants to set country specific baselines for monitoring country level changes in health equity and financial protection; it builds capacity in conducting benefit incidence analysis; it will also equip Bank staff with the tools to monitor that and increase the overall prominence of issues of equity and vulnerability in the health sector.

Implementation has proceeded as planned. TFESSD resources have not been used because much of the initial work required staff time, such as conceptualization of tasks, consultant identification, and production of prototype reports.

Pakistan and Nepal have already asked the team to speed development of the policy report to feed operations and country strategy. In the case of Nepal the Government wants inputs for the national health plan. The major challenge so far has been the quality of data, especially in the Africa region, where only few countries have data good enough to conduct analysis at the planned depth. Therefore, country selection has changed significantly from the originally proposed, although the focus on IDA countries in Africa has been maintained.

TF094797 Aadapt, agricultural adaptations (started in FY09), \$ 400,000, Arianna Legovini. Aadapt was designed to support rigorous impact evaluations and evidence based program design, especially in Africa. It has three concrete targets: (i) institutional development of Ministries of Agriculture and Natural Resources by strengthening their capacity for evidence based policy and adaptive management; (ii) improved quality of Bank operations in agriculture and sustainable land management and greater impact; and (iii) knowledge generation on agricultural and land management interventions. The grant supports annual cross-country workshops and in-country activities.

Implementation missions are planned in order to support the clients throughout the implementation of their impact evaluation. Field coordinators will continue their day to day work with implementing agencies, building local capacity for evidence based policy. Grant objectives are being effectively achieved by the team. All impact evaluations are ongoing, and most of them are collecting data using a homogenized instrument. A large dissemination and capacity building event will take place in Dakar, in April 2011, where all the 30 teams (Government, WB and external researchers) will meet to discuss the progress since April 2009 and exchange ideas and lessons learnt. Other projects will attend the workshop, and other actors, such as the US Treasury, the Millennium Challenge Corporation (MCC), the Belgian Executive Director's Office, the Gates Foundation, IFPRI, Yale University and many more. This transforms this activity from a regional initiative into a global one.

TF094803 Rural Employment Guarantee Program in Bihar (started In FY09), \$ 120,000, Puja Vasudeva Dutta. This activity is about assessing differences in implementation and how they can result in different outcomes, even if the technical design of a project is the same. It applies this to the rural employment guarantee program, one of the largest safety nets programs in the world.

The program guarantees 100 days of employment to rural households on demand at the state minimum wage. This grant supports the impact evaluation of this program on employment, labor earnings and other socio-economic aspects. It emphasizes the institutional and program design and implementation factors in driving the observed outcomes. It also underscores how programs are implemented.

Research tools, including a film as well as handouts on program rights and entitlements, were produced and disseminated in 40 sample villages. One more round of the panel qualitative survey was conducted between April and July 2010. The team has been analyzing the data to identify the impact of the awareness generation pilot on households' behavior. The team is also in discussion with the Government about updating the film to reflect recent revisions to the program, so as to make it available to scale up dissemination.

The project is implemented by local organizations. One is based solely in Bihar and the other one has a strong presence in the state. Both teams have intensively worked with the Bank team during the field testing for the pilot, the development of the materials, and have participated in interactions with government counterparts.

Study reports will be made publicly available and published in peer-reviewed journals, but dissemination will be targeted to the state government, since they have the responsibility of revising the implementation of the program and proposing corrective measures. The other target will be civil society who will hold the government accountable. The most important *challenge faced by the team was to compress the complexity of the program in a short film and screening it in some places with poor connectivity and local conflict.*

TF090809, Ethiopia Internal Migration (started in FY07), \$ 175,000, Espen Villanger. Ethiopia is under increasing migratory pressures, with large rural-urban movements. This activity strengthened the information base on migratory dynamics and the menu of options for policy. The team already presented the results from the first report to donors and research institutions. The report was also submitted to the Ministry of Finance and Economic Development and

followed up with discussion in separate meetings. The report provides information on who are the migrants, motives they have to migrate, conditions that determine their interest in moving, the costs and the welfare implication of migration, among other aspects. In 2011 they will also organize a workshop for researchers.

The project faced a number of difficulties during the first phases, including an error in the urban survey which meant some important data was not collected, a fact which delayed the rural survey. This was due to performance problems of the international firm contracted to collect data, suggesting that more hands-on quality control at the outset would have been advisable. During this reporting period the challenges were more technical. Analyzing the migrants entails analyzing a moving group in nature, therefore it was hard to define samples, avoid self selection and follow households that have moved. Another problem has been the scarcity of qualified researchers.

TF 092567 Tanzania, climate change and vulnerability (started in FY08), \$ 536,000, William Martin. This work aims to link climate, land use and poverty analyses by developing a framework for quantifying the impacts of climate variability and change on the world's poor. Although based on case studies of Southern and Eastern Africa, it is applicable to other parts of the developing world. Research has been successfully proceeding over the past year, leading to an anticipated over-delivery of scientific research findings.

Dissemination efforts have taken the form of multiple project team members presenting the findings at various venues and providing training. Most of the knowledge sharing activities are centered around four streams of scientific research: (i) Extreme climate in Africa; (ii) Response of agriculture to climate volatility; (iii) Global economic analysis of climate change and poverty; and, (iv) National economic analysis of climate volatility and poverty in Tanzania. Technical formats such as policy papers and journals will be complemented with wider formats. Conferences and seminars have also been conducted throughout the whole implementation process. For example, in 2011, findings from the project will be presented at the 14th Annual Global Economy Analysis Conferences and at the annual meeting of the Agricultural and Applied Economic Association.

Initial implementation challenges involved difficulties in identifying a rigorous mechanism to integrate the climate modeling results with the statistical crop modeling and economic simulation. Another one was identifying African researchers and professionals trained to take advantage of in-country capacity building activities. However, now the project is ahead of schedule: two research papers have been completed and disseminated and the team is on track to produce seven more papers, resulting a final output double the promised number.

TF 093356 Economic and distributional impacts of climate change in ECA (started in FY08), \$ 300,000. Salman Zaidi. The main objective of this activity is to better understand the climate change related opportunities and risks in selected ECA. The method is to analyze the probable impacts on households' welfare and assess the readiness of agents to deal with these changes. In order to do so, during this reporting period, the team has advanced with the case study for Tajikistan. This work has looked at potential impacts on people's livelihoods and their health. It developed a sub-regional index of climate vulnerability drawing upon data from a variety of sources. It has influenced the Tajikistan Pilot Program for Climate Change in its preparatory stage.

The main problem reported by this team has been the lack of budget for staff time and the TTL suggest that staff time should be stipulated as a requirement to CMUs to show their commitment to this kind of work. This problem should be overcome, at least in part, by the recent decision to allow staff to use grant funds to cover up to 20 percent of their time and travel.

TF092523 World Development Report: Climate change and development (started in FY08), \$1,200,000, Marianne Fay

Continuing climate change at current rates will pose increasingly severe challenges to development. By the end of the century it could lead to temperatures 5 degrees Celsius warmer than in preindustrial times. The world could be vastly different with more extreme events, fewer species and unmanageable pressures on natural resources. This activity is closed. The analysis performed by the WDR team is inherently cross-sectoral and cross-cutting and it identified innovative policies that can help tackle climate change. The report is available at www.worldbank.org/wdr2010.

The report has been widely disseminated globally. It was well received by policy makers and practitioners, focuses on the practical implication of climate change for development. It takes an integrated look at adaptation and mitigation and presents new economic and scientific evidence to make the case for strong and immediate action on climate change, and thus has direct implications for the Bank's work. Many partners, from the developing and developed world, made important contributions in the form of consultations, background papers and in the discussion process.

In January 2010, Sustainable Development Network held its annual forum with the theme of 'Operationalizing the WDR'. The WDR team has also initiated further research on decision making frameworks under climate change uncertainty; clean energy technology in China (and elsewhere); landscape carbon management; information and communication tools for adaptation and mitigation; urban vulnerability mapping and several more. Nowadays climate change is part of the corporate agenda of the Bank and core ideas fed into the environment and energy strategy and the development of the Green Development Knowledge Platform.

TF093403 Implications of climate change for economic policies in the APEC (started in FY08), \$515,000, Ahmad Ahsan. Many countries in the APEC regions have important coastal regions that may be vulnerable to rising sea levels and other weather-related disasters. Actions taken in this region will be critical to address climate change threats. This activity involved working with Ministries of Finance and senior finance to increase their awareness of the issues regarding i) institutions and policies to foster carbon friendly technological progress and growth; (ii) fiscal instruments for mitigation or adaptation to climate change in developing countries; and, (iii) implications of climate change impacts and policies for the poor.

Research has been completed, two reports were finalized including a synthesis report that was presented at Senior Finance Official Meetings and shared with Finance Ministers. Two more research papers have to be finalized and their dissemination process will start. The objectives of the knowledge sharing agenda are: (i) disseminate policies to promote climate friendly technologies; (ii) explore adaptation investment approaches in the context of uncertainty; and, (iii) disseminate market readiness diagnostic instruments.

The most important challenge reported by the team has been to keep actors interested in the topic since the global financial crisis overshadowed other issues. In addition to that, the internal coordination to find a common ground to approach these issues was also a problem that the team had to overcome.

Overview of activities

The Poverty window, launched in November 2001, has funded 91 activities to date. 24 were still officially active as of December 2010. Of those, 17 are expected to close during 2011. Of the ongoing activities, the Regions manage 12 and Networks or the Development Economics Group manage the remaining 13, keeping the same balance as in the last reporting period. As we can see in the chart below, the Poverty Window has closed all the activities that started before 2007. The window still has two open grants from 2007; while the grants funded in or after 2008 are still under implementation.

Table 1: Poverty Window activities as of December 2010			
Year	Activities approved	Activities ongoing	Closed activities
FY02	19	0	19
FY03	9	0	9
FY04	13	0	13
FY05	12	0	12
FY06	6	0	6
FY07	5	2	3
FY08	9	9	0
FY09	5	5	0
FY10	9	9	0

Implementation Progress

Most ongoing activities funded under the Poverty window are progressing satisfactorily. This year no activities have been put on hold due to TTL changes, as was the case last year. On the contrary, for grants in which there has been a change of TTL, the transitions have been smooth, aided by the Window Management. Some activities, such as the grant on conflict and poverty in Cote d'Ivoire, have experienced implementation problems as a result of political turmoil.

As usual, transfers to grants are done on as needed basis to make sure the TFESSD has enough liquidity and to avoid resources being parked in child accounts. However, this year the Window experienced liquidity problems that may have delayed some hiring processes. However, TTLs were able to prioritize their requests and worked with the TF administration by limiting the amounts requested at any one time. This year, the results to date, as reported by TTLs is very encouraging. We can see that many of the grants are having impact on operations and the corporate agenda of the World Bank, while also contributing to meaningful policy dialogue with the countries and with donors. Research findings have been widely disseminated in the form of academic journals, publications, conferences, seminars and websites.

Closed Activities

During this reporting period, three activities closed and two more have finished their implementation but are not legally closed. The closed activities are in the table below. *Addressing Extreme Poverty in Low Income Countries* closed with a remaining balance of \$33,855. The last two grants have finished implementation, but by the end of Dec 2010 were not legally closed.

Table 2: TFESSD Poverty Window Activities that closed over the reporting period		
TF number	Activity name	Closing Date
TF090888	EARNING YOUR WAY OUT OF POVERTY	1/31/2010
TF090857	YOUTH EMPLOYABILITY	3/31/2010
TF057289	ADDRESSING EXTREME POVERTY IN LOW INCOME COUNTRIES: RISK AND SHOCKS	9/15/2010
TF057365	ZAMBIA COUNTRY STUDY	12/30/2010
TF092523	WORLD DEVELOPMENT REPORT ON CLIMATE CHANGE AND DEVELOPMENT	12/31/2010

Disbursements and commitments

Consistent with the description of the activities, grants funded under the poverty window are being implemented without any major issues. Disbursement ratios have also increased. This all can be seen in the following chart.

As a total, as of December 2010, the disbursements reached 74% of received funds, for all the activities since 2007, leaving 26% of liquid funds on their accounts. Nine more activities were added to the poverty window this year, while only three closed, which means that the amount of available funds increased. We expect TTLs to use them during the first months of 2011, so that liquid funds are not parked in the individual accounts. The disbursement ratio varies depending on the phase of each project, with projects tending to disburse much more during the last phase of implementation. 16 activities are expected to close in 2011, for those the rate of disbursements and commitments is 95.17%, which indicates they are well on their way to closure.

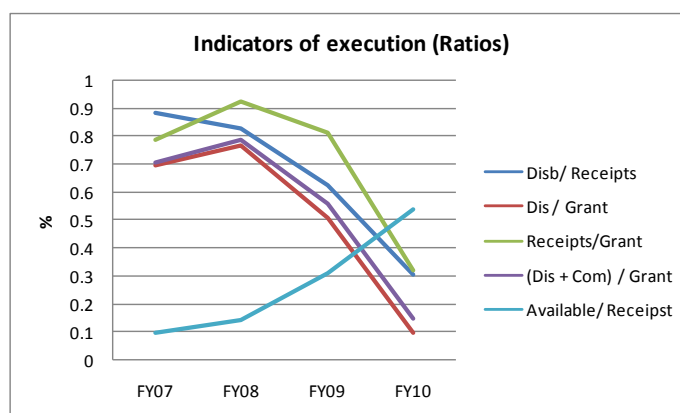


Table 3 provides an overview of disbursements and commitments under the poverty window over the last year.

Table 3: Poverty Window financial report as of December 31, 2010

Table 3: Poverty Window Financial report as of December 31, 2010						
Call / year	Grant amount	Receipts USD	Disbursements USD	Fund Balance USD	Commitments USD	Available Balance USD
FY02	2,273,677	2,125,479	2,125,479	0	0	0
FY03	1,694,732	1,668,492	1,668,492	0	4,290	-4,290
FY04	1,826,066	1,744,689	1,744,689	0	0	0
FY05	3,160,552	2,752,156	2,752,156	0	22,680	-22,680
FY06	1,350,540	1,101,614	1,101,614	0	15,568	-15,568
FY07	1,165,000	916,903	811,525	105,379	14,023	91,356
FY08	3,906,000	3,610,141	2,997,447	612,694	91,696	520,998
FY09	1,120,000	910,000	566,800	343,200	61,564	281,636
FY10	2,710,000	870,000	264,073	605,927	138,295	467,632

Year approved	Receipts (US\$m)	Cumulative Disbursements & Commitments (US\$m)	Of which Outstanding Commitments (US\$m)	% of receipts disbursed or committed	Africa portion of disbursements/commitments (US\$m)	Africa Share of cumulative disbursement/commitments (%)
Window Ac	0.135					
Prior FY03	2.125	2.125	0.000	100%	1.144	54%
FY03	1.668	1.668	0.000	100%	0.860	52%
FY04	1.745	1.745	0.000	100%	1.097	63%
FY05	2.752	2.752	0.000	100%	1.992	72%
FY06	1.102	1.102	0.000	100%	0.563	51%
FY07	0.917	0.821	0.009	90%	0.785	96%
FY08	3.610	3.068	0.070	85%	1.091	36%
FY09	0.910	0.628	0.062	69%	0.289	46%
FY10	0.870	0.379	0.115	44%	0.185	49%
	15.834	14.289	0.256	90%	8.006	56%

4.3 Actions taken or recommended

Annual strategic review by the Poverty Sector Board

As more than 50% of the projects will close this fiscal year (before June 30, 2010), the strategic review will take place in May 2010, so that recommendations can be ratified by the Poverty Board in June.

Extensions, fund reprogramming and cancelled activities

The Poverty Window did not register any cancelled activities. Extensions were granted to 8 activities. Extensions continue to be requested, and are granted wherever there is a good justification and work is progressing. It is rare to find extensions that go beyond a year, but we have had one this year. This policy is implemented with a degree of flexibility on a case by case basis. Extensions have been key to make sure the dissemination of results gets the time it deserves and it is not done in a rush. The projects that were granted extensions during 2010 are detailed in Table 4

Table 4: Extensions approved on the Poverty Window 2010			
TF	Name	Original end date	Expected end date
TF092567	CLIMATE CHANGE AND VOLATILITY	31-Dec-10	31-Dec-11
TF093403	IMPLICATIONS OF CLIMATE CHANG	Oct. 30, 2011	Oct. 30, 2012
TF 092326	CLIMATE CHANGE, AGRICULTURAL	31-Jan-11	30-Jun-11
TF057289	ADDRESSING EXTREME POVERTY IN	31-Aug-10	Sept. 15, 2010
TF057365	ZAMBIA COUNTRY STUDY	30-Jun-10	30-Dec-10
TF094729	ASSESSING POVERTY AND DISTRIBU	31-Oct-10	June 2011.
TF092568	WORLD DEVELOPMENT REPORT ON	30-Jun-10	30-Dec-10
TF090809	ETHIOPIA INTERNAL MIGRATION	30-Jun-10	30-Jun-11

C. SOCIAL DEVELOPMENT WINDOW

1 Summary

TFESSD continues to support the Bank's work of meeting the objectives of the Social Development Strategy and in particular, enabling 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.

Activities funded under the Social Development window progressed well in 2010; providing support to analytical work, piloting critical initiatives and supporting capacity building in key areas of social development. Results and lessons learned from these various activities continue to impact Bank-funded programs and client countries, as detailed more fully in Section 2 of this chapter.

In 2010, activities are grouped under six broad themes, down from eight last year with the *Social Inclusion and Diversity in Decision-Making* and *Country/Macro level Social Analysis* themes phasing out with no current ongoing or closing activities in 2010. Specifically, the TFESSD activity themes under the Social Development Window in 2010 are as follows: (a) Shocks and Vulnerability, (b) Adaptation to Climate Change, (c) Poverty, Social Impact and Empowerment; (d) Innovations for Improved Governance and Social Accountability; (e) Global and Regional Social Development Initiatives; and (f) Community-Driven Development and Local Governance.

Notably, as the TFESSD call for proposals in 2010 centered on one of the previous year's theme, **Shocks and Vulnerability**, there was an increase in support of initiatives targeting long-term drivers of vulnerability, environment, monitoring indicators for vulnerability, social policy, societal fragility and the promotion of equity, social justice and the enhanced role of women. There are 12 ongoing activities under the Shocks and Vulnerability theme which focused on testing mechanisms to prevent or better prepare target groups (i.e. youth, internally displaced people and women) in challenging socio-economic and/or environmental circumstances.

There remains quite a robust portfolio of efforts within the **Adaptation to Climate Change** theme as it was the focus area for the 2009 Call for Proposal. There are currently 16 ongoing activities, with more than half scheduled to close in mid to late 2011. These efforts contribute to building a 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 as well as aiding the development of policies, programs and investments in climate change.

The **Poverty, Social Impact and Empowerment** theme has five ongoing activities, both scheduled to close in early to mid 2011. These efforts encouraged the active engagement of citizens either through web-based capacity building resources or the establishment of participatory approaches to slum upgrading.

The **Innovations for Improved Governance and Social Accountability** theme has two ongoing and two closed activities. Ongoing efforts target participation and local decision-making. As in previous years, this theme remains an area of corporate significance contributing to the Bank-

wide focus on Governance and Anti-Corruption, to which it adds an innovative demand-side perspective.

There remain two ongoing activities and one closed activity within the **Global and Regional Social Development Initiatives** theme. The diverse initiatives in this window cover varying sector areas including water sector reform, strategy reform and community-based response to urban crime and violence.

The **Community Driven Development (CDD) and Local Governance** theme closed down its last activity in March. This activity provided 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. This thematic area remains critical to the Social Development agenda and is being pursued actively with other sources of funding.

Box 1: Positive Impacts

The Local Governance in Sub-Saharan Africa activity aims to strengthen accountability, transparency and participation in local decision-making processes in Guinea, Rwanda and Burkina Faso, thereby improving local governance and targeting of service delivery. Currently, the team is completing the 13 regional workshops and radio programs in addition to disseminating good governance practices through the Local Governance Competition of Excellence (COPEGOL), in-country workshops and a regional seminar. The dissemination activities contributed to mainstreaming standards of good governance in project countries in terms of transparency, participation and accountability but also innovation, socio-economic impact and sustainability. Specifically, in Rwanda, the Local Governance, Transparency and Accountability in African (LOGTAGA) Evaluative Framework is now used by the Local Government Association (RALGA) to assess district and sector achievements during the annual Innovation Day, a ceremony that rewards the best performing local governments. At Innovation Day, local representatives that scores the highest on the LOGTAGA indicators, are rewarded and highlighted as examples for their peers. Additionally, the Rwandan Local Government Association held a smaller version of the COPEGOL contest utilizing their own funding. In Guinea, while the activities could not be finalized due to the coup, some of the COPEGOL participants were inspired to run for public office in local governments attributed in part by the capacity gained engaging in this activity.

2 Progress toward the Development Objectives

The Social Development Strategy (developed and recently undergoing revisions with substantial support from this trust fund) reinforces the means of empowering people by creating more inclusive, cohesive, accountable and resilient institutions. In order to mainstream these principles into the Bank's work, the social development group succeeded in shifting emphasis from engagement at the project level to a focus on broader program and policy dialogue. To this end, the trust fund continues to allow the Bank to innovate and undertake catalytic research on key areas of relevance, including climate change, CDD and social accountability tools, social inclusion, country social analysis, and poverty and social impact assessments.

2.1 TFESSD Objectives and value added

As noted in previous reports, the TFESSD served to leverage scarce resources and has been an invaluable source of donor funding in support of the social development agenda within the Bank. These funds have been critical for the advancement of the Bank's work on several fronts and have ensured that social issues remain high on the Bank and other global agendas. TFESSD has continued to allow the Bank to innovate and undertake catalytic research on key areas of relevance, including vulnerability, climate change, CDD, social inclusion and poverty and social impact assessments.

With recent programmatic targets centered on Climate Change and Shock and Vulnerability, significant activity outputs and outcomes are beginning to take shape. Consultants have been hired; field visits planned (with many completed); background workshops, concept notes, studies and assessments concluded, all of which collectively provide the platform to attain viable outcomes and future results within this activity window.

For example, TFESSD funded the organization of the regional workshop on climate induced migration in Marseille, France in June 2010.³ Additionally, funding supported a series of background country assessments for Liberia, Sierra Leone and Togo with the outcomes already informing new project preparation activities focusing on Cash for Work in Liberia and Sierra Leone and School Feeding in Togo. Also, recommendations from an assessment for the Caucasus are being used to design livelihood support activities under a new Internally Displaced People (IDP) Living Standards and Livelihoods Project currently under preparation.

With the successful advancements and progress noted above, there have naturally also been shortcomings to our efforts. As in past years, many challenges to activity progress centered on administrative constraints such as consultant or firm hiring delays and procurement, but in addition some activities were postponed due to programmatic shifts to address approach challenges, unexpected political activity prohibiting advancement, as well as declined country office interest in one instance.

Box 2: Progress towards Objectives and Funding Synergy

The **Self Reliance for IDPs in the Caucasus** activity was established to formulate of evidence-based policy making on how better to support the livelihoods of internally displaced persons (IDPs) in Azerbaijan and Georgia as well as to design appropriate investments tools to enable IDPs to overcome i) social and economic vulnerability and ii) enable access to resources to build secure and productive lives. In November 2010, an IDP livelihood assessment was conducted in Azerbaijan. Using a sustainable livelihoods framework the work reviewed the social, physical, financial, human, natural assets of IDPs and identified where there is room for strengthening these assets in order to promote the ability of IDPs to achieve self-reliant livelihood strategies. The recommendations of the assessment are being directly used to design livelihood support

³ <http://www.afd.fr/jahia/Jahia/site/afd/lang/fr/Programme-seminaire>.

activities under a new IDP Living Standards and Livelihoods Project under preparation. In addition, the assessment identified agencies who are currently working to support IDP livelihoods in Azerbaijan, which might provide case study projects for the impact evaluation work. Due to the outcomes of this work, a follow-on activity supporting new IDP Living Standards and Livelihoods Project is under preparation for Azerbaijan and will be financed through a \$50 million IBRD credit.

2.2 Impact on the Bank and in client countries

The TFESSD-supported portfolio has made clear contributions at the country level and on Bank operations. The examples provided below illustrate the nature of these impacts achieved with TFESSD support:

- **Yemen:** Analytical work on responses to fragility identifies critical factors rooted in society that influence fragility and explores how development interventions interact with these factors. Participating country teams are interested in the preliminary findings with the Yemen country team discussing the inclusion of the preliminary findings in their upcoming CAS update.
- **Climate Change:** the lessons learned and other experiences from this initiative aided in the establishment of a comprehensive Toolkit that has been incorporated into a 5-country sub-regional Bank operation, The West Africa Regional Fisheries Project as well as into the Senegal Sustainable Fisheries Management Project.
- **Climate Change:** The *Surveying Public Attitudes* (TF094888) activity was the first to undertake a comprehensive public opinion poll on climate change in a broad set of developing countries. With its core results launched in the days preceding the 15th session of the Conference of the Parties (COP-15), the poll provided a relevant and timely platform to developing countries in the negotiation framework. A range of local and global media outlets picked up the poll results in the run up to COP-15 which proved instrumental in helping to position WB messaging on climate change internationally as well as in-country.
- **Upgrading Informal Settlements:** Due in part to the outcomes of the integrated analytical work implemented under TF091110, India has a comprehensive national policy on slums, for which the Government of India has made a formal request for a \$500 million loan. In Brazil, the outcomes of the study contributed to the request for a \$450 million Development Policy Lending (DPL) to support urban upgrading. For Angola, the project produced an analysis of land issues affecting the development of the various types of urban settlements in the capital city; providing a clearer understanding of how informal real estate markets operate in the context of these settlement types. As part of this, a typology of slums was created using GIS technology.
- **Madagascar:** In spite of the political crisis in Madagascar, both Participatory Budgeting (PB) and Community Score Cards (CSC) processes made significant progress towards more inclusion, participation of citizens and social accountability in general. This TFESSD activity (TF055744) was critical in enabling

- continued engagement with diverse actors and partners, and therefore helped the program make progress in scaling up innovative activities. Further, these activities have proven instrumental in ensuring that newly paid mining royalties resulted in tangible social benefits at the local level during a period of crisis do to greater community oversight of budgets.
- **Egypt:** Project activities in support of promoting effective local governance (TF090592) resulted in the increased attention of the Ministry of Education to the importance of social accountability in improving service to the poor through (a) increased interest and collaboration with the Bank team in implementing project activities and attendance in training by central ministry staff; (b) the Ministry's request to i) focus pilot activities on staff capacity building to promote citizens engagement in local service delivery and ii) extend pilot activities to high schools as an experiment for possible scale-up in the future; and lastly (c) the Ministry's expressed interest in replicating pilot activities in the Health sector focused on strengthening the relationship between patients/citizens and health service providers and improve citizens' utilization of public health units and patient satisfaction with public health services.
 - **Crime and Violence:** During preparation and dissemination efforts, the findings of the global study (TF057377) were presented to the government in South Africa and Kenya. A possible follow-up is under discussion in South Africa, with study outcomes also serving as a base to the already launched research action program in Kenya. In addition, the work informed the preparation of a DPL in Brazil. And lastly, the East Asia region is interested in the results to inform the development of a region specific violence prevention program.

2.3 Shortfalls

As referenced above, some activities under the Social Window experienced constraints for an assortment of reasons. Most frequently they were administrative and often centered around issues pertaining to the acquisition of consultants. For example, under the Regional Integration of Social Inclusion in Infrastructure project the constraints in contracting local field researchers created a challenge to advancing the program's case study work in Zambia and Ethiopia. Though fewer, the window did experience programmatic shortfalls as well. For example, the Engaging Societies in Responding to Fragile Situations effort in the Central African Republic (CAR), Yemen and Haiti proposed the use of DPLs as a primary implementation tool. However, initial findings from Yemen indicated that DPLs would not be a suitable approach to support cohesion in the country and that strengthening the Yemen Social Fund, the Public Works project as well as increasing engagement with civil society would preferable, thus necessitating a slight restructuring of the work program. In addition, the MENA-focused Social Dimensions of Climate Change project experienced a spattering of challenges affecting grant implementation due to the following: a protracted negotiation process with the consultant company; difficulties obtaining client buy-in for data collection efforts; and turnover of the task team leader.

Box 3: Shortfalls

The Global Study of Crime, Violence and the Urban Poor activity was designed to improve understanding of community-based responses to urban crime and violence in five countries (Haiti, Brazil, Kenya, Nigeria and Bangladesh). The studies have generally progressed well with most already completed and starting to generate helpful findings stimulating internal discussions and beginning to influence work in some of the target countries. However the program has experienced setbacks with country team and regional collaboration. For example, the case study for Bangladesh was dropped because of lack of sufficient interest on behalf of the country team. The funding was reallocated to do more in-depth work on Johannesburg and Dili. There were also some delays experienced with the work in the Africa region due to their hesitance in working on violence prevention, thus programmatic deliberations have been slow but advancing. However, even with these shortfalls, the synthesis report was completed and published as a book. The findings of the publication were presented to governments in South Africa and Kenya and will form the base for a research action program launched in Kenya. In addition, the work informed the preparation of a Development Policy Lending in Brazil.

2.4 Capacity Building

Local capacity building, knowledge dissemination and building of partnerships constitutes a significant part of most of the activities funded under the TFESSD. Many funded efforts have in-country capacity building components, such as 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. For example, one of the primary intentions of the Large Scale Land Acquisition project is to share knowledge and build capacity through its deliverables. In 2010, the project provided concrete empirical evidence for a large scale land acquisition activity at the global and country level. The findings were used to initiate a dialogue on how to help stakeholders (governments, private sector operators, civil society) to address relevant challenges. Additionally, associated materials have been presented at workshops with academics, civil society, and donors; cited in numerous press and radio interviews (including New York Times, Economist, Reuters, and the Financial Times).

Box 5: Partnership/Capacity Building

The **Livelihoods Action Learning Fund** is designed to enable action-oriented learning among multi-country stakeholder from grassroots to national level; promoting access to inclusive growth and livelihoods development opportunities in South Asia. The effort finalized and distributed a number of information and capacity building tools that included the finalization of the external Rural Livelihoods webpage: <http://worldbank.org/rurallivelihoods>; the preparation and initiation of a dedicated learning curriculum for livelihoods project managers and practitioners; the distribution of the fifth edition of the associated electronic newsletter as well as the implementation of the Mentoring Fund which enabled south-south learning and exchange cross-regionally. Specific to the latter, a team from the Himachal Pradesh Watershed Project visited a project in Costa Rica to focus on 'eco-markets' and climate change. These

outcomes were achieved with active interaction and partnership between World Bank staff, host governments, project counterparts, local partner organizations and associated agencies.

2.5 New Challenges for Social Development: Responding to Increased Demand

Overall, World Bank volume for both Investment and Development Policy Lending have more than doubled with their composition shifting towards infrastructure, correspondingly increasing demands for social development inputs. In addition, new strategies like the 2007 **Governance and Anti-Corruption Strategy** and the 2010 **Access to Information Policy** created additional space for social development work, particularly for strengthening demand for good governance. The ongoing investment lending reforms, which bring an enhanced focus on results and risks in operations, as well as the ongoing process of updating and consolidating the Bank's safeguards framework necessitate attention to assessing and responding to social opportunities, impacts, and risks in both design and implementation. Support through TFESSD has served to respond to these increasing demands. For example, the Local Governance in Sub-Saharan Africa initiative aims at strengthen accountability, transparency and participation in local decision-making processes in Guinea, Rwanda and Burkina Faso, thereby improving local governance and targeting of service delivery.

Additionally, TFESSD provided support to the preparation of the Mid-Cycle Implementation Performance Review for the Social Development Strategy. The objective of the review was to ascertain how the application of the principles and objectives of the Social Development strategy of 2005 have worked out in practice; assessing lessons learned from the implementation of the strategy up to now, also laying out strategic plans and directions for the next three years of the strategy within the Bank. As a part of this work, stock-taking papers were commissioned of the Social Development Groups in the Bank's operational regions, as well as on key areas of thematic focus for the social development group in the World Bank (such as the Social Dimensions of Climate Change, youth, conflict, Demand for Good Governance, Indigenous Peoples, Community Driven Development). The primary outcome was that the "vision and framework of the 2005 SDV Strategy remains valid," however the following adjustments were recommended: 1) add "social resilience" to the conceptual and operational framework for social sustainability, alongside the operational principles of inclusion as it is critical for reducing vulnerability and enabling communities to organize and confront negative trends and shocks be they economic, natural, or emanating from conflict; 2) realign the overall focus of the Strategy around the core goal of *mainstreaming social sustainability*, shifting away from compliance with a narrow range of issues and focusing on a greater and more comprehensive range of social opportunities, risks, and impacts that underlie the social sustainability of the Bank's development assistance; and 3) to develop a "*more effective family*" for social development in the current environment of increasing demands for social development while operating in a constrained and flat budget environment.

3 Activity Summaries

A. Shocks and Vulnerability

Recent climate events, conflicts, and ongoing global economic crises compelled the World Bank and the global community to step up efforts to address the vulnerability of poor and crises-affected people. There is a widespread realization that vulnerability impedes and reverses

progress, often irretrievably. The activities under this theme focus on monitoring the impacts of the various global crises, as well as understanding and building resilience against the underlying factors causing vulnerability and marginalization.

TF093767, Violence Prevention Pilots Program (FY09) - \$800,000: The objective of this activity is to expand the repertoire of (and to build in-country capacity for) violence prevention activities that can be applied in fragile and conflict-affected contexts and to disseminate useful lessons from the implementation of these violence prevention activities. The process of implementation has been slow because of difficulties with Bank procurement. The research action program proposed required unusual consultant contracts because the firms are being asked to implement some activities in order to learn from them. This research action approach does not fit well with Bank consultant procedures as it involved some aspects of project implementations. Finally after long discussions with the Bank procurement department the issues have been sorted out but it is too soon to say if the program is achieving its objective. However, a successful launch workshop took place that seems to have helped the two teams (NGO staff and local government staff) to improve quite considerably their approach.

TF094944, Large Scale Land Acquisition: Providing economic, social and environmental guidance (FY10) - \$385,000: The activity aims to provide advice to countries that are confronted with or are interested in attracting large scale, land-related investments so as to enable transparent processes and review mechanisms (including safeguards) that increase the probability of selecting projects with positive economic and social impacts in the long-term. In addition, the activity hopes identify lessons from economically and socially successful ventures to inform potential investors about ways to structure projects that will increase the likelihood of success. During this reporting period the three objectives of the grant were fully achieved. Empirical evidence has been provided for large scale land acquisition at the global and country level. This information is being used as a starting point for dialogues on how to help different stakeholders (governments, private sector operators, civil society) to address these challenges has been achieved. Established program materials have been presented at workshops with academics, civil society, and donors and have been cited in numerous press and radio interviews (including New York Times, Economist, Reuters, and the Financial Times). Follow-up activities to translate the analytical insights and general principles into guidance that is relevant to private sector operators and governments alike, while capitalizing on civil society and academic linkages in creating publicity, is underway.

TF095076, Realtime Monitoring of the Impacts of the Global Economic Crisis (FY10) - \$430,000: The objective of this activity is to establish real-time monitoring systems in a number of countries. This will fill a gap in current information systems that do not allow continued tracking of impact as the economic crisis evolves. Research has been or is being conducted in around 14 countries; of which 9 receive support under this grant (the activity also receives co-funding/partnership from DFID). Countries covered include Central African Republic, Ghana, Senegal, Mongolia, Thailand, Lao, Cambodia, Ukraine, and Kazakhstan. Quality has largely been satisfactory. As countries emerge from recession, the monitoring stopped in many cases. Research is still ongoing, however, in several other cases has turned into post-crisis policy monitoring. Attention is now increasingly on dissemination.

TF095093, Safety Nets in Fragile States (FY10) - \$200,000: The primary objective of this activity is to support the development of appropriate and effective social safety net systems in fragile or

post-conflict contexts. This will involve three country case studies that can demonstrate lessons learned to date. Background country assessments have been prepared in each country: Liberia, Sierra Leone and Togo. The assessments have fed into new project preparation activities focusing on Cash for Works in Liberia and Sierra Leone and School Feeding in Togo. Issues identified throughout the assessment have informed the strengthening of project design in each country, for example beneficiary targeting and selection in Liberia, wage setting and the role of different stakeholders in Sierra Leone and institutional structure of school feeding in Togo. Emphasis has been on the delivery of country relevant analytical work to support new phases of operations under all programs. To this end the assessments have informed new project preparations in each context, also feeding into supervision exercises. By December 2010 effort started to focus on finalizing these assessments, and preparing policy papers upon their findings. The policy papers will feed into broader dissemination efforts under the project during FY11/12. Participants in all countries attended a Learning Forum in Tanzania and exchanged experiences (funding was planned under the TF, but in the end alternative sources became available). Efforts to finalize publishable products have been delayed, as efforts to finalize country work have taken more time than envisaged. At this point resources have now been put in place to finalize country assessments and policy papers by end of FY11. Final synthesis work will be aligned to Social Protection (SP) Strategy Development activities as well as another Social Safety Nets Learning Forum in 2011 in Ethiopia.

TF095301, Investing in Women Producers to Respond to Food Price Crisis (FY10) - \$210,000:

The objective of this activity is to build capacity among Zambian and Malian women farmers as members and leaders of farmer organizations and water user associations; assisting them to diversify their production and improve their income and family food security. Specific gender content mainstreamed into the project documents. Both field visits to Mali and Zambia were conducted and the TF team worked closely with the Bank lending teams in both countries. The Zambia irrigation project will substantially utilize the work done by the TFESSD-supported consultant which helped sensitize the stakeholders to gender specific issues. Similarly the TF work will feed into the design of the Agricultural competitiveness project in Mali.

TF097390, Engaging Societies in Responding to Fragile Situations (FY11) - \$300,000: The objective of this activity is to engage clients and country teams in Central African Republic (CAR), Yemen and Haiti to operationalize the core messages of the analytical work conducted as first phase of SDV flagship study 'Societal Dynamics and Fragility.' The analytical work identifies critical factors rooted in society that influence fragility and explores how development interventions interact with these factors. This project fits within broader efforts by the World Bank and other donors to develop a more effective response to the vulnerabilities created by fragile settings. By producing context-appropriate interventions to identify, monitor and address fragile situations, this project has the potential to inform Country Assistance Strategies (CAS), Poverty Reduction Strategy Papers (PRSP) and other strategy documents in fragile situations. Additionally, the work is linked to other TFESSD funded work including the Community-Based Security Pilot Program in Kenya and Cote d'Ivoire, and the Community Responses to Urban Violence study, which focus on the violent expressions of fragility in various countries. The activity is on track to achieve some of its objective at least for Yemen and CAR. The work on Haiti has been slightly delayed. Both country teams (Yemen and CAR) have been interested in preliminary findings and the Yemen country team has already been discussing the inclusion of the preliminary findings in the CAS update. The findings of Yemen indicate that DPL might not be the best approach to support cohesion in Yemen and that strengthening the Yemen Social Fund

and the Public Works project as well as increasing engagement with civil society will be necessary. Consultations on these strategic issues are taking place at the moment with Yemen team. The Haiti country team has not been engaged yet on the findings but has already mentioned their interest in the political economy analysis.

TF097516, what are the Next Steps in Supporting Youth Inclusion and Preventing Youth Violence in Vulnerable Post-Conflict Environments? (FY10) - \$300,000: This activity aims to understand the causes of youth inclusion and exclusion in West Africa and to inform programmatic approaches that can best promote youth inclusion. Specific objectives are: 1) to identify contextual factors/social platform (forums to connect youth leaders to decision-makers in communities) and programmatic activities that have led to successful youth inclusion in a community's economic, social and political life; 2) to promote cross-regional learning by developing a learning tool, i.e., Global Development Learning Network (GDLN), on concrete approaches and methodologies for effective youth inclusion and participation by partnering with related work being undertaken by SDV in Latin America on this issue; and 3) to provide practical and strategic recommendations that inform World Bank operations and client governments on findings from the study e.g., targeting, design, etc. A consultant has been hired to conduct preliminary research on exclusion and violence; the Concept Note has been drafted and expert advisors on youth issues in Sierra Leone and Liberia has been identified.

TF097839, Self Reliance for IDPs in the Caucasus (FY11) - \$150,000: The main objective of this activity is: i) formulation of evidence-based policy making by the Governments of Azerbaijan, Georgia and the World Bank on how better to support the livelihoods of IDPs; ii) design of appropriate investments to enable IDPs to overcome their social and economic vulnerability and access the resources they need to build secure and productive lives for themselves and their families. In November 2010, an IDP livelihood assessment was conducted in Azerbaijan. Using a DFID sustainable livelihoods framework the initiative reviewed the social, physical, financial, human, natural assets of IDP and identified where there is room for strengthening these assets in order to promote the ability of IDP to achieve self-reliant livelihood strategies. The recommendations of the assessment are being directly used to design livelihood support activities under a new IDP Living Standards and Livelihoods Project currently under preparation. In addition, the assessment identified agencies who are currently working to support IDP livelihoods in Azerbaijan, which might provide case study projects for the impact evaluation work. A consultant with considerable livelihoods experience was hired and travelled to Azerbaijan to conduct the livelihoods assessment. Consultant costs were covered under the grant and were co-financed with a rural development project in Azerbaijan, also considering livelihood support activities. As a follow-up to this activity, a new IDP Living Standards and Livelihoods Project is currently under preparation for Azerbaijan. This will be financed through a \$50million IBRD Credit.

TF098227, Reconnecting isolated vulnerable rural populations in the Central African Republic (FY10) - 150,000: This activity aims to address underlying factors of vulnerability and shocks by reconnecting conflict-affected rural populations in CAR into emerging economic, social and state structures. The activity also aims to inform and guide the project implementation of the Community Reintegration Program (P122099) and the IDA rural development program under preparation. Two international consultants have been hired i) to oversee the project work on the ground and ensure links to the IDA rural development grant and ii) to provide a scoping report on current literature on communications and financial infrastructure in rural areas. This

work is feeding into the preparation of two projects: i) the trust funded Community Reintegration Project and ii) the Rural Agro-pastoral Project.

TF098461, Does Participatory Development Help Communities Cope with Increased Vulnerability? (FY11) - \$200,000: The objective of this activity is to understand if collective mobilization fostered by World Bank projects can help very poor communities facing increasing vulnerability due to climate change. The grant was approved in November 2010, thus no notable outputs, outcomes and/or results can be reported at this time.

TF098528, Increasing Morocco's resilience to climate shocks through community-based disaster risk management (FY11) - \$200,000: The objective of this activity is to increase national and local capacity to manage climate shocks by piloting community based disaster risk management approaches. Second-tier development objectives include: a) enhance the capacity of the communities targeted in the pilot to manage climate shocks; b) empower government (national and local) to use community based approaches, by raising awareness of their cost-effectiveness and providing implementation models with a view to replicating and scaling them up. Terms of Reference (ToR) for the consultant to carry out the assessment of existing practices as well as the survey questionnaire on risk perceptions has been developed. This feasibility assessment is expected to commence in early March 2011. A mission is scheduled to take place within the third quarter of FY11.

Cancelled Activities

TF095881, Poverty and Social Impact Assessment (PSIA) of Agricultural Policies as Supply-Side Responses to Food Insecurity in Central America (FY10) - \$300,000: grant was initially prepared by the Social Unit to work in Guatemala. After the events in Haiti last January, it was felt that there was a much greater need to conduct a PSIA for this country, and it was decided to transfer the activity to Haiti. Hence the funds were no longer needed.

B. Adaptation to Climate Change

Over the past few years, the issue of global climate change has come to the forefront of the global debate. While there is significant information on the natural science of climate change, there is less so on the social consequences and what it means for society. As such, Social Development is taking the lead to build a greater understanding of how climate change affects the lives of people and communities around the world especially in developing countries, and what can be done to reduce their vulnerability and build climate resilience. Activities under this theme were funded under the FY09 call for proposals. Many are nearing completion. The team is now gearing up to tailor the analytical tools and frameworks to the operational needs in the regions and is supporting regions to develop business plans for addressing social dimensions of climate change.

TF092353, Developing Social Aspects of Global Climate Change Agenda (FY09) - \$1.5 million: This activity is aimed at enhancing the global knowledge base and analytical capacity on social aspects of climate change including: (a) social aspects of World Bank-supported strategies, policies and programs related to climate change; and (b) development of relevant social development tools. During the reporting period, thematic studies were completed on the social

component of the flagship, a global study on the Economics of Adaptation to Climate Change⁴. The study was launched and disseminated at COP16 in Cancun, Mexico; highlighting the social dimensions of Reduced Emissions from Deforestation and Forest Degradation (REDD - specifically on carbon rights and benefit sharing); human rights and climate change; and lessons from Development Marketplace 2009 on climate change adaptation. New efforts have been initiated on the social dimensions of disaster risk management; 'carbon livelihoods' (i.e. opportunities for the poor to benefit from carbon finance beyond forests); and 'no regrets' and climate justice (the use of social protection instruments to promote climate justice in developing countries). Preparations are underway for a major international conference to be supported from the Grant (with co-financing from DFID) on 'Making Social Protection Work for Disaster Risk Reduction and Climate Change Adaptation' from March 14-17 in Addis Ababa, Ethiopia; providing an opportunity for cross-regional learning and knowledge exchange on this nexus of issues, and to help build a global peer learning network/ community of practice. More directly operational and policy relevant activities during the reporting period, geared to the implementation of the Strategic Framework for Development and Climate Change, included the preparation and launch of an eLearning Module on social dimensions of climate change as part of the Bank-wide Climate Change for Development Professionals learning program; preparation of an operational toolkit for investment and policy lending relevant to Social Dimensions of Climate Change; initiation of new work to prepare guidance on conducting Poverty and Social Impact Analysis for climate change-related development policy operations; and the launch of a Bank-wide Practice Group on the Social Dimensions of Climate Change.

TF092388, Increasing Community Resilience to the social Impacts of Climate Change in LAC (FY09) - \$468,400: This activity is designed to contribute to the understanding of the diverse types of social impacts of climate change among poor and vulnerable rural communities in the Latin America and the Caribbean (LAC) region; identifying the transmission channels that bring about these impacts and the strategies that local communities have developed to cope. Capacity has been built in 12 communities in 10 regions and 5 countries (Argentina, Bolivia, Dominican Republic, Paraguay and Peru) using a coalition approach to climate change adaptation. This includes local investigation groups who were trained and are fluent in building coalitions to develop resilience to climate change by strengthening social capital and increasing the awareness of local, intermediate and national institutions and stakeholders. Results from the case studies are being implemented to varying degrees in on-going Bank work in country offices with important lessons being learned and documented throughout this process. Country case studies were completed for all five of the participating countries. . The information obtained from these studies is significant with draft reports being produced for each country with final revisions currently underway. Missions took place in the Dominican Republic, Peru and Bolivia this calendar year to monitor field work. An integrated report and tool kit are being developed and national conferences are being organized for each country to share knowledge, gain feedback, disseminate results and plan next steps.

TF092498, Gender and Local Governance in Climate Change Adaptation (FY09) - \$365,000: The objective of this activity is to integrate gender, social and local governance dimensions into the adaptation to climate change agenda, initially in Bangladesh and later within the Bank's global strategy. During the last year, the methodology and survey instruments were finalized and qualitative survey was completed and report produced. The counterpart focal point is the

⁴ <http://climatechange.worldbank.org/content/social-dimensions-adaptation-climate-change>

Ministry of Environment; supported by Ministries of women and local government. National and local level workshops were organized to finalize the methodology and findings. A firm was contracted in 2009, which has been carrying out the survey and analyzing the data. They organized 10 local level Participatory Adaptation Capacity Assessment workshops for understanding the gender based constraints and types of adaptation being practiced by women and men. These are being documented and will help develop the capacity building tools for enhancing resilience of women and men, the local institutions, and improve coordination between many agencies.

TF092521, Public International Law to address Social Impacts of Climate Change (FY09) - \$150,000: This activity aims at providing systematic legal analysis to assist developing countries in adapting to climate change with special emphasis on human and social impacts, including the potential use of the international human rights framework. It will explore the impact of climate change on human rights in the Maldives and survey how human rights obligations have been viewed in the context of climate change. The grant objectives have been advanced satisfactorily over the past year. In particular the grant has achieved the aim of providing a systematic legal analysis to assist developing countries in adapting to climate change with special emphasis on its human and social impacts. As envisaged, the grant's principal output, a World Bank Study, highlights the potential use of the international human rights framework to help developing countries address and adapt to climate change impacts to which they as countries, and groups within their borders, are particularly vulnerable. The Study also elucidates how the international law frameworks governing human rights, environment and climate change share points of convergence and can be mutually reinforcing. Over the past year the lengthy study commissioned was peer reviewed and subjected to extensive consultations and revisions. The process of editing was completed and the production stage initiated through External Operations with the support of Legal vice Presidency. In addition, the process of country selection to implement the second component has been advanced considerably with a number of promising avenues explored in the Regions.

TF092688, Managing the Social Dimensions of Climate Change in MENA (FY09) - \$400,000: This activity focuses on a multi-country, multi-stakeholder study of the relationship between climate change and migration, conflict, and gender in the Middle East and North Africa Region (MENA). Some of the main milestones and outputs showing progress are as follows: i) finalization of negotiations with consulting firm for contract and specifically on modalities for data collection; ii) completion of contracts with local partners for data collection; iii) completion of a Memorandum of Understanding with Agence Francaise de Developpement on setting up a partnership for the study (AFD contributed \$150K to the overall activity, plus staff time); iv) launch of data collection in 4 of the target countries (Morocco, Yemen, Egypt and Syria); v) the mission to start data collection in Algeria is currently being finalised; vi) organization of the first regional workshops on climate induced migration (Marseille, France - June 15-16, 2010) <http://www.afd.fr/jahia/Jahia/site/afd/lang/fr/Programme-seminaire>; vii) links were established with international networks on climate induced migration (i.e. through the invitation to present the study's framework at the UK Foresight Study MENA workshop, Istanbul in February 2011; RUSI Climate Security workshop, London January 2010) and vii) the dissemination of the initial results of desk based analysis for Yemen. Grant implementation has been slowed down by a protracted negotiation process with international consultant company selected to carry out the data collection in the five target countries, difficulties in getting client's buy in for data collection

(Syria and Algeria) which slowed down overall data collection, and the TTL temporary move out of original unit during 2008-2009 and then relocation to CO with shifting work program.

TF092922, Obtaining Lessons from Community Fisheries Co-Management (FY09) - \$350,000:

The objective of this activity is to develop a toolkit of good practice. This will be based on research regarding the socio-economic status of poor fishing communities and their understanding of the need to reduce dependency on marine resources given climate change and severe over-exploitation of these resources. Sound progress was made during the final 12 months of this activity, building on the foundations laid in the previous years. The categorization of "sound progress" is made on the basis that: (i) entirely new information, previously unavailable, was collected, analyzed, and disseminated on poor fishing communities' socio-economic status as per core objective (i) of the TF activity. This information was obtained from surveys and focus group meetings conducted under the TF activity. With regard to TF core objective (ii), good progress was made in improving fishing communities' understanding of the potential consequences of Climate Change (CC) and severe over-exploitation of the resources was achieved, most particularly in Liberia. The assessment of "good progress" is made on the basis that at the outset of the TF activity, the communities essentially had no knowledge of CC; most community members seemed never to have heard of CC and were unaware that over-exploitation of resources was contributing significantly to environmental degradation and decline of fish stocks. By the end of the activity, and through the preparation and utilization of the practical Toolkit, co-management initiatives were well advanced in Senegal and Liberia, and also advanced in Sierra Leone in poor fisher communities, these working groups were attuned to CC and were monitoring simple, yet core, climate change monitoring measures (e.g. air temperature, water temperature, sea level change, etc.). Satisfactory progress was made in terms of having the lessons learned and experiences from this initiative inform and integrated into, large-scale Bank operations with the activity learning and Toolkit integrated in to a 5 country sub-regional Bank operation (The West Africa Regional Fisheries Project and in the Senegal Sustainable Fisheries Management Project).

TF092960, Assessing Community and Household Resilience to Climate Change in Rainfed Areas of Yemen (FY09) - \$157,000: This activity aims at building resilience at the local and household levels through increased understanding of their response to climate change and the coping and adaptive strategies used. It will focus on monitoring the implementation of soil conservation and water harvesting interventions under the Bank and IFAD-funded Yemen Rainfed Agriculture and Livestock Project (RALP) to assess their impacts. During the last year (2010) analytical work has been continued. The team redesigns the intervention and the research proposal. The intervention will now focus not only on terrace rehabilitation but also on construction of water tanks above the terraces as well as small infrastructures to reduce the runoff, the soil erosion and allow complementary irrigation on the terraces below. The research proposal has been redesigned to assess the impact of these investments with particular attention on the different ways farmers are managing their water tanks. Each farmer groups will decide the management modalities of the water tanks they will benefit from the project.

TF093008, Adapting Rural Livelihoods to Climate Change Risks in the Balkans and Caucasus (FY09) - \$500,000: This activity is designed to increase the resilience to climate change of vulnerable rural populations in the poorest European countries by mainstreaming adaptation into development policies, programs and investments. Much progress has been made to fulfill these objectives over the last two years. As a first step in the program, a number of

consultations were undertaken with a variety of project teams, both internal and external to the Bank who works on climate change adaptation in rural development. These meetings were important steps in accelerating the learning for the project team, to develop the methodology for the study, and to identify top global expertise in this field. These lessons learned were incorporated into the Concept Notes for this study, which went through an official review process, including comments from three peer reviewers and the Sector Manager. Based on this Concept Note, the program has a strong methodological foundation and is being carried out in five steps: 1) Preparation of Country Notes on Climate Change and Agriculture 2) Awareness Raising and Consultation Workshops 3) Country-specific Agriculture and Climate Change Impact Assessments and Menus of Adaptation Options at the national and agro-ecological zone levels 4) National Dissemination and Consensus Building Conferences 5) Regional Knowledge Exchange Conference. At this stage, the first two steps have been completed and work is being carried out to complete the remaining three steps.

TF093061, Communities at the Sharp End of Change (FY09) - \$290,000: This activity is designed to review the impacts of climate change on different social groups in order to influence the planning of national adaptation strategies in low-income countries to take into account key social dimensions of climate change. The focus will be on projects supporting adaptation to climate change in dry-land environments (pastoral and agro-pastoral livelihood systems). Grant activities have been substantially recast following the hand-over to the new Task Team Leader during this reporting period, while remaining entirely consistent with the original Grant objectives. The Grant now supports activities to distil and document lessons from efforts to date to build climate resilience for poor and vulnerable groups in developing countries through Bank-supported CDD (community-driven development) and livelihood-support operations, and to identify ways to improve their effectiveness in future. Two complementary activities will contribute to meeting this objective: a) Facilitation of a series of team-based learning events using GDLN (videoconferencing) facilities, to bring together country office-based task teams across different regions and sectors in order to identify common challenges that they face in addressing climate resilience through CDD and livelihoods support operations, and exchange knowledge on innovative ways of meeting those challenges; and b) Demand-driven support for analytical work on climate resilience linked to such CDD and livelihoods support operations in selected regions, in order to inform the design of future operations or future phases of ongoing programs in those country contexts, including initiatives under the PPCR (where relevant). The PPCR supports national-level efforts in adaptation planning and operational support, and is ongoing in over a dozen developing countries. Most of these are considered CDD-type operational modalities to some extent, and grant activities are expected to influence these country-level processes over the coming 9 months (to October 2011).

TF093062, Adapting to Climate Change in the Coastal Cities of North Africa (FY09) - \$198,000: The main objective of this activity is to provide a reference and a model for climate proofing of a major urban extension in the MENA region. Work will take place in the Moroccan coastal city of Rabat, linked with the Bank-funded Bouregreg Urban Development Project. Activities carried out since January 1, 2010 include the National workshop organized in Casablanca (June 2010) to discuss the results of phase 1 (similar workshops have been organized in Tunis and Alexandria); the delivery of phase 1 reports describing the vulnerability of the four sites to climate change and natural disasters (December 2010) ; the kick-start of Phase Two of the study for the design of the Adaptation and Resilience Action Plans and consultations with counterparts (December 2010); the involvement of a climate change economist to supervise the economic valuation

work; and the engagement of a communication specialist to prepare a communication strategy and develop communication materials. The Adaptation and Resilience Action Plans will be completed by April 1st, 2011 and the Final regional study report will be completed by end of May 2011.

TF093120, Impacts of Climate Change on Indigenous Peoples and Traditional Knowledge (FY09) - \$1,298,500: This activity is designed to analyze and document how indigenous peoples (IPs) are affected by climate change; identify IP knowledge and practices that are critical to the mitigation of adaptation to climate change impacts; and strengthen IP capacity for engagement and direct participation in the formulation of national and international public policies on climate change. A ToR for conducting Regional Case Studies on Impacts of Climate Change on Indigenous Peoples was drafted and discussed with the Consultant (First People Worldwide - FPW). A series of informal consultative meetings were held with Indigenous Peoples to discuss the overall design of the global case studies. Participants felt that the TFESSD topic was timely and pertinent for their issues and that they would recommend Indigenous Peoples organizations to lead the proposed research case studies. There was a delay in the timely implementation, but a revised timeline has now been tentatively established. The international workshops and the case studies will begin in the first quarter of Calendar 2011.

TF094888, Surveying Public Attitudes on Climate Change to Inform Effective Policy Making (FY10) - \$260,000: The activity aims to support client countries in their mitigation and adaptation efforts by helping them assess public perceptions of climate change impacts and policy responses. The activity was the first to undertake a comprehensive assessment of public opinion poll on climate change in a broad set of developing countries, including middle income countries and less developed countries. With its core results launched in the days preceding COP-15, the poll provided a platform to developing countries' voice in the negotiation framework. A range of local and global media outfits picked up the poll results in the run up to COP-15. The poll was also instrumental in positioning World Bank messaging on climate change internationally and in-country. Implementation proceeded according to schedule and is near completion. The draft final report containing the analysis of the results according to socio-demographic dimensions has been completed.

TF095002, Youth and Climate Change in MNA (FY10) - \$260,000: The objectives of this TFESSD funded project is to raise overall awareness on global climate change and support mitigation through behavioral change and green jobs, by leveraging youth networks and other stakeholders in beneficiary countries (i.e. Morocco, Tunisia and Lebanon). Tangible progress was made in two aspects of grant objectives: (i) promoting youth involvement in active mitigation through behavioral change and green jobs; and the organization (led by the Environmental Mediterranean Sustainable Development Program) In the context of the Youth and Climate Change initiative, a session on Youth Green Employment, was co-organized, entitled "Sustainable MED" during the World Bank MENA region's conference on "Young People in Arab Countries: Promoting Opportunities and Participation" in Marseille, France from April 28 to 30, 2010., (ii) raising climate change awareness by leveraging youth networks; A kick-off workshop inviting representatives from Ministries of Environment, as well as youth representatives from NGOs and networks which have experience in environmental projects were planned. Although this workshop was scheduled to be delivered in 2010 October in Marseille, it was postponed due to the development of protests in fall 2010 in France. The workshop is rescheduled to be delivered within FY2011.

TF095008, Addressing Climate Change with Low-Cost Housing (FY10) - \$300,000: The main objective of this activity is to promote existing green technologies for affordable housing for middle and lower-middle income households and to reduce the negative impacts of natural hazards/disasters stemming from ongoing and future climate change on people living in low-income housing by encouraging adaptive techniques for self-built and non-engineered housing that are relatively more resilient to natural hazards. Both components of this activity are moving on track in terms of achieving the grant objectives, although at a slower pace than expected. The scope of both components has been focused to facilitate the development of a practical and usable product for each of the two components. Under Component 1, a study is underway to promote the use of low-cost green technologies/ systems/ processes that are affordable to the middle and lower-middle income segments; easily adoptable in the mainstream housing construction industry. A consortium of three highly reputed firms, including the International Institute for Energy Conservation and Environment Design Solutions, was awarded a contract of about \$92,000, funded jointly by this TF and the IFC in January 2011. This study is expected to be completed in June 2011. Under Component 2, a study is currently being carried out in select slums of Mumbai to understand the prevalent construction methods and their costs, which will then be used as a basis for developing recommendations/guidelines for informal housing construction in the form of retrofits and new construction to mitigate/reduce the impact of flooding in low-income settlements in the city.

TF095272, Assessing the social and economic costs of REDD at country level (FY11) - \$450,000: The objective of this activity is to support client countries in their efforts toward designing policies and incentive mechanisms for reduced emissions from deforestation and forest degradation by helping them assess and respond to the social and economic costs of REDD activities and programs. The policy agenda for REDD is rapidly evolving and has recently gained new momentum and direction. The 2010 negotiations under the UN Convention for Climate Change have produced a decision at the Conference of Parties (COP) in Cancun in December 2010 that provides a general framework for the key elements for REDD under a future climate regime. This is considered an important and key step in the right direction and is particularly significant given the outcome of the COP in Copenhagen a year earlier that provided little guidance and a fair amount of uncertainty on crucial elements. However, many technical details and modalities for REDD have yet to be defined, including through the work of the Subsidiary Body on Scientific and Technological Advice over the next few years. The Forest Carbon Partnership Facility, which is now implementing this grant, was created after the COP in Bali in 2007 when REDD became an important component of the climate negotiation process. The Forest Carbon Partnership Facility supports 37 countries in their preparations for a future REDD system (REDD readiness) and provides a collaborative platform and grants for countries to develop national plans for REDD readiness (REDD preparation proposals). These plans encompass work on drivers of forest cover change, policy formulation, stakeholder consultations, social and environmental impacts assessments, emission baseline development, and development of forest monitoring and carbon accounting systems. In addition to the financing of these plans the Forest Carbon Partnership Facility provides policy advice and facilitates technical assistance. In 2010, the number of countries that prepared preparation plans reached 12 and an equal or higher number of countries are expected to advance their preparation plans in 2011.

TF095332, Adaptation of Rural Livelihoods to Climate Change in Southern Rajasthan (FY10) - \$130,000: The activity aims to pilot innovative livelihood adaptation practices to climate change

by poor tribal communities in Southern Rajasthan, India. An overview report entitled "*Climate Change Adaptation in Rajasthan: A Survey of Current Issues, Activities, and Policies*" was prepared to better assist the team and the client on how best to identify and undertake pro-poor adaptation activities through this grant. This report was insightful in identifying the key issues facing Rajasthan in this area but also highlighted challenges associated with the grant's proposed approach of undertaking pilots given the limited time period for assessing outcomes. To address this concern, a slight implementation shift was established moving the approach away from financing pilots to supporting 3 thematic studies identified through the abovementioned survey and determined to be beneficial to the Government of Rajasthan and their recently approved Rajasthan Rural Livelihoods Project. The studies would be in the areas of: i) water/natural resource management; ii) migration; and iii) agricultural insurance.

Closed Activities

TF090698, THE SOCIAL POLICY DIMENSIONS OF CLIMATE CHANGE (FY08) - \$400,000: The objectives of the proposed program of work are: 1) to develop, test and disseminate a methodology for assessing the poverty and social impacts of climate change at the local and national levels; 2) to contribute towards setting a global agenda and vision for the social policy response to climate change which will outline policy and institutional responses at the global, regional, national and local levels; and 3) to begin to develop capacity in two key regions of the world to manage the social dimensions of climate change at the national, regional and local levels. A strong piece of analytical work was produced; integrating the knowledge of various departments in the Bank with the expertise of specialists and institutions in the countries assessed. Moreover, country-capacity was built among institutions working with Bank staff in Kenya and Nicaragua. Furthermore, the results shared within the Bank, as well as in workshops and reports led to viable outcomes and the sustainable dissemination of knowledge, shedding light on the impact of climate change on the poor and vulnerable groups in urban areas. It is perceived that the activity's knowledge sharing had a major impact on the perception of key dimensions of climate change within the World Bank, such as social justice, equity, impacts on different social groups, and gender.

C. Poverty, Social Impact, and Empowerment

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

TF090810, Livelihoods Action Learning Fund (FY08), \$250,000: This activity is designed to enable action-oriented learning among multi-country stakeholders from the grassroots to the national level that promotes access to inclusive growth and livelihoods development opportunities in South Asia. Progress over the past year has been highly satisfactory. With an extension of the grant, the team was able to continue implementing a variety of activities and, at the time of writing, all major TF activities are completed or near completion with funds fully committed. Activities during this reporting period include the following: the regular maintenance and update of the established external Rural Livelihoods webpage (<http://worldbank.org/rurallivelihoods>); preparation and initiation of a dedicated learning curriculum for livelihoods project managers and practitioners; the distribution of the fifth edition of the activity's electronic newsletter; and the Mentoring Fund enabled south-south

learning and exchange cross-regionally with a team from the Himachal Pradesh Watershed Project visiting a project in Costa Rica to focus on 'eco-markets' and climate change. These outcomes have been achieved with active interaction between World Bank staff, government, project counterparts, local partner organizations and agencies.

TF091110, Strengthening Citizenship 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. Activities during 2010 focused on completing the country analytical work for the different participating countries. Some technical assistance is ongoing but scheduled to be completed by March 2011. Notable progress includes the completion of all country reviews completed and associated activities launched. All activities will be completed by Feb. 2011. A series of Learning Notes on pertinent topics has been prepared and will undergo peer review. These notes will be disseminated at the final workshop, tentatively planned for April 2011. Specifically, in Yemen, a draft report has been prepared, which was peer reviewed by the Bank on Dec 15, 2011. In India, the work has contributed to the development of a national policy on slums, for which the Government of India has made a formal request for a 500 million loan. The work in Brazil contributed to a \$450 million DPL to support urban upgrading with a strong social component; addressing many of the political economy constraints this project had identified in the analytical phase. The Angola case study represents the first major analytical effort to focus on urban land markets in Luanda. The project produced an analysis of the land issues affecting the development of the various types of urban settlements in the capital city and sought a better understanding of how informal real estate markets operate in the context of these settlement types. As part of this, a typology of slums was created using GIS technology; identifying different characteristics and needs of slum areas to aid in targeting appropriate policies to different areas and needs of the city. Ultimately, this work will provide a basis to inform efforts to design programs and policies to regularize and formalize the sector.

TF097558, Enhancing practices on sustainable livelihood restoration for displaced persons (FY11) - \$200,000: The objective of this activity is to enhance the understanding among practitioners of good practices in sustainable livelihood restoration for people displaced by conflict, natural disasters or development projects. This will be achieved through sharing and disseminating good practices and lessons learned through an international conference and setting up a community of practice to support continuous learning and knowledge sharing among key institutions and practitioners. The conceptual framework on livelihood restoration for people displaced by conflict, natural disasters and development projects has been prepared. Extensive research on livelihood frameworks was conducted to prepare the conceptual framework for this activity. A meeting of experts will be held to discuss the conceptual framework prepared.

TF097626 From 'land grab' to development opportunity? (FY11) - \$300,000: This activity aims to demonstrate how, in select countries, large scale investment in agriculture and associated natural resources by the private sector can be integrated into long-term development strategies (e.g. with respect to a balance between small- and large-scale production, infrastructure access, and clustering of activities to add value) in line with a country's agro-ecological endowment and linked to promotion of specific investments. Outcomes from the grant activities will enhance broad-based economic growth and poverty reduction through three channels: (i) enabling governments to better use the opportunities from private investment while avoiding the

associated risks by establishing an appropriate regulatory environment, clarifying land rights, and having clear criteria for inviting and screening investment proposals; (ii) providing a basis for investors in specific areas or commodity groups to adopt voluntary standards that would allow result in operations taking into account social and environmental concerns; and (iii) allow multilateral institutions such as the Bank (as well as financial institutions) to identify investments that comply with a set of minimum principles and that thus could potentially be supported. Given that the activity has just started, satisfactory progress has been made by putting in place the different pieces that will be integrated in a sourcebook for agricultural investment. In particular, detailed and updated inventories of large scale land acquisition that will provide the basis for a systematic selection of case studies are under preparation in Ghana, Mozambique, Malawi, Madagascar, Mali, and Nigeria. This work has been accomplished by leveraging funds from other sources. The activity provides input into the preparation of a number of Bank-supported projects, specifically in Ghana, Mozambique, Malawi and Burkina Faso.

D. Innovations for Improved Governance and Social Accountability

Tools, instruments, and methodologies for improved governance and social accountability in the public sector featured prominently in the demand for good governance approach in the Bank's Governance and Anti-Corruption Strategy approved in March 2007. Social accountability tools include participatory budgeting, public expenditure tracking, citizen report cards, community score cards and social audits, several of which are included in this group of activities, which have a strong focus on building capacity of in-country stakeholders.

TF055744, Madagascar Community Poverty Monitoring and Analysis (FY06) - \$550,000: This activity has two components: (i) to provide an avenue for local communities to participate in the monitoring and evaluation of Poverty Reduction Strategy Paper and The Poverty Reduction Support Credit interventions, and (ii) to obtain an improved understanding of poverty and environment linkages in Madagascar and the identification of vulnerable regions in the country. In spite of the political crisis in Madagascar (which erupted in late January 2009 and continued to affect the country and the Bank's portfolio throughout 2010), both Participatory Budgeting and Community Score Cards processes made significant progress towards more inclusion, participation of citizens and social accountability in general. This TFESSD activity was critical in enabling continued engagement with a diversity of actors and partners and therefore making possible progress in scaling up innovative activities while ensuring a viable and quality process. Lastly, these activities have proven instrumental in ensuring that newly paid mining royalties have resulted in tangible social benefits at the local level during a period of crisis because of greater community level oversight of budgets.

TF090248, Local Governance in Sub-Saharan Africa (FY08) - \$650,000: 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. Following initial preparations, and finalization of submission documents, the second round in Burkina Faso was officially launched in January 2011. Currently the team is completing the planned 13 regional workshops and radio programs. The second and third component of the LOGTAFE project consisted of disseminating good governance practices through the COPELGOL competition, in-country workshops and a regional seminar. The dissemination activities have contributed to mainstream standards of good governance in

project countries in terms of transparency, participation and accountability but also innovation, socio-economic impact and sustainability. In Rwanda, the LOGTAGA Evaluative Framework is now used by RALGA to assess districts# and sectors achievements during the annual Innovation Day, a ceremony that rewards the best performing local governments. At Innovation Day, local representatives that scores the highest on the LOGTAFAs indicators, are prized and highlighted as examples for their peers. In Rwanda, once the first pilot round was completed, the Local Government Association held a smaller version of the competition utilizing their own funds without any additional financial or technical help from the World Bank. In Guinea, while the activities could not be finalized due to the coup, some of the COPEGOL participants were inspired to run for public office in local governments. In Burkina Faso, the first round was successfully completed and winners were awarded. Due to high demand for the competition, the team re-launched the second round with some restructuring with the remaining funds.

Closed Activities

TF090255, Impact Evaluation of Local Development and Governance (FY08) - \$850,000: The objective of this activity was to complete a set of rigorous evaluations of local development projects in several countries in order to produce a policy research report that will serve as an evidence base for policy makers. The projects being evaluated include the following: Tanzania Social Action Fund II; Pakistan Improving Governance – the Role of Incentive Mechanisms and Social Audits; India Evaluation of a Mobilization Campaign under the Karnataka Panchayats Strengthening Project; Gambia Community Development Project; and Uganda Citizen Reports Cards at the Community Level in the Health Sector. The final impact evaluation reports from India (Karnataka), Pakistan, and Tanzania will be available by June 2011. The evaluations in Gambia, Uganda, and India (Andhra Pradesh, Bihar, Orissa) are still ongoing and the impact evaluation reports will be available after follow-up surveys are fielded. Three impact evaluation workshops have been conducted. The result of the impact evaluation workshops is a large number of new impact evaluations that have been initiated. The Policy Research Report is in draft format and is scheduled for publication in April 2011.

TF090592, Promoting effective Local Governance in MENA – Strengthening Accountability (FY08) - \$375,000: 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 enhance local decision-making processes. The grant objective to promote local governance and accountability in Egypt, Yemen and Morocco is being achieved, with the Morocco pilot completed, and the Yemen and Egypt pilots soon to be completed. In Yemen, Social Accountability for Service Improvement in the Yemen Water Sector, a participatory planning of pilot activities yielded a major commitment of the government counterpart, the Sanaa Water Utility, to (a) strengthen relations with citizens (urban water users) by increasing information sharing under a new strategic framework and (b) develop strategies to scale up pilot activities in other regions; promoting a more accountable, responsive, government by meeting specific standards of urban water service delivery in connection with pilot activities. In Egypt, project activities have resulted in increased attention of the government Ministry of Education counterpart to the importance of social accountability in improving service to the poor through (a) increased interest and collaboration with Bank team in implementing project activities and attendance in training by central ministry staff; (b) Ministry of Education 's request to (i) focus

pilot activities on building capacity for its staff to promote citizens engagement in local service delivery, (ii) extend pilot activities to high schools as an experiment for possible scale-up in the future; and (c) increased interest in replicating pilot activities in the Health sector, to help strengthen the relationship between patients/citizens and health service providers and improve citizens' utilization of public health units and patient satisfaction with public health services. In Morocco, the government counterpart (National Initiative for Human Development – INDH project) has shown great interest in building its capacity for promoting engagement with citizens, and collaboration between INDH and the Ministry of Education has been established to engage in activities in the primary education sub-sector. A second INDH Bank-financed program is in the pipeline and there is scope for replication and scale-up of the community scorecard methodology.

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. Activities are focused 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. Over the past year, a draft stocktaking of existing social accountability initiatives in urban projects has been completed and is now under review. Social accountability pilots in the water and sanitation sector have been completed in Uganda and Kenya, and an impact assessment of social accountability approaches in three municipalities in the Philippines is underway. Tools and learning materials are developed and a global core learning event was held in June, 2009 to facilitate client learning and knowledge sharing.

E. Global and Regional Social Development Initiatives

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

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. Research has been completed, model methods developed for assessing how contextual factors affect the functioning and pricing of the public stand-post market (including social structure around standpost management, level of transparency, community engagement in practice, breadth of community involvement etc.). This has been written up as a study for Senegal, with a background case study also developed on Lesotho, and preparatory background work completed for Ethiopia and Zambia as noted before. However, during implementation the inability to use TFESSD funding to contract local field researchers (under Short-Term Temporary) contracts has been a blocking point (in Zambia, Ethiopia) to pursuing case studies in countries where country offices have a rule of using Short-Term Temporary contracts for these types of positions. Dissemination of the main AICD report was undertaken during this year with the final version publication of the study. The findings from this study were also highlighted during a BBL targeted at water sector staff, organized by the urban and water network anchors on the unconnected market. The dissemination of the

complementary existing case study and the partial case studies was delayed, and will now occur by June 2011.

TF095853, Supporting Strategic Analysis for Social Development (FY10) - \$400,000: The purpose of this activity is to support the Social Development Family (Department and Regions) in the World Bank to sharpen and refocus its strategic direction for maximum influence and impact in a changing internal and external environment. The grant implementation is progressing satisfactorily. The work towards sharpening and refocusing on key strategic directions for the Social Development Family was successfully done through an extremely participatory and consultative manner that was facilitated by the Grant. The hosting of the social indices in the ISS, Hague offers an excellent opportunity for making available in the public domain, quantitative indicators that define social development. These indices are to be launched in the public domain on March 16, 2011 and the Bank is working closely with ISS to initiate a dialogue with development policy research community to generate greater and better informed debate on the indices could be developed further to also include aspects of ethnic discrimination. The program of flagship analytical work focused on key social development operational principles of inclusion, cohesion, resilience and accountability has been rolled out. The first flagship is on cohesion focused on Engaging Societies in responding to Conflict and the next two in the series are broad issues of inequality and exclusion as a barrier to development and poverty reduction, and secondly the strengthening of social accountability. The key strategic priorities identified as part of the Strategy Update process will be pursued with various stakeholders including the regional social development units and other sector colleagues to incorporate these into work programs and create the necessary analysis, tools and practices to operationalize them.

Closed Activities

TF057377, Global Study of Crime, Violence and the Urban Poor (FY07) - \$235,000: 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. The study has been progressing well. All the case studies have been completed and are already generating useful findings that have stimulated discussions in the Bank and started to influence the work program in Haiti, Kenya, Brazil and South Africa notably. The case study on Dhaka has been dropped because of lack of interest of the country team and the money reallocated to do more in-depth work on Johannesburg and Dili. The synthesis report has been completed and published as a book. During preparation and dissemination the findings of the study have been presented to the government in South Africa and Kenya and possible follow-up on implementing some of the findings are under discussion in South Africa and a research action program has been launched in Kenya. The work has informed the preparation of a DPL in Brazil and East Asia region is interested in the results to inform the development of their violence prevention program.

F. Community-Driven Development and Local Governance

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.

Closed Activities

TF055543, MONITORING CDD IMPACT FOR EAST ASIA CDD FLAGSHIP (FY06) - \$730,000: This activity provided 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 in 2007 but not finalized due to changes in regional management, resulting in adjusted regional priorities. However, support for the CDD agenda has continued to be expressed by the governments of Vietnam, Indonesia and China and over the past year, work has been underway to support a CDD impact evaluation and learning efforts in preparation for the Bank-funded China Poverty V operation. During last disbursement period, the Trust Fund supported two major activities, the Chinese study tour to Brazil and the International CDD conference in Beijing. Specifically, the International Conference on Community Driven Development and Rural Poverty Alleviation was held in Beijing, cosponsored by the China State Council Leading Group Office of Poverty Alleviation and Development, the World Bank, the Asian Development Bank, and Canadian International Development Agency. The Conference was preceded by a field visit to the China CDD pilot program sites in Nanchong Prefecture, Sichuan Province and Baishui County, Shaanxi Province.

4 Implementation Progress of the Window

4.1 Summary of Implementation Progress

Since inception, the TFESSD has funded **148** activities under the Social Window, of which **41** were ongoing as of December 31, 2010. In addition, **9** activities closed between January and December 2010. All activities approved prior to FY06 have closed. Ongoing activities during this reporting period consisted of: (a) 1 activity approved in FY06 (which will close by mid 2011); (b) 1 activity approved in FY07 (c) 7 activities approved in FY08; (d) 13 activities approved in FY09; (e) 11 activities approved in FY10; and (f) 8 activities approved in FY11. Table 1 below shows the number of activities approved each year (excluding the co-terminus 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 Window activities as of December 31, 2010

Call/year	Activities approved	Activities ongoing	Closed activities	Activities in Africa (total)
FY00-FY02	13	0	13	7
FY03	18	0	18	9
FY04	20	0	20	8
FY05	24	0	24	14
FY06	15	2	13	9
FY07	15	2	13	11
FY08	8	5	3	6
FY09	13	13	0	6
FY10	11	11	0	2
FY11	11	12	6	5
Total	148	41	109	77

4.3 Implementation Progress

Activities funded under the Social Window have for the most part progressed well over the period under review, and implementation and disbursements are generally on track. As noted beforehand, typically, activities experienced implementation delays due to administrative constraints such as an agreed upon shift in a consultant's scope of work, insufficient staff time allocation and deliverable printing or delays. As in previous years, some activities remained slow due to staff changes are anticipated to pick up pace during this fiscal year.

In general, the majority of trust funds require some period of extension, and in keeping with TFESSD procedures, the Social Window secretariat usually granted extensions of up to one year (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 at times may require more time to process.

Six (6) activities closed between January 1 and December 31, 2010 with outcomes highlighted in Section 3 of the report:

- TF055543, Monitoring CDD Impact For East Asia (CDD Flagship)
- TF057377. Global Study Of Crime, Violence And The Urban Poor
- TF090255, Impact Evaluation Of Local Development And Governance
- TF090592, Promoting Effective Local Governance In MENA: Strengthening Accountability
- TF090758, Social Accountability In Urban Water Supply

4.4 Disbursements and Commitments

Social Window expenditures remain to be on track, as shown in Table 2 below. As of December 31, 2010 the Social Window disbursed or committed \$40.6 million (90%) of the total \$45.1 million received. Of this amount, 43% has gone towards activities in the Africa region. Activities approved prior to FY08 have been fully disbursed. Activities approved in FY08 have been disbursed/committed 76%, activities from FY09 have been disbursed/committed 44%, and activities from FY10 44%.

Table 2: Disbursements and Commitments

Year Approved	Receipts (US\$m)	Cumulative Disbursements & Commitments (US\$m)	Of which Outstanding Commitments (US\$m)	% of receipts disbursed or committed	Africa portion of disbursements/ commitments (US\$m)	Africa Share of cumulative disbursement/ commitments (%)
Window Account	0.455					
PR03	6.092	6.092	0.000	100%	2.785	46%
FY03	7.794	7.709	0.000	99%	2.376	31%
FY04	5.273	5.273	0.000	100%	2.312	44%
FY05	5.419	5.419	0.000	100%	2.089	39%
FY06	5.018	4.947	0.000	99%	2.468	50%
FY07	3.033	3.024	0.000	100%	1.520	50%
FY08	9.261	7.005	0.397	76%	3.440	49%
FY09	2.257	1.000	0.056	44%	0.525	53%
FY10	0.530	0.144	0.018	27%	0.101	70%
	45.132	40.612	0.471	90%	17.616	43%

4.4 Strategic Review and Actions Taken

Annual Strategic Review: The annual strategic review is an opportunity to assess progress of activities, identify any implementation bottlenecks, and take corrective actions as appropriate. This year, a review of the active portfolio by the Social Window indicated that one activity would need to be cancelled (TF095881, Poverty and Social Impact Assessment of Agricultural Policies as Supply-Side Responses to Food Insecurity in Central America funded In FY10) due to a reprioritization of funding needs in the region in response to the catastrophic events in Haiti.

Reallocation of Funds: As of end-2010, the Social Window had approximately \$840,000 available for reallocation (consisting of funds from the reallocations mentioned in the previous

paragraph, as well as savings from activities which closed between Jan-Sept. 2010). The Sector Board recommended that funding be re-allocated, with the following three new proposals vetted which were subsequently and awarded funding after the approval of the TFESSD donors:

- **TF098461** Does Participatory Development Help Communities Cope with Increased Vulnerability? (\$200,000)
- **TF098519** Real Time Monitoring of Social Impacts of Crisis Response and Recovery in ECA (\$200,000)
- **TF098528** Increasing Morocco's resilience to climate shocks through community-based disaster risk management (\$200,000)

D. SOCIAL PROTECTION

1 Summary

TFESSD continues to support the Bank's work of meeting the objectives of the Social Protection Strategy, with an emphasis on analytical innovation and capacity development. To date, the TFESSD has approved 78 grants under the Social Protection window, which total of over US\$15 million.

The active Social Protection portfolio fits within five themes:

- i. Activities to address and/or assess the needs of highly vulnerable groups and at-risk populations including (i) the disabled; (ii) children and youth at-risk; (iii) ethnic minorities and indigenous groups; and (iv) the poor and vulnerable in general.
- ii. Impacts of and social protection responses to natural and man-made disasters, including climate change and climate shocks.
- iii. Impacts of and human development responses to shocks and crises, particularly the food, fuel and financial crises.
- iv. Employment generation and labor markets. This is the last year for reporting on this theme as it only has one remaining grant, which closed this year.
- v. Social Safety Nets. This is a new theme this year and all projects under this theme were activated in FY11 as a result of that year's call for proposals related to vulnerability.

Within the thematic area of highly vulnerable groups, the focus includes youth issues, policies and programs for the disabled, ethnic minorities and indigenous groups, and the poor and vulnerable. In terms of disability, TFESSD currently supports mainstreaming disability at the World Bank, improving national capacity for disability measurement, employment integration of persons with disabilities, and assessing the social and economic impact of disability in conflict affected countries. In the area of children and youth, work has centered on country-level analysis and technical assistance in Jamaica, Morocco, and the Democratic Republic of Congo. An additional global project was activated this year to understand the impact of crisis on children and youth. The work on ethnic minorities includes the first global assessment of poverty and socio-economic indicators for indigenous peoples globally and research to understand the disadvantages facing ethnic minorities in Vietnam. Finally, there are two country-level projects addressing the poor and vulnerable in Eritrea and Rwanda.

There is a core set of activities around climate change and natural disasters and related responses in a number of regions. These activities came about following FY11's call for proposals to address climate change related vulnerability and the FY07 call to address social protection issues related to natural disaster management. This area includes projects on community driven development and safety net responses to natural

disasters and climate change; climate change's impact on migration and agricultural risks and related social protection responses; and efforts to mainstream social-protection-related climate change issues into government policy.

FY11's call to address food insecurity and financial shocks resulted in a large set of activities around shocks, crisis and human development, mostly in Africa and Asia. Notable activities include livestock insurance and community-based nutrition management in Ethiopia, conditional-cash transfers through mobile phone banking in Tanzania, safety nets in Djibouti and Yemen, and a community-based nutrition security project in Haiti.

Under the employment generation and labor markets theme, there have been four approved grants to date. All these grants are now closed. The final one, which is a very successful multi-pronged project on informal sector workers and globalization, closed this year.

Finally, under the Social Safety Nets theme, projects range from smart and productive safety nets to safety nets for energy pricing reforms and nutrition outcomes.

2 Progress toward the Development Objectives

TFESSD's Objectives and Value Added

TFESSD has continued to provide much needed support to achieving Bank-wide social protection objectives, particularly in the area of innovation. This is clear from the multiple activities that are supporting anticipated operational needs in social protection as identified in the Bank's nascent Social Protection and Labor Strategy for 2012-2022 (see below section, New Challenges for Social Protection: A New Global Strategy, for more detail). TFESSD supported grants have also made significant achievements in the area of capacity building, as highlighted in the below section on capacity building. As with many other Bank operations, TFESSD supported activities often struggle rigorously identify and attribute impacts although there is much, albeit somewhat soft, evidence that these grants are leading to impacts (see the section Impact on the Bank and in Client Countries).

TFESSD also provides a crucial resource to the Bank in achieving development objectives within the current constrained resource environment. TFESSD's value added in this area will only continue to grow as staff can now charge time and travel against their TFESSD grants. In this reporting period, staff reported spending anywhere from one to ten weeks per year implementing and supervising their TFESSD grant. When surveyed on how charging staff time and travel against the TFESSD will affect the outcomes of TFESSD-supported activities, task team leaders (TTLs) in the SP Window almost unanimously felt that this would improve outputs and outcomes. Reasons most often cited for a positive effect on outcomes were that TTLs will be able to travel to the field more often to supervise activities (particularly the work of consultants and local staff) and work on capacity building with local counterparts; TTLs have incentives to dedicate more time to supervision when their costs are reimbursed; and TTLs are more likely to be able to attract inputs from other Bank staff once they are able to reimburse time and costs.

Many TTLs are currently prevented from spending any additional time or travel on their TFEESD activities given the current flat budget environment and lack of resources to do so.

The first thematic area under the Social Protection Window, attention to highly vulnerable groups and at-risk populations, is the longest standing thematic area and as such has been able to make the most meaningful contributions among the themes. These contributions ranged from local capacity building on health issues in Eritrea to developing an innovative assessment to measure youth propensity towards violence in Jamaica (see Box 2) to transforming disability measurement in Bangladesh (see Box 3). In Rwanda, the grant eventually led to a broader anti-poverty framework (see Box 1).

Box 1: Rwanda: Developing, Building and Evaluating Social Assistance for the Poor and Vulnerable (TF091040)

Within the broader context of the Rwandan 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: (a) improve program structures and delivery systems for social assistance and publicly-supported job opportunities; (b) increase linkages to other programs pursuing labor-market, education, nutrition, health, disability, microfinance, or insurance objectives; (c) monitor and evaluate alternative program processes and household outcomes; and (d) develop a stronger platform for sustainable and effective social protection policies and programs for the future. The team working on this grant focused on assisting the government to implement policy reforms under the Vision 2020 Umurenge flagship program. Specifically they worked with the government to improve their payment arrangements for poor households in remote areas and targeting and statistical methods. This work led to many important outcomes on the ground, including a policy framework, government decisions to pursue policy improvements relating to targeting, budget-allocation criteria and processes, and a complaints-mechanism over the next year.

Grants under the climate change and natural disaster impacts and responses have also achieved excellent results. Grants financed the production of a toolkit for community-based disaster risk management and its wide dissemination, case studies on climate change-induced migration and its impact on youth in West Africa, the development of an innovative weather-based livestock insurance product in Kenya, and a national weather data grid in Honduras and Guatemala. One activity was able to influence Rwanda's National Social Protection Strategy to include climate-related risks (TF094621).

Activities in the shock and crisis impacts and human development responses thematic area are all relatively new, but are starting to produce outputs and outcomes, such as building the capacity of the Ministry of Health in Laos to evaluate health interventions (TF094825), a study on indemnity livestock insurance in Ethiopia (TF094826), and an assessment of nutrition security in Haiti (TF097257).

Employment generation and labor markets closed its final grant this year, which produced a number of important assessments, including a flagship publication on the

effects of globalization on working conditions. The safety nets thematic area is new this year and as such has not produced many outputs to date.

Impact on the Bank and in Client Countries

The TFESSD Social Protection Window is making contributions at the country level and on Bank operations. Within Bank operations, recommendations from TFESSD funded activities will be integrated into country and regional-level social protection programs and CASs (TF055617 and TF097257). In addition, work to collect historical weather data to assess and predict future weather events in Central America is being used in the preparation of two Bank operations in the region (TF094683).

Impacts achieved through TFESSD support are much easier to track and verify within the Bank than at the country level. These examples illustrate, however, the nature of some impacts seen at the country level:

- **TF057391:** Although difficult to attribute directly to specific project activities, following much government engagement and capacity building through this project the recently completed Morocco Country Assistance/Partnership Strategy (CPS) focuses for the first time on youth development issues and the need to address them operationally in the course of the CPS.
- **TF094683:** Following the development of a national weather data grid and training on its use to undertake probabilistic risk assessments in the agriculture sector, the Honduran government created an agriculture risk management unit that is now leading work in this area. This unit is currently developing an agriculture risk management strategy. The governments of the Dominican Republic and Jamaica have also been mainstreaming the results and trainings from this project.
- **TF097257:** In Haiti, messages from the TFESSD-sponsored nutrition assessment are being applied to the revision of the National Nutrition Policy.
- **TF092501:** UNICEF is using survey results from this grant as baseline for a pilot conditional cash transfer program in the Kolda region of Senegal.

Box 2: Violence and Crime in Jamaica (TF057435)

This study looked at which projects, programs and policies best tackle youth crime and violence in Jamaica. It specifically aimed to provide a concrete appraisal of the achievements of specific projects as a basis for rational decision-making about the most appropriate mix of policies and orientation to project managers on appropriate, feasible ways to measure their impact and effectiveness. The study generated evidence on the impacts and cost-effectiveness of different approaches, which seek, directly or indirectly, to reduce criminal and violent activity among young people in Jamaica. This evidence has had a big impact on Bank activities and beyond. Some findings are being incorporated into a methodology for a new Bank-wide initiative on skill measurement and teams from Africa and Latin America regions are implementing the survey designed through this grant in other countries. The study is also being incorporated into a new Bank regional study on Crime and Violence in Latin America by the regional Chief Economist's Office. All of these activities are ensuring institutionalization of the findings within the Bank.

Shortfalls

Not all of the projects have met their objectives and some have run into moderate implementation challenges, delaying the release of some reports and requiring the extension of closing dates. The main reason cited for implementation difficulties was lack of local capacity (TF057002, TF094621, TF094825, TF095046, and TF097257). Other common reasons for delays were natural disasters and shocks (TF057002, TF092625, TF055617 and TF097257), and data scarcity (TF094932 and TF057391). Two activities were notably impacted by political turmoil. In Kyrgyzstan, where the activity is developing social protection responses to energy pricing reforms (TF097678), riots and heavy social pressure caused the interim government to roll back their reforms. The government is now very reluctant to engage with the Bank and has removed the issue from their current agenda. In Eritrea, findings from a TFESSD funded study (TF057002) cannot be integrated into a development policy loan and a health operation as planned as the Bank has decided to close all operations in Eritrea given the political situation in that country.

Capacity Building

Capacity building has been the most important outcome of grant activities in the Social Protection Window. Most activities support knowledge sharing and dissemination, capacity building and partnership development. Almost all activities build dissemination into their design. Dissemination activities range from workshops to presentations of findings at high profile events or in country to websites and tools and publications. Some capacity building occurs by having local endorsement and involvement in implementation. Under TF092625, the project is integrated with the Kenyan office of

the International Livestock Research Institute (ILRI) and all activities are led by Kenyan counterparts. In Morocco (TF057391), the team anchored the study within the Ministry of Economic and General Affairs (MAEG) to ensure government ownership. The MAEG then set up a cross-ministerial Steering Committee, which is tasked with following up on the study. For TF095456, all implementation is done in close collaboration with local partners and a large share of analytical work was done by local consultants and think-tanks. Activities also work to directly train local counterparts, such as in Bangladesh (TF090877), Laos (TF094825), Haiti (TF097257) and Senegal (TF092501). Finally, activities have built on or led to formal and informal partnerships, for example between the Bank and the World Food Programme (TF097745), between the Bank and a local microfinance institution (TF097955), and between the Bank and the UN (TF090877).

Box 3: Strengthening Capacity for Measuring Disability across South Asia (TF090877).

This grant is an excellent example of improving national capacity. Its main objective is to introduce new concepts of and develop capacity for disability measurement in order to improve data on the prevalence, type, level, and causes of disability in South Asia. Although unable to achieve this objective in Pakistan and India, the team built significant capacity in Bangladesh. In September 2009, a Technical Advisor from the Center for Disease Control (CDC) worked with a team of about 20 professionals to develop and test a disability module for Bangladesh's national household survey (HIES). The module was presented to the broader Bangladesh Bureau of Statistics and was accepted to be included in the HIES. The grant also supported training of local master trainers, supervisors, Bureau of Statistics staff, and HIES enumerators on data collection and entry software, which will ensure sustainability of the work. The data collected through this module will allow for extensive analysis of how household factors, such as poverty and levels of education, impact how people with disabilities function in Bangladeshi society, and help identify social and environmental barriers to participation. Full analysis of the data collected has not been finalized, but preliminary reports show a marked increase in disability prevalence and a more nuanced way of understanding how to provide support to persons with disabilities and their families. Bangladesh is now the first developing country to implement the UN's research and recommendations on persons with disabilities on such a large scale - setting a precedent for other countries. This grant was able to leverage a relatively small amount of money into transforming how a country will measure and address disability for years to come.

New Challenges for Social Protection: A New Global Strategy

Record levels of youth unemployment, political upheaval (particularly in the Middle East), aging populations and increased risk of natural disasters are among the key challenges facing social protection in the years to come. The global economic crisis, ongoing volatility, and persistent poverty and inequality has underscored the need for more effective social protection and labor institutions in developing countries to protect people's welfare and to create economic

opportunities as countries recover. These challenges require a new World Bank global strategy for social protection and labor for the next decade. Social protection and labor policies and programs are critical to build resilience, create jobs and reduce poverty. Today there are four major global gaps in social protection and labor policies and programs. These gaps include: *integration* across various programs; *coverage*, particularly for low-income countries and the most vulnerable populations; *promotion* programs that create opportunities versus welfare programs that focus solely on protection; and *knowledge* about the most effective approaches. In response to these gaps, the Bank's social protection strategy concept note suggests four areas where Bank will need to deepen its work on social protection and labor going forward:

- *Build better social protection systems appropriate to each country's specific capacity and context.* Targeted and integrated systems will help countries to identify beneficiaries, expand coverage and improve equity, efficiency, and effectiveness of their social protection efforts.
- *Improve coverage of social protection, particularly in low-income and fragile states.* Some of the poorest countries require new investments in the most basic elements of social protection, while others have weak systems that need to be strengthened and integrated.
- *Ensure that "promotion" is a goal alongside protection.* Well-designed social protection programs can and should have a major impact on improving people's opportunities employability and livelihoods.
- *Expand investment in sharing global knowledge of good practices and results.* The Bank will continue to deepen its understanding of what works best in different income settings and help developing countries learn from one another's experiences.

The Bank is conducting consultations with stakeholders around the globe to listen to their views and glean innovative ideas to inform the draft strategy (www.worldbank.org/spstrategy). Consultations were held with the TFESSD Reference Group in November 2010. A final strategy, following the formal consultation period, is expected in early 2012 and TFESSD grants have already begun to anticipate the operational directions implied in the draft strategy, particularly in the areas of targeting and coverage, promotion and global knowledge. *Smart Safety Nets in ECA* (TF097444) and *Effective and Inclusive Targeting Mechanisms in Africa* (TF094932) are both looking at ways to increase targeting and coverage of social protection programs. Activities looking at the promotive aspects of social protection include *Productive Safety Nets – What they mean for Small Holder Farmers* (TF097983), which is directly linked to the new strategy development, and *Reducing Vulnerability Via a Labor Market Intervention in Africa: Towards Building Long-Term Resilience to Respond Effectively to Crisis and Shocks* (TF097666). Finally, largely through funding various impact evaluations, such as TF097673 and TF091773, TFESSD is contributing to expanding global knowledge of good practices and results in social protection.

3 Activity Summaries

Theme 1: Highly Vulnerable Groups and At-Risk Populations

TF057002, Tackling Vulnerability to Address Health Issues of Eritrea (FY07) - \$200,000 (Completed): This study aims to address inequality and barriers to inclusion in Eritrea, with a special focus on the access of vulnerable groups to health services. It was conducted as part of the analyses supported under the Eritrea HIV/AIDS/STI, Tuberculosis, Malaria and Reproductive Health Project (HAMSET II), a US\$24 million IDA credit. The key objectives of the study, including a critical participatory assessment, were achieved in the final phase of the project. Key findings on the demand side indicate that communities possess inadequate knowledge, mixed attitudes and low health service utilization, with a clear rural-urban disparity. Key findings on the supply side indicate a good distribution of health service facilities, but that accessibility, quality and supply challenges remain. Given the political context, however, there is no new IDA financing planned for Eritrea, which greatly impacts the team's plans for follow-up capacity-building and dissemination activities. The initial expectation was that findings would be built into the operational framework of HAMSET II, but this is no longer feasible as HAMSET II is expected to close in June 2010. That said, however, the findings of this study provide evidence to assist the Ministry of Health to design appropriate approaches and service interventions (across the nine ethnic groups) and improve the provision and utilization of the services in rural and urban settings. This will ultimately serve to improve reproductive health outcomes. In addition, the participatory study enabled community-level knowledge exchange, involving central health authorities and decentralized communities.

TF057435, Violence and Crime in Jamaica (FY07) - \$200,000 (Completed): This study looked at which projects, programs and policies best tackle youth crime and violence in Jamaica. Youth crime and violence has been a high priority for Jamaican policymakers for many years giving rise to a wide range of interventions, however, the problem persists. Jamaica has one of the highest rates of violent crime in the world with an overall increasing trend over the last 30 years. Overall, the results of this grant are very positive. The study has generated evidence on the impacts and cost-effectiveness of different approaches, which seek, directly or indirectly, to reduce criminal and violent activity among young people in Jamaica. It developed an innovative new methodology for survey-based measurement of the propensity to participate in violence (the Jamaica Youth Survey) and validated it in an application to a YMCA program for out-of-school youth. It also found innovative ways to use administrative data and qualitative methods to appraise the impact of spatially focused interventions. This research can help governments to optimize resource allocation towards the most effective interventions. The team has been working on disseminating these results. In February 2010, the lead consultant travelled to Jamaica to present preliminary findings to a conference involving the government, development partners (including the WB and IDB, as well as bilaterals such as USAID and DFID) and civil society. The study findings were also presented at the

Bank in the summer of 2010. The methodological advances in the measurement of risk factors for adolescents in the Jamaica Youth Survey are being picked up by other studies and projects in Latin America and in Africa, which is especially promising. The study is also being incorporated into a new Bank regional study on Crime and Violence in Latin America being undertaken by the Chief Economists Office. This will ensure institutionalization of the findings within the Bank.

TF090877, Strengthening Capacity for Measuring Disability across South Asia (FY08) - \$140,000 (Completed): The main objective of this grant is to improve national capacity for measuring the prevalence, type, level, and causes of disability in Bangladesh, India and Pakistan. Appropriate disability data provides essential information for countries to improve implementation of the UN Convention of the Rights of Persons with Disabilities (UNCRPD), policies, service delivery, and safety nets for persons with disabilities (PWD) and their families. The primary activity to achieve this grant's objectives was an in-depth, three-day workshop, which brought together teams from Bangladesh, India and Pakistan and led to follow on work in Bangladesh and Pakistan. This was followed by additional training and support where requested. The grant objectives were achieved in Bangladesh, with some progress in Pakistan, and little progress in India. This grant has helped Bangladesh develop a disability module for its national household survey, which will lead to better baseline information for measuring progress on achieving the UNCRPD's standards. Although difficult to attribute to any one activity, it appears that this work has helped move the disability measurement agenda forward significantly in Bangladesh. It has resulted in Bangladesh being the first developing country to implement the UN Washington Group's research and recommendations on such a large scale - setting a precedent for UN member countries. In addition, analysis of the data from the Household Income Expenditure Survey (HIES) will provide the baseline for the Bank-funded Bangladesh Disability and Children-at-Risk Project, as well as more generally across government health, education and safety net programs. Local capacity building was also substantial in Bangladesh where the entire Bureau of Statistics staff and enumerators for the HIES were all trained in the subject matter. The final report from HIES is awaited and will be disseminated widely. Thus, in Bangladesh, this grant had significant impact as it was able to leverage a relatively small amount of money into transforming how the country will measure and address disability for years to come. In the fall of 2008, Pakistan requested similar support in developing and piloting a new survey instrument, but the change in government resulted in less ownership of the Ministry of Social Welfare and Special Education. The methodology for disability measurement, however, was used by the Pakistan Poverty Alleviation Fund (PPAF) to assist people in 34 Union Councils affected by the earthquake in 2005. The information was shared with the Government's Earthquake Reconstruction and Rehabilitation Authority, as well as government officials from the affected earthquake areas and other NGOs, and used to link people with functional limitations to a wide array of services and support. Now PPAF has included disability in its broader national program funded by IDA

(the Third Pakistan Poverty Alleviation Project) through a \$30 million disability component. Finally, in India, there was little uptake. The workshop participants did not take the information forward to the National Sample Survey Organization, or to the Ministry of Social Justice (formerly Social Welfare). Therefore, there was little follow-up work.

TF091040, Rwanda – Developing, Building and Evaluating Social Assistance for the Poor and Vulnerable (FY08) - \$180,000 (Completed): The main objective of this project is to support the implementation of Rwanda's social assistance policy reforms. In particular, the grant has focused on assessing the Direct Support (DS) and the Public Works (PW) safety net programs. For DS, this involved helping the government staff review assessment procedures for household eligibility and administrative data. For both PW and DS programs, it also involved advising on policies and plans for payment arrangements through direct transfer for participants, who are mostly very poor households in remote locations. This project also involved a careful assessment of the statistical and community-based methods the government uses to identify those eligible for support. The grant-related activities have supported and assisted the government in achieving progress on a broad range of objectives related to the stated objectives of the grant. These various strands of work were reflected in government decisions to pursue policy improvements relating to targeting, budget-allocation criteria and processes, and a complaints-mechanism over the next year. The work on targeting led to related analytic work and results and was also linked with Bank technical assistance provided to the Rwanda National Institute of Statistics. What began through this project as a small pilot for public works and cash transfer innovations in the Bank's 2007 budget support program for Rwanda later turned into a broader anti-poverty policy framework. This framework is now one of three flagship programs within Rwanda's second five-year Poverty Reduction Strategy Program (PRSP) for 2008-12. In addition, the public works pilot is gradually being refined and scaled up to 20% of the country, with plans to move ahead to national coverage. The activities supported are government managed and government run. The Government has made substantial progress in planning and implementing the program pilots, establishing a team of people at national and local levels to implement the program, designing the associated evaluation processes, and seeking coordinated support from donors.

TF057391, Breaking the Barriers to Youth Inclusion in Morocco (FY06) - \$200,000: The objective of this project is to understand factors of youth exclusion and promote youth inclusion, paying close attention to its gendered dimensions. The proposed activity will identify different types of interventions and propose a methodology for implementing them. The report is the very first comprehensive nation-wide study on youth and will include an: (i) institutional analysis of the Ministry of Youth and related youth centers

and programs; (ii) analysis on quantitative household youth survey; and (iii) analysis on qualitative focus group survey. Overall, the activity is on track for achieving the grant objectives. The team ensured government ownership and anchored the study within the Ministry of Economic and General Affairs (MAEG), which is the main counterpart for the World Bank. The MAEG set up and formalized a cross-ministerial Steering Committee, which is tasked with following up on the study and discussing the findings with the World Bank team. The team also established a good relationship with the Ministry of Youth. Finally, the team continued to have the strong endorsement of Country Manager and Country team. The report will be finalized and presented at the official Steering Committee meeting in spring 2011. While perhaps not directly attributable to this project, the new Morocco Country Assistance/Partnership Strategy (CPS) focuses for the first time on youth development issues and the need to address them operationally. The study is expected to be widely disseminated with decision makers in Morocco, as well as those in other Arab Mediterranean countries, including youth representatives. A workshop is planned for dissemination and sharing of the findings from this study, and for encouraging other Arab Mediterranean countries to replicate similar studies.

TF090720, Ethnic Minorities, Poverty and Human Development (FY08) - \$198,000: The objectives of the project are to provide the first qualitative global assessment of poverty and socio-economic indicators for indigenous peoples and cultural minority groups. This global effort responds to a direct request from the United Nations Permanent Forum on Indigenous Issues. It examines poverty, labor, education, health and social protection issues. The key deliverables of the project are comparable country assessments for 10 countries or more in Asia and Africa. Its results will be added to the existing data for Latin America to provide a global baseline. This assessment report was completed and presented at the UN annual meeting of the Permanent Forum on Indigenous Issues in New York on April 26, 2010. The report was also disseminated at the UN press briefing. A series of country briefs were launched and three country briefs have been published. The proceedings of a December 2010 event on the country briefs can be found at: <http://go.worldbank.org/IILHOIG110>.

TF090759, Promoting Equity for Ethnic Minorities in Vietnam (FY08) - \$120,000: This grant has two phases and objectives. Under the first phase, the objective of this project 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 through updating the Vietnam Country Social Analysis (CSA) on Ethnic Minority Development. The second phase builds on the first phase and will undertake a desk review and in-country social assessment to investigate the relationships between ethnic minorities and natural resource development in Laos, Cambodia and Vietnam. It will also assess the capacity of key stakeholders to manage and share benefits relating to natural resources and mining in order to enhance the Bank's collaborative engagement on the social impacts of mining. The first phase of the grant is now complete and the study has been published in both English and Vietnamese. Findings from this study have influenced a recent development policy loan in Vietnam and have been widely disseminated within the World Bank and among

academia, government counterparts, and international and local NGOs in Vietnam. There was also extensive capacity building under this phase. The local Institute for Ethnic Minority Affairs and other Vietnamese researchers were trained in quantitative and qualitative data collection, analysis, and writing and continued their research cooperation following the report. Implementation of the second phase has been much slower due to Bank budget constraints. There are preliminary findings, however, which have been shared internally within the Bank during the Extractive Industries Week in March 2011. Implementation should improve now that TFESSD allows for 20% of funds to be used for staff time.

TF091773, The Social and Economic Impact of Disability in Post-Conflict Countries (FY08) - \$150,000: The objectives of this project are to: (i) provide a comprehensive overview of the social and economic impact of disability in conflict affected countries; (ii) identify the barriers people with disabilities face in receiving services and participating in economic and social life; (iii) generate policy recommendations, ideas for pilot projects, scale up current activities, or develop research to promote their inclusion in social and economic development; and (iv) highlight possible roles for the Bank in addressing disability. The study on social and economic situation of persons with disabilities in Angola, Burundi, and Sierra Leone was completed in December 2010. The findings of the study will be shared with respective World Bank Human Development Sector staff that will use the findings for their policy dialogue. Additionally, dissemination seminars may be organized in the three countries.

TF092503, Support to Mainstreaming of Disability at the World Bank (FY09) - \$879,055: The goal of the TFESSD Disability & Development Window is to promote the inclusion of disability components in Bank operations by providing a quick and flexible source of financing. The main audience is Bank staff. This grant has been welcomed by Bank task managers and the grant supported activities have been implemented in all Bank regions now. As envisaged, the grant has provided a flexible source of support to the Bank task managers seeking to include disability in their operational work. Fourteen activities are currently supported. Activities span a number of sectors from education and social protection to transport. They support knowledge generation, documentation of good practice and technical assistance for institutional and policy development in the area of disability. Some activities are regional in character, some cover a group of countries and some are country specific. The majority are linked to Bank projects with significant potential for replication. Detailed information on activities that are supported, including proposals and completed deliverables, can be found on the Bank's Disability and Development Website: <http://go.worldbank.org/2VFU3SDBZ0>. So far, the traction gained through this grant has surpassed expectations. Activities supported by this Grant have contributed to the policy dialogue and influenced disability policies in respective countries. For instance, following the stakeholder workshops in Morocco, the Government of Morocco has requested the Bank's assistance to improve urban transport accessibility. Disability was included in the Second Employment Project in Bosnia. Accessibility features are included in the transport project design in Columbia. The bus drivers' accessibility training toolkit has been used in several countries. In

Vietnam, technical assistance is being provided to the Government to develop a disability assessment system.

TF097686, Employment Integration of Persons with Disabilities: Pathways into Disability Benefits and Back to Labor Markets (FY11) - \$295,000: The objective is to help governments understand how to strengthen protection of persons with disabilities through more efficient and effective disability support programs. These programs include disability certification (determination) systems, activation policies to expand opportunities labor market reintegration, reasonable accommodations, and accessible buildings and transportation. The planned tasks include a review of international good practice, a development of toolkit on disability, a review of international experience with policies and programs, country reviews, knowledge brief on mail tools, and a capacity building workshop. Dissemination workshops will be held in various countries, as well as at the Bank.

TF097402, Evaluating Efforts to Prevent the Phenomenon of Street Children in an African Post-Conflict Country (FY11) - \$200,000: The project's objective is to evaluate the effectiveness of street children prevention initiatives in the Democratic Republic of Congo (DRC) in order to: (i) to improve the effectiveness of the Street Children Project; (ii) inform social policy in DRC, in particular concerning the application of the 2009 Child Protection Law and the implementation of the 2009 National Action Plan for Orphans and Vulnerable Children (OVC); (iii) draw lessons applicable to similar contexts; and (iv) contribute to a reduction the number of street children. Implementation is going relatively well. A technical advisory committee has been set up, comprised mainly of academics with relevant experience and technical skills and US Department of Labor staff. The impact evaluation strategy and design have been drafted and discussed with the technical advisory committee and data collection will begin shortly.

TF097614, Understanding and Translating Policy into Practice: Integrating Disability into MENA Operations (FY11) - \$200,000: The objective of the project is to increase the Bank's ability to incorporate disability components in MENA operations to improve mobility, physical accessibility and opportunity among persons with disabilities (PWD). Specifically the proposed activity will: (i) accumulate evidence on the relevance of policies and legislation in addressing the barriers PWDs face; (ii) develop practical and effective options for integrating mobility and accessibility measures into Bank operations by evaluating low-cost approaches and adaptability potential; and (iii) evaluate current practices and options to expand employment opportunity and insurance for persons with disabilities. Data collection and analysis is well underway. In particular, a literature review of low cost technologies, best practices and standards has been completed. It includes international experience on the institutional, policy, and technical aspects of accessibility. The report was presented at a national workshop organized and attended by the Minister of Social Affairs of Morocco, as well as other high-level officials. As a result, the government of Morocco has already requested the Bank's assistance in the development and adaptation of disability inclusive policies and programs as part of their national development

agenda and action plan. A similar exercise is underway in Egypt and will begin in Yemen. The team will disseminate findings at the completion of the project.

TF097736, Children and Youth in Crisis (FY11) – (\$75,000): The project's objective is to understand the impact of economic shocks on the acquisition and utilization of human capital among children and youth, identify effective crisis-response interventions to protect children's and young people's well-being during crisis, and minimize the adverse impacts of crisis in the long term. This will be carried out through a large coordinated research project and conference in May 2011. The proposed activities are expected to result in better-targeted and evidence-based crisis-response interventions by the World Bank and its partners. During the reporting period, the team launched the project and engaged with internal and external stakeholders, including the wider research community as well as the external donor (the Jacobs Foundation). The team issued a call for papers. The conference will select a number of the best submissions for presentation at the workshop and for possible inclusion in a policy journal.

Theme 2: Climate Change and Natural Disaster Impacts and Responses

TF092501, Climate Change and the Changing Role of Children in Household Risk (FY09) - \$450,000 (Completed): This project aims to reduce the vulnerability of children and families affected by climate change by: (i) increasing the understanding of how rural families manage climate-related risks and shocks, to what extent children are involved and affected, and why some alternatives protect some but are unavailable to others; and (ii) producing reliable results that inform policy making. Outputs will include reports from workshops, action plans, strategies, new interventions, reports of dissemination events, website design, data collection and analysis (in two phases) and validation and dissemination of findings (in two phases as well). The first data collection phase will cover three areas in Senegal that have been particularly affected by drought, with a sample of 1,000 rural households drawn from each area. To date, fieldwork and survey data collection was carried out primarily by graduate students attending the National School of Applied Economics. These students received a week-long training, which covered issues related to environmental assessment, child protection, conditional cash transfers (CCTs), and social risk management. A website has now been set up for this project at <http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/SPLP/0,,contentMDK:22243950~pagePK:64156158~piPK:64152884~theSitePK:461654,00.html>. It contains papers on related topics as well as the presentation with the results of the survey. UNICEF is using results from the survey as baseline for a pilot CCT in Kolda region. Given the interest of both government and donors in CCT, it is likely that the survey conducted will prove useful for a national-level initiative.

TF057304, Responding to Natural Disasters through a Community-Driven Development Approach (FY07) - \$170,000: The objective of this grant is to build the capacity of social fund (SF)/community-driven development (CDD) task teams to be better prepared to respond to disasters. Since the launch of the toolkit/operational manual on community-based disaster risk management (CBDRM) in May 2009, uptake of the tool has increased. In December 2010, the World Bank Safety Nets Core Course introduced a module on the role of safety nets in disaster response, which was based on the toolkit. It was very well received by program participants and will be incorporated as a permanent part of the course. It will also be the basis of training sessions on Social Protection for Disaster Risk Management to be delivered at the Workshop on Social Protection, Disaster Risk Management and Climate Change Adaptation organized by the World Bank in Ethiopia in February 2011. The toolkit is now available on-line at

http://siteresources.worldbank.org/INTSF/Resources/Building_Resilient_Communities_Complete.pdf. As a result of this project's awareness raising activities and the toolkit that has been prepared, task teams now have a valuable resource to consult when preparing projects and responding to a natural disaster. This is the only toolkit on community-based risk management that has been prepared by the Bank.

TF057305, Responding to Natural Disaster through Social Protection Instruments Including Vulnerable Groups (FY07) - \$90,000: This grant aims to coordinate and disseminate the work of several teams on natural disaster risk management and vulnerable groups, including the work under TF057304. Throughout the grant period, there has been good coordination of the work undertaken by various teams on disaster (i.e., Safety Nets, Disability, WBI on Gender, and the Social Funds/CDD Anchors). Dissemination and Capacity Building activities during 2010 include: (i) wide distribution of the printed version of the CBDRM toolkit that become available in mid-2010, including to the World Bank team working on Haiti; and (ii) development of a training module based on the CBDRM toolkit for the safety nets core course.

TF092500, Bangladesh: Improving Local Capacity to Adapt Safety Net Programs to Climate Change (FY09) - \$380,000: This project supports the Government of Bangladesh to adjust and adapt selected safety net programs to respond to climate change, in both rural and urban areas. It aims to redesign safety nets in Bangladesh in ways that would increase their benefit for poor and vulnerable households coping with disasters and climate change. During 2010, the team completed the following: (i) a report on food versus cash programs in Bangladesh; (ii) a survey-based study on improving local capacity to adapt safety net programs to climate change; (iii) a social protection administrative review; (iv) an evaluation of safety net programs in Bangladesh; (v) an assessment of the major institutions involved in disaster management, with a particular emphasis on institutional capacity and coordination; (vi) a review of international experience in providing social protection services during and after disasters to gather

relevant lessons for Bangladesh; and (iii) a study focusing on macro trends to understand the Bangladesh economy in the aftermath of the recent global recession. These reports provide the backbone for the next phase of work, which will develop a handbook for local governments on delivery of safety net benefits in the aftermath of disasters, with particular sections for urban municipalities. The second phase will also involve training of selected rural local government officials on using the handbook and dissemination of the handbook to relevant stakeholders through a series of interactive events designed in consultation with key partners. In the previous reporting period, risks were anticipated in relation to elections, but successful national and municipal elections have reduced the political risk

TF092558, Climate Change-Induced Migration and its Impact on Youth in West Africa (FY09) - \$465,000: The objective of the project is to assess the impact of climate change-induced migration on children and youth in West Africa and to provide policy guidance to national counterparts on responding to social challenges posed by the migration of young people. The project has been using household survey datasets and other information sources from three sub-Saharan Africa countries (Burkina Faso, Mali, and Senegal) to look at the impact of migration on the social circumstances of children and young people. The case studies for Senegal and Mali were completed, and the detailed outline of the regional paper was developed. Results and recommendations from the two studies were presented and discussed with national counterparts at the National Workshop on Child Labor and Youth Employment in Dakar on March 24, 2010. Attendees included the Ministry of Youth and representatives of WB, ILO and UNICEF, among others. The Burkina Faso study is experiencing some delays because of a lack of available data. Local capacity building has occurred. Senegalese officials from the Ministry of Youth and the Statistical Office carried out a mission to Rome from September 27-30, 2010, aimed at assisting the national statistical office in developing better ways to monitor migration and have a more accurate picture of regional mobility. A workshop is planned for May-June 2011 to disseminate the regional report. Wide media coverage of the event is expected.

TF092625, Index-Based Insurance Products for Managing Climate Risks in East Africa (FY09) - \$500,000: This project will develop and test a weather-based index livestock insurance product and promote its application in different contexts. The objective is for households to become more resilient and therefore engage in more sustainable development practices. The weather-based index livestock insurance product was launched on January 22, 2010 in Marsabit in Northern Kenya. The results of the first Index Based Livestock Insurance (IBLI) sales went beyond expectations, with 1,979 individuals purchasing insurance, 48% of which were women. There is now interest among the commercial partners in Kenya (Equity Bank and UAP Insurance Company) and globally (Swiss Re) to expand the contract to other areas of Northern Kenya. The product may expand depending on the outcomes of an impact evaluation currently in

progress. There were, however, a number of shortcomings in the initial sales period and a number of steps were taken to address them for the second round. The project involves a lot of local capacity building: it is closely integrated with the International Livestock Research Institute (ILRI), located in Nairobi, Kenya, and all activities are led by Kenyan counterparts. In Ethiopia, the process to pilot IBLI was initiated with a workshop in Addis Ababa held in December 2010. The team is currently undertaking the planned heard history to inform the design of the contract. There is now pressure to scale up more rapidly than initially envisioned. ILRI will undertake the following dissemination activities: (i) publications that offer insight into the conditions in which market-mediated IBLI products are possible; (ii) IBLI products designed and related publications detailing design methods; and (iv) publications on the impact of IBLI adoption.

TF094621, Improving Rwanda's Social Risk Management Options for Climate-Related Risks (FY10) - \$200,000: This project's objectives were recently revised. The objectives are now to: (i) strengthen climate proofing of the government's main social safety net (the Vision 2020 Umurenge Program (VUP)); (ii) encourage mainstreaming of climate change and sustainable environmental management mechanisms into the government's broader social protection strategy; (iii) support Rwanda's efforts to present a case study on experiences and forward looking strategies on social protection and climate change in a workshop in Ethiopia in March 2011; and (iv) contribute to coordination amongst government institutions and development partners on the social protection related issues of climate change. The grant restructuring resulted in a better focus of the activities and alignment to government programs and other Bank operations. Progress towards these objectives has improved following technical assistance (TA) missions in June and November/December 2010. The missions strengthened awareness of climate change issues and related risks in social protection interventions while helping government to think through options to remedy those risks in the short and long term. Climate proofing of the VUP and other social protection interventions is now enshrined in the government's new social protection strategy. The strategy was approved by the government and work on developing an implementation plan began in January 2011. Moving forward, the remainder grant will be used to: (i) ensure that the National Social Protection Strategy Implementation Plan has implementable actions on social risk management (SRM), (ii) promote the establishment of a technical working group on SRM issues and related coordination; and (iii) support government efforts to share and learn at the "Making Social Protection Work for Pro-Poor Disaster Risk Reduction and Climate Change Adaptation" conference in Ethiopia.

TF094683, Agriculture Insurance for Vulnerability Reduction and Climate Change Adaptation (FY10) - \$200,000: The project's objective is to reduce vulnerability of small and medium agricultural producers in Latin America to adverse systemic weather events and climate change. The grant will: (i) support the World Bank's assistance to vulnerable Latin American countries by developing innovative weather index insurance mechanisms for the agricultural sector; (ii) build public and private sector capacity on financial agriculture risk management; and (iii) disseminate knowledge and skills on the

design and implementation of index-based risk management tools for low-income agriculture producers. The Project has been advancing and there has been a larger than expected demand both from the public sector and the private insurance sector for activities and training. The outputs to date include: (i) a national weather data grid in Honduras and Guatemala that allows them to undertake probabilistic risk assessments in the agriculture sector; (ii) trainings of public sector (Ministry of Agriculture) and private sector (banks and insurance companies) on the use of the weather data grids; (iii) the participation of representatives from Central America's agriculture insurance sector in the Regional LAC Agriculture Insurance Workshop (<http://www.alasa-web.org/>); and (iv) an Agriculture Risk Modeling Session in the Seminar on Understanding Risk (<http://community.understandrisk.org/group/agriculture-risk-modeling>).

An additional weather grid in Nicaragua, reports on the situation of agriculture insurance in LAC and the production of synthetic weather data grids for producing index-based insurance contracts are also planned. This grant has enabled the mainstreaming of key aspects of vulnerability reduction into Bank operations by providing solutions to lack of historical weather data to assess probabilities of future events and training. The Bank is preparing operations in two countries in the LAC region regarding agriculture risk and climate change using products produced by this grant. The Honduran government has also created an agriculture risk management unit that is leading the work in this area and acting as counterpart to this project. They are developing an agriculture risk management strategy. The Governments of the Dominican Republic and Jamaica have also been mainstreaming the results and trainings from this project.

TF094689, Making the Bio-Carbon Finance Market Work for the Poor in the Mid-Himalayan Rural Communities (FY10) - \$200,000: The objectives of this project are: (i) to ensure the poor and vulnerable in mid-Himalayan communities benefit from carbon finance credits through a strategic mountain livelihood intervention and a community-based monitoring and learning mechanism; and (ii) to share lessons learned from the Bank's ongoing bio-carbon finance projects and to generate practical summary of best practices for the Bank teams who plan to introduce bio-carbon finance projects. The community mobilization has been completed to field test the bio-carbon enhancement toolkit in forestation. Lessons learned will be documented and the toolkit will be applied to other land-based projects in general. Knowledge sharing and dissemination occur at a regional workshop and through the website (<http://hpmidhimalayan.org>).

TF096133, Reducing Vulnerability of Mongolian Herders to Climatic Risk (FY10) - \$200,000: The objective of the project is to enhance the coordination and target post-disaster responses to catastrophic livestock mortality to reduce the magnitude of livelihood shocks for herder households in Mongolia. The review and description of the financial aspects of the current disaster response system in Mongolia was completed. International experiences on the development of feed and fodder systems for livestock affected by extreme weather will be

reviewed in early February 2011 to provide insights and lessons for the strengthening of Mongolia's system. Dissemination, consultation, and workshop findings to present options to the government will take place in April and May 2011. Capacity building is planned, assuming that some of the recommendations are agreed to by key stakeholders, including the Ministry of Finance and the National Emergency Management Agency (NEMA). Additional funds are being pursued to strengthen the current system.

TF097955, Financial Innovations to Reduce Vulnerability (FY11) - \$200,000: The objective of this project are to develop and field-test groundwater supply insurance in Andhra Pradesh in partnership with BASIX, which is a local microfinance institution that already offers rainfall insurance. An evaluation of this approach using a randomized controlled design will explore alternative mechanisms by which groundwater insurance improves farmer welfare. To understand the demand for groundwater insurance, an initial round of household survey data covering agricultural production, bore well drilling decisions and groundwater uncertainty in two drought-prone districts of Andhra Pradesh were collected in 2010. The results of the study will be disseminated through workshop/conference presentations in both academic and policy forums.

Theme 3: Shock and Crisis Impacts and Human Development Responses

TF055617, Global: Risk, Growth, and Poverty Reduction in Low Income Countries (FY06) - \$240,000 (Completed): This project looked at the links between risk, economic growth, and poverty reduction in low-income settings to improve pro-poor growth strategies and policies in Country Assistance Strategies (CAS) and Poverty Reduction Strategy Papers (PRSP). To date, the team has completed papers on various topics, including social protection and poverty traps; risk, economic growth and poverty reduction; macroeconomic, health, and employment shocks; and natural disasters. These papers were presented at various workshops and conferences, including with government officials. At the country level, reports on risks and shocks in Timor Leste and Lao were completed. The report in Timor Leste serves as an important input for the current country level SP technical assistance work, as well as the poverty assessment. The study in Laos served as a critical input to the report "Vulnerability and Safety Nets in Lao PDR" and the ongoing social protection policy discussions. An overview paper of all the research will be completed soon and most papers will be shortly available on the web. The process of designing and implementing data collection in Timor and Lao involved an extensive consultation process that contributed to capacity building of the government and other partners involved. There is now a deepened understanding of the vulnerability situation on the ground, which will help inform the dialogue on social protection policies in this region. The team will disseminate the analytical findings in the region and use this as an opportunity to deepen the Bank's engagement with clients and the research community in East Asia on the risks and need for social protection. Results will also be disseminated to a larger audience through publications.

TF094825, Evaluating Demand-Side Incentives and Community Mobilization to Expand the Uptake of Essential Health and Nutrition Services in Laos PDR (FY10) - \$190,000:

The objectives of the project are to: (i) undertake a Nutrition Situation Assessment for Laos to address knowledge gaps on the effects of the recent food crisis on nutrition; (ii) inform the design of pilot conditional cash transfer (CCT) and community nutrition programs; and (iii) generate evidence on the impact of these pilot programs and inform government decisions about scaling up of nutrition and safety net programs. The Community Nutrition Project pilot supports CCTs and community based nutrition groups, as well as a number a number of supply side strengthening activities at health centers. Together, these are expected to increase the uptake of maternal and child health services and to improve mother and child caring practices. The team is currently evaluating the Community Nutrition Pilot and will develop a Nutrition Situation Assessment based on the findings. The evaluation will also help address acute information gaps in the country. Interest is building rapidly, as a recent survey indicated higher-than-expected levels of acute malnutrition, leading some UN agencies to declare a nutrition emergency. As the TFESSD-funded survey covered both a substantially larger geographic region and a larger sample size, the data is expected to provide important contributions to the ongoing country dialogue. The work to date has provided a number of capacity development opportunities to engage with Ministry of Health (MOH) staff at all levels on the importance of selecting appropriate evaluation techniques for a robust evaluation of pilot projects and may be the first time that the MOH of Laos has been directly involved in implementing a randomized evaluation. Data from this project contributed to a Regional Nutrition Assessment (McGuire JS, Willink A, and Pambudi E (2009). *Opportunities to Protect and Enhance Nutrition in the East Asia and Pacific Region* (Draft). World Bank: Washington DC).

TF094826, Piloting Indemnity Livestock Insurance in Ethiopia (FY10) - \$200,000: The objective of this project is to test a livestock indemnity insurance product for high value cattle, sheep or goats that are primarily financed by credit and owned by smallholder farmers, particularly women, who produce dairy or meat for the market. The Association of Ethiopian Microfinance Institutions finalized the first study on the potential for high-value livestock indemnity insurance in Ethiopia's Oromia region. The study will be disseminated in 2011 in the country and inside the Bank as a discussion paper that will be posted on the Agriculture and Rural Development website (<http://go.worldbank.org/KNS4EG8BR0>). Further dissemination will take place in Ethiopia through other partners in the country. The project plans to build capacity of Rural Savings and Credit Corporations (RUSSACOs) and other microfinance institutions (MFIs) to integrate insurance product with credit services and agriculture services. The project engaged key stakeholders working in the areas of rural finance, non-bank financial institutions, rural development and livelihoods, and social protection. In the next year, the focus will be on designing, testing, and rolling out a pilot insurance scheme.

TF094932, Effective and Inclusive Targeting Mechanisms in Africa (FY10) - \$400,000:

This project's objective is to improve social protection programs in poor countries in Sub Saharan Africa where institutional and administrative capacity is weak. It aims to improve identification and targeting of chronic poor, temporary poor and food insecure households affected by crises by developing improved guidelines. This will strengthen response options to protect vulnerable groups in these countries. The preparatory work for the country studies is completed and all individual country studies have been launched in partnership with the government, local organizations, and active international partners. Small-scale review workshops are planned as well as technical assistance notes. The country studies that focus on existing social safety net programs and technical assistance on program implementation will be provided to local institutions when appropriate. The synthesis report and other country reports, in addition to training materials, will be disseminated through the World Bank and partnership websites and local conferences.

TF095046, Reducing Malnutrition Caused by Food Insecurity in Ethiopia (FY10) - \$180,000:

This project's objectives are to develop feasibility studies to establish pilot initiatives to increase the availability and reduce the cost of nutritional products, to establish community-based management of acute malnutrition, and to establish a cash/food transfer system in urban areas. Community-Based Nutrition (CBN) training started in January 2011 in 170 woredas (administrative divisions). The second round of CBN will be conducted in the remaining 50 woredas in February-March 2011. Implementation of the Community-Based Management of Severe Acute Malnutrition pilot has been delayed because of the lack of negotiation capacity of the government implementing agency; however, an external consultant funded by the TFESSD grant will facilitate the negotiations with the government. Another study (funded partially by TFESSD) on food fortification was conducted to promote local private investments in the fortification business. The government is highly committed to promote food fortification, inviting private investments, and an action plan is being prepared based on the study.

TF095119, Community-Based Conditional Cash Transfers (CB-CCT) with Mobile Phone Banking (FY10) - \$435,000:

The objective of this project is to reduce poor households' vulnerability to shocks in Tanzania by providing a financial buffer, which will allow households to invest and save more. The project is also expected to improve investments by financially constrained households in nutrition, health and education for youth, and health care for the elderly. The mobile phone transfers component financed by this trust fund will reduce the potential for leakage of funds as well as the administrative burden placed on communities and local government authorities. The impact evaluation on household food security, responses to economic shocks, and household investment is being prepared. Community scorecards and focus groups to improve and evaluate processes are also under implementation. The Bank and other partners are also discussing options to scale up the CCT program with the government.

TF095456, Safety Nets in Central Asia (Kyrgyzstan, Tajikistan and Uzbekistan) Post Crisis and Beyond (FY10) - \$210,000: The objective of this project is to provide analytical underpinnings for on-going efforts of the client governments, the World Bank, and other partners to protect the poor and most vulnerable in the aftermath of the crisis. The work specifically targets strengthening safety nets and facilitating employment opportunities. In Tajikistan, the work on developing poverty-based targeting criteria is well underway. In Kyrgyzstan, preparatory work has been done to identify existing data sources for the analysis, and the team recently received access to household-level data. The project team plans to collaborate with the National Statistical Agency to file and analyze a survey of migrants. In Uzbekistan, the work has not started but an opportunity was identified for data collection. The implementation of the projects is done in close collaboration with local partners. In Uzbekistan, the main collaborator is the institute of Social Studies. In Tajikistan, the team collaborates with the Ministry of Labor and Social Protection and with the Social Department in the Presidential Administration. A large share of analytical work has been done by the local consultants and think-tanks, and presented to the relevant ministries. A number of workshops were organized and a number of reports have been prepared in Russian but not translated to English yet.

TF095667, Social Protection Responses to the FFF Crises in East Asia (FY10) - \$300,000: This project aims to: (i) fill knowledge gaps on poverty, vulnerability and crisis impacts, as well as on social protection programs and expenditures in Lao PDR, Timor Leste, Mongolia, and Vietnam; (ii) identify social protection priorities for engagement and policy dialogue going forward; and (iii) support learning and disseminate knowledge on thematic and cross-cutting issues through in-country workshops and international events. The technical and policy notes for Lao, which measure poverty dynamics and socio economic changes to identify the determinants of poverty, are in progress. A workshop on Social Protection was held in Vietnam to share the experience on social protection reforms between China and Vietnam and to update the development of social assistance and pension policies in the context of the Vietnam Social Protection Strategy.

TF096087, Impact of the International Financial Crisis on Workers' Remittances, Migration and Poverty in Moldova (FY10) - \$97,000: The objectives of this project are to help the Government of Moldova evaluate and design policies to address increases in poverty as a result of the impact of the international financial crisis on migration and workers' remittances. Activities have been delayed because the Moldovan National Bureau of Statistics was hesitant to undertake a new project. It was agreed instead, with the approval of the National Bureau of Statistics and in collaboration with the International Organization for Migration (IOM) and the European Union (EU), to support statistical studies of migration and its effects on migrants in the EU and Russia. It is expected that this work will lead to recommendations for improvement of the Moldovan National Bureau of Statistics data collection on migration, including recommendations for sharing data among Moldova, EU, and CIS destination countries.

TF096163, Developing an Effective Safety Net to Cope with Price Shocks in Djibouti and Yemen (FY10) – \$225,000: The objectives of this project are to help policy makers in Yemen and Djibouti develop effective safety nets for the poor and vulnerable. This will help enable beneficiary households to survive price shocks and address long-term food insecurity through the investment in human capital. In Djibouti, the collaboration with the Ministry of Social Solidarity and the Agency for Social Development has been particularly satisfactory. The parallel implementation of the Japanese Social Development Fund's (JSDF) grant, which supported a pilot community-driven, labor-intensive public works program, has had synergetic effects. While JSDF funds cover the pilot implementation, this project is supporting technical assistance to leverage the JSDF pilot as a platform for effective responses to price shocks. At workshops in Djibouti (from May to September 2010), the team presented options for the design of a social safety nets pilot with a nutrition component, reviewed the training materials on nutrition prevention, disseminated the nutrition country brief (September 2010 mission) and facilitated the coordination efforts among the Djibouti Agency for Social Development (ADDs), the Ministry of Health and key donors for nutrition related interventions in Djibouti (WTO, WFP and UNICEF). In Yemen, the consultations with stakeholders were developed and a workshop was organized with Social Welfare Fund staff on November 2, 2010. Knowledge briefs for policy makers and for wider dissemination and a stakeholder workshop will be developed from the assessment and design phases. Good media coverage is expected.

TF097257, Haiti Nutritional Security (FY11) – \$200,000: The activity will focus on improving the capacity and effectiveness of nutrition-related safety net programs to address problems of severe and chronic malnutrition among Haiti's most vulnerable populations through support in three areas: (i) knowledge generation, (ii) strengthening nutrition security, and (iii) capacity building for nutrition security. Although implementation was delayed due to the earthquake, a cholera outbreak, and election-time unrest, the project is making progress and some areas are already yielding results. The knowledge generation area has been most successful and co-financed with other donors. The grant supported an assessment of nutrition security (conditions, programs, and policies), which indicated that: (i) chronic malnutrition, micronutrient deficiencies, and chronic food insecurity are severe problems in Haiti, (ii) nutrition and health services are not well coordinated and do not sufficiently cover vulnerable groups, (iii) the national nutrition policy is out of date, and (iv) the country lacks an effective operational strategy to reduce chronic malnutrition and enhance investment in human capital among Haiti's most vulnerable. The reports can be found at: <http://siteresources.worldbank.org/NUTRITION/Resources/HaitiNutritionAssessmentEnglishFINAL.pdf> and http://siteresources.worldbank.org/INTLAC/Resources/257803-1269390034020/EnBreve_157_English_Web.pdf. To address these issues and strengthen nutrition security, the team is now piloting a community-based approach to improving nutrition security (the design was TFESSD supported, while the implementation is funded by the RSR). The approach, called the Household Development Agent (HDA) Initiative, will use community workers (called Household

Development Agents, HDAs) to provide a basic package of health, hygiene and nutrition services to vulnerable families, with a focus on young children and pregnant and lactating women. The HDA Initiative will also contribute to institutional strengthening for service delivery by mapping existing services, monitoring families' use of services, and fostering coordination with service providers to fill gaps in service provision. This unique integrated delivery and accountability mechanism seeks to improve family health and nutrition practices and strengthen capacity to deliver social services directly to needy families in a decentralized manner. Finally, the grant has been supporting the Haitian government in a consultative, participatory process to revise the National Nutrition Policy. All the activities have been undertaken under the leadership of the Government team (Director of Nutrition), in collaboration with donors (especially UNICEF, WFP, WHO, IDB, and USAID) in order to ensure ownership and consensus on the process. The published reports have been shared widely. The finalized revised nutrition policy and the results of the HDA Initiative will also be disseminated across a wide range of stakeholders. Results and findings from this work may feed into the development of the new CAS for Haiti and thereby impact the strategy and lending.

TF097298, Vulnerability, Crisis Impact, and Effectiveness of the Safety Net Programs in Pakistan (FY10) - \$80,000: This grant supports the development of a note, which will identify the long-term drivers of vulnerability, assess the impact of the recent food and financial crises, and provide guidance to policy makers on how to scale up safety net programs in the time of crisis. So far, the team has completed a policy note on the impact of food crisis on consumption and an analysis of shocks and coping strategies. The note found that the global food prices affected Pakistani households throughout 2008 and the impact was quite deep. In addition, poor households were much more affected by the wheat price increase than non-poor households, the gap between the poor and non-poor grew over the course of the crisis, regional variation is quite significant, and urban households were worse off over the crisis period than rural households. This suggests the need to have an effective safety net program in the ground during the crisis period to combat and alleviate poverty. These main findings have been incorporated into the Pakistan safety net report, seminars to disseminate findings are planned in Islamabad and findings will also be shared through a working paper series.

TF097510, Welfare Cost of Risks and Risk Management Options (FY11) – \$100,000: The objective is to examine the welfare cost of selected shocks prevalent in Nigeria and the effectiveness and cost of household management of these risks with a view of isolating possible remedial interventions. The core welfare indication questionnaire data from 2006 is available but the Nigerian Living Standard Survey 2009/10 is still being cleaned up by the National Bureau of Statistics, so the study is slightly delayed. When the reports are complete, dissemination will occur through the website of the Bureau of Statistics and the National Planning Commission (NPC). The draft and final report will be presented during the annual meeting of planners organized by the NPC.

TF097666, Reducing Vulnerability Via a Labor Market Intervention in Africa: Towards Building Long-Term Resilience to Respond Effectively to Crisis and Shocks (FY11) - \$400,000: The objectives are to develop an evidence-based, multi-sectoral, operational framework for engagement and identify, design and implement successful programs that improve employability and earnings, especially among youth. The project will help governments and their partners to develop more successful labor market interventions. To date, the team has developed a framework for engagement with the governments, designed a template for capturing cross-sectoral knowledge on the topic, and narrowed down the list of study countries. Capacity building will occur with national counterparts by involving them in: the development of the methodology and design of the studies; designing framework for national level engagement, assessing early findings. To disseminate knowledge, the team will hold workshops, possibly form a network of practitioners, and disseminate findings through the web, printed materials and the GDLN. This process will strengthen the capacity of national counterparts in formulating policy reforms and designing projects on effective labor market interventions capable of providing quality jobs and sustainable earnings.

TF097673, Impact Evaluation of the Bangladesh Employment Generation Program for the Poorest (FY11) - \$200,000: The objective of this grant is to improve the design and implementation of Bangladesh's Employment Generation Program for the Poorest (EGPP) by evaluating the effectiveness of program targeting and the impact of the program on household outcomes, coping strategies in response to shocks and broader empowerment outcomes. Progress to date suggests that the activities are on track to achieve outcomes. The EGPP Director's Office is very interested in the results of the evaluation and will fund some assessments. The Bank team is working with the Ministry to develop those assessments. The results of both Bank and GOB funded assessments will be shared with stakeholders in a workshop organized in partnership with the Program Director's Office, as well as in World Bank venues, including presentations and working paper series.

Theme 4: Employment Generation, Labor Markets

TF055590, Informality, Globalization and Working Poor (FY06) - \$342,500 (Completed): The objective of this project is to identify whether barriers to labor mobility and/or competitiveness triggered by globalization are preventing poor and vulnerable workers from contributing to and reaping the benefits of economic growth. It has two components: (i) *Poverty, exclusion, and the informal economy*: the goal of this component is to analyze the dynamics of the informal sector in a number of developing countries; and (ii) *Trade liberalization, jobs and working conditions*: the goal of this component is to analyze the links between globalization and working conditions in developing countries and to show how the process of globalization impacts workers. Component (i) produced: a survey questionnaire to analyze issues on informality and social protection; a paper on the results of the questionnaire analysis for Bulgaria, "Personal Opinions about the Social Security System and Informal Sector Participation: Evidence from Bulgaria"

(<http://siteresources.worldbank.org/SOCIALPROTECTION/Resources/SP-Discussion-papers/Labor-Market-DP/0915.pdf>); a chapter of the World Bank Poverty Assessment for Tajikistan using the results from the informality questionnaire; and four background papers on results from the pilots and the relationship between informality/mobility and gender, age, and education. Component (ii) produced the book *Globalization, Wages, and the Quality of Jobs* (http://publications.worldbank.org/index.php?main_page=product_info&cPath=&products_id=23555). Two short Policy Notes related to the book were also produced for easy access to policymakers and other stakeholders: “The Effects of Globalization on Working Conditions in Developing Countries- An Analysis Framework and Country Study Results” (http://siteresources.worldbank.org/INTLM/214578-1103128720951/21692675/EPPNoteNo9_Eng.pdf) and “Globalization, Wages and the Quality of Jobs-Lessons for Policy Makers” (<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALPROTECTION/EXTLM/0,,contentMDK:22790102~menuPK:588059~pagePK:210058~piPK:210062~theSitePK:390615~isCURL:Y~isCURL:Y,00.html>). The project was extended to include a third component on youth vulnerability in the labor market. A paper was commissioned on Brazil and analyzes the adverse effects of business cycles on Brazilian youth in the labor market (<http://siteresources.worldbank.org/SOCIALPROTECTION/Resources/SP-Discussion-papers/Labor-Market-DP/0806.pdf>). Dissemination of these outputs was thorough. Work was presented during the Bank’s Human Development Learning Week in 2008; to the Lebanese Government for the project on job creation; at various workshops at the World Bank, IADB, Brookings Institute; at the joint IZA-WB conference in Bonn in 2007; and at the WB Flagship Labor Market Core Courses in 2008, 2009, and 2010. The only remaining activity planned is to create a page on the Bank’s Social Protection Website where all the materials/outputs will be shared. The overarching value added of this project to the region and countries is the provision of lessons learned and shared experience across countries. Research carried out under this grant was used in projects, reports or policies in Bulgaria, Uzbekistan, Tajikistan, and Lebanon. There are plans to replicate the questionnaires as well in Latin America and MENA.

Theme 5: Social Safety Nets (SSNs)

TF097444, Smart Safety Nets in ECA (FY11) - \$300,000: The project’s objectives are to develop and disseminate knowledge to help governments identify and implement smart safety nets that are not only well targeted and equitable, but also flexible, incentive-compatible, and proactive. A draft of the paper on flexibility will be ready by April 2011. Background work on incentive compatible SSNs and an impact evaluation of work disincentives will start in April 2011. The preparations for the community of practice, which includes quarterly video conferences and a study tour, are underway. It is expected that the community of practice will meet on quarterly basis to exchange ideas, knowledge and facilitate learning from international experience (including a study tour) and South-South learning. The regional papers and policy notes will be disseminated widely in the focus countries and beyond. The policy notes will be translated in to

Russian and Serbo-Croatian to improve the communication among policy makers, program administrators and other stakeholders from these countries. Preliminary results of the draft regional flexibility paper were presented in the plenary session for “Poverty and Social Inclusion in Western Balkans” Conference (<http://go.worldbank.org/K9MVXE09J0>).

TF097678, Safety Nets for Energy Pricing Reforms (FY11) - \$175,000: This project aims to support adequate and effective social protection responses to energy pricing reforms through knowledge sharing and technical assistance activities. It has three main activities: i) a review of country experiences where energy subsidies have been removed or reduced and safety nets or other compensatory measures have been put in place; ii) assessments and technical assistance in three selected countries (Cameroon, Kyrgyzstan, and Moldova); and iii) dissemination of findings, including country-level workshops and seminars. The activities on country-specific work have started to advance. In Moldova, the project is already contributing to the design and scaling up of the Guaranteed Minimum Income, which is meant to respond to the increase in heating tariffs, and the phasing out of selected compensations for privileged categories. In the other countries, implementation is progressing more slowly. In Kyrgyzstan, due to the sensitivity of reforms, the dialogue is still in an early stage after a period of suspension. Following riots in April 2010, the government decided to take tariff reforms off the agenda for the time being. There is interest, however, in advancing with the qualitative work on the perceived impact of reforms. Currently the team is engaged in extended consultations and dialogue with the Ministry of Social Protection in Kyrgyzstan and with the World Bank country team members from other relevant sectors. In Cameroon, work is underway on a study that will complement a report on subsidies removal, which is currently being finalized by the SP country team.

TF097745, Evaluation of Cash vs. Food in School Feeding Programs (FY11) –\$200,00: The objective of this project is to evaluate the impact of cash vs. food assistance in the World Food Program (WFP) Cambodia’s school feeding programs on a variety of children and households outcomes. Food for education programs have been criticized for being less cost effective than alternative programs that focus more directly on either education or nutrition outcomes. The survey implementation and the report on data analysis covering the objectives of the project are in the process of being prepared. Dissemination of the report will be in partnership with WFP in consultation with the Ministry of Education to ensure partnership.

TF097789, Evaluating Conditional Cash Transfers Schemes in Africa as Safety Net Mechanisms for Vulnerable Populations (FY11) - \$300,000: The objectives of the project are to pilot, test, and evaluate innovative uses of CCTs in Africa to draw lessons from those experiences to influence social protection strategies in the Africa region. The program in Burkina Faso addresses vulnerability from socio-economic shocks in a poor rural area, while the one in Tanzania and Lesotho directly address one of the most important sources of vulnerability in sub-Saharan Africa, HIV/AIDS, by trying to prevent the shock from occurring. The cash transfer can also serve as a safety net by providing

additional income to households confronted with the consequences of the global economic crisis. Furthermore, the additional income might also prevent individuals, especially women, from engaging in unsafe sex and risky behaviors. The results from the first year follow-up of the Tanzania project have been disseminated widely through wide press coverage during the International AIDS conference in Vienna and other international conferences and workshops. In Burkina Faso results from the baseline survey have been disseminated in the working paper entitled "Child Ability and Household Human Capital Investment Decisions in Burkina Faso." In Lesotho, the second round of data collection and the preparation of the third round have been completed. In Tanzania, the project targeted capacity building by organizing a workshop with the local partner.

TF097983, Productive Safety Nets - What they mean for Small Holder Farmers? (FY11)

- \$200,000: To objective of this project is to improve the design of formal and informal social safety net interventions among small holder farming and rural communities to address food security objectives. At this early stage of project implementation, initial efforts have focused on aligning the project objectives to a broader umbrella program focusing on the productive and promotive aspects of safety nets. The program is being elaborated under the World Bank's 2012-2022 Social Protection Strategy formulation process. Thus, execution of initial activities has been pushed back to the second part of this fiscal year to coincide with the SP Strategy formulation process.

4 Implementation Progress of the Window

Summary of Implementation Progress

TFESSD has funded 75 activities under this window, which was opened in FY05, averaging about 11 approvals per year. All the first round of grants (FY05) is now completed. For FY11, 14 new activities were approved. As presented in Table 1, the Social Protection Window has 40 ongoing activities, consisting of the following: (a) 1 activity approved in FY06; (b) 3 activities approved in FY07, (c) 4 activities approved in FY08, (d) 5 activities approved in FY09, (e) 13 activities approved in FY10, and 14 activities approved in FY11. Table 1:

Table 1: TFESSD Social Protection Window activities as December 31, 2010

Call/Year	Approved Activities	Ongoing Activities	Closed Activities	Activities in Africa*
FY05	10	0	9	7
FY06	11	1	10	8
FY07	11	3	8	4
FY08	11	4	7	5
FY09	7	5	1	5

FY10	14	13	0	5
FY11	14	14	0	7
Total	78*	40	35	41

*This figure includes three dropped activities.

Implementation Progress

Implementation is on track to achieve objectives, although with delays in certain cases because of difficulties in contracting firms and consultants to carry out data collection and analytical work. This is also associated with the tendency to be overly optimistic in projecting the speed of disbursements when preparing grants proposals.

During the reporting period, the following seven projects closed:

- TF055590: Informality, Globalization and Working Poor
- TF055617: Global: Risk, Growth, and Poverty Reduction in Low Income Countries
- TF057002: Tackling Vulnerability to Address Health Issues of Eritrea
- TF057435: Violence and Crime in the Caribbean
- TF090877: Strengthening Capacity for Measuring Disability Across South Asia
- TF091040: Rwanda - Developing Building and Evaluating Social Assistance For the Poor and Vulnerable
- TF092501: Climate Change and the Changing Role of Children in Household Risk

Disbursements and Commitments

As of December 31, 2010, the Social Protection Window has approved US\$15 million for TFESSD grants, of which cumulative receipts are US\$10.9 million, cumulative disbursements and commitments US\$7.7, outstanding cumulative commitments US\$0.3 million, and Africa cumulative disbursements and commitments share US\$3.8 million (Table 2).

Table 2: SP Window Receipts, Disbursements, and Commitments (as December 31, 2010)

Year Approved	Receipts (US\$m)	Cumulative Disbursements & Commitments (US\$m)	Of which Outstanding Commitments (US\$m)	% of receipts disbursed or committed	Africa portion of disbursements/ commitments (US\$m)	Africa Share of cumulative disbursement/ commitments (%)
Window Account	0.317	-	-	-		
FY05	0.938	0.938	0.000	100%	0.517	55%
FY06	2.143	2.118	0.000	99%	0.954	45%
FY07	1.292	1.212	0.000	94%	0.208	17%
FY08	3.608	2.480	0.097	69%	1.627	66%
FY09	1.644	0.805	0.105	49%	0.422	52%
FY10	0.954	0.189	0.106	20%	0.072	38%
	10.896	7.744	0.307	71%	3.800	49%

Strategic Review and Actions Taken

The SP Window carried out a strategic review of the active portfolio in the summer of 2010. There were no serious issues found with implementation or disbursement of any of the active projects; therefore, no issues were brought to the Sector Board's attention. A review of closed grants determined that \$233,579 were available in unused funds in these closed activities and could be allocated to existing projects to be used for dissemination purposes or expand existing projects' scope of work. These funds were allocated against the following projects on a competitive basis, and approved by the Sector Board:

- **TF057391, Breaking the Barriers to Youth Inclusion in Morocco**
- **TF090720, Ethnic Minorities, Poverty and Human Development**
- **TF092558, Climate Change-induced Migration and its Impact on Youth in West Africa**
- **TF094683, Agriculture Insurance for Vulnerability Reduction and Climate Change Adaptation**
- **TF095119, Community-Based Conditional Cash Transfers with Mobile Phone Banking**
- **TF096163, Developing an Effective Safety Net to cope with Price Shocks in Djibouti and Yemen.**

III FINANCIAL SITUATION

1. TFESSD disbursements were \$12.53 million in 2010, broadly similar to other years. As of end December 2010, cumulative disbursements and commitments reached \$116.3 million. This amount represents an increase of \$5.9 million from one year ago. The Social Development windows had the largest commitments and disbursements, at \$1.9 million, followed by Environment (\$1.3 million), Poverty (\$1.2 million), and Social Protection (\$1.1 million). Cumulative commitments and disbursements as a percentage of funds transferred to activities reached 88% (Figure 1 and Table 1).

Figure 1: Cumulative disbursements and commitments

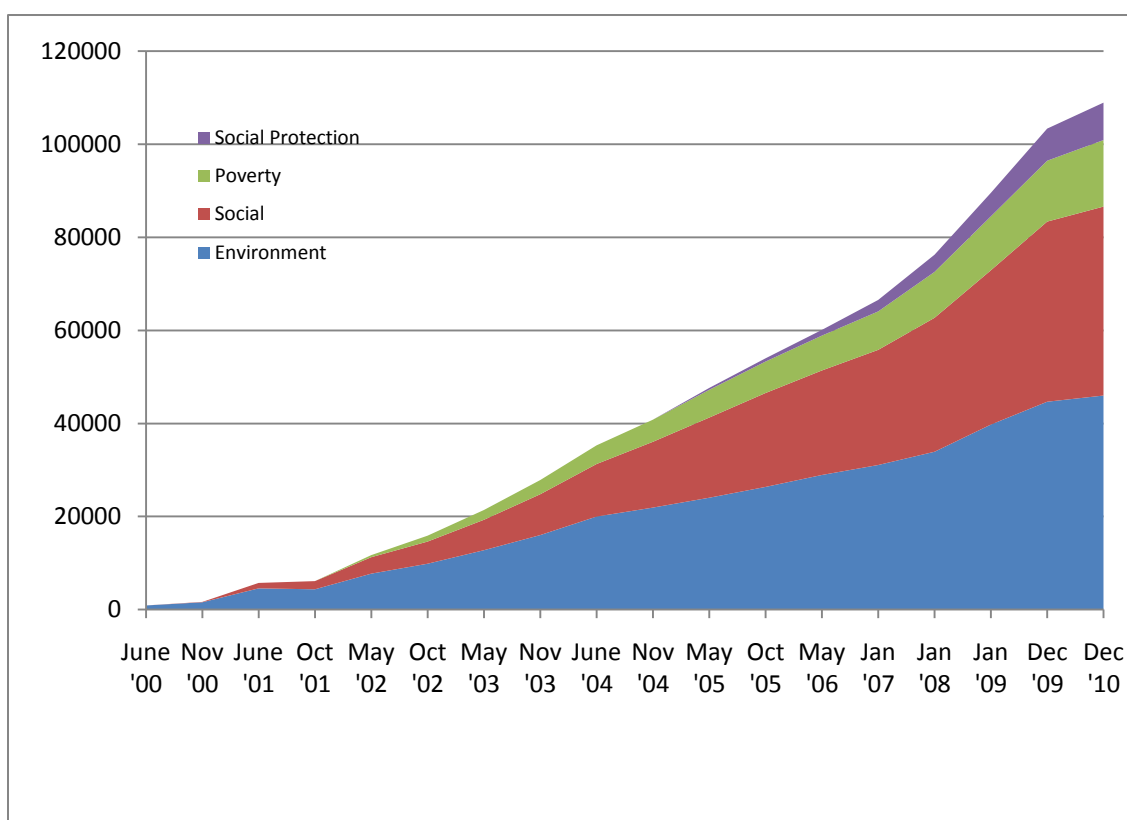


Table 1
TFESSD: Receipts, Disbursements and Fund Balance
By Window
As of December 31, 2010
(\$ million)

		Cumulative Disbursed and Committed			Difference (12/31/09 to 12/31/10)	
Receipts		As of 12/31/2009	As of 12/31/2010	As a % of Allocation		Fund
Windows	Cumulative					Balance
Environment	51.883	44.680	46.014	88.7%	1.334	5.869
Social ^{1/}	45.132	38.717	40.612	90.0%	1.895	4.520
Poverty	15.834	13.081	14.289	90.2%	1.208	1.546
Coordination	2.134	1.849	2.110	98.9%	0.261	0.024
Social Protection	10.896	6.902	8.051	73.9%	1.149	2.845
Parent	8.327	-	-	-		8.327
Other ^{2/}	5.257	5.156	5.257	100.0%	0.100	0.000
Total	139.464	110.385	116.332	83.4%	5.947	23.132

^{1/} Excludes the West Africa Hub Secondment Account

^{2/} Includes currency gain, investment income, and disbursement for administrative fees.

Note: A change in the Bank's financial management reporting systems means that the commitment figures reported above for 2010 are not comparable to those reported in 2009 and earlier. Specifically, whereas the commitment figures for 2009 were taken at the date the report was run and thus covered more than one year, the figures for 2010 are for the calendar year and therefore lower.

2. The cumulative commitments and disbursements for the Africa region reached \$49.8 million, up by \$2.5 million from end-December 2009. This represents 46% of the cumulative total disbursements and commitments and remains the same from the prior period (46%). The Africa share of all windows remained the same compared to last year.

3. Overall, World Bank Bank-Executed trust fund disbursements for FY10 were \$530 million. As shown in Table 2 below, TFESSD disbursements of \$12.53 million represented 2.4% of all Bank-executed trust fund activities in FY10. The TFESSD percentage of Bank-wide trust fund disbursements has been decreasing as the overall size of the Banks Trust Fund Portfolio has been growing quite dramatically. TFESSD, however, remains one of the major trust funds for analytical work in its sectors.

Table 2 FY11 Trust Fund Disbursements Comparison of TFESSD with all Bank-Executed Trust Funds By Major Bank Unit \$million			
	All Bank- Executed TF	TFESSD	TFESSD % of All Bank TF
Regions	277	7.476	3%
Of which Africa Region	99	3.084	3%
Networks	199	4.473	2%
Research & Training	29	0.570	2%
Others	26	0.012	0%
Total	531	12.531	2.4%

As of December 31, 2010, cumulative donor contributions to the TFESSD since inception totaled \$134.21 million as shown in Table 3 below.

Table 3
TFESSD: Cumulative Cash Contributions

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
Norway	6,220,716.35	08	Mar. 31
Finland	1,915,800.02	09	Oct. 31
Norway	5,021,016.54	09	Dec. 31
Norway	7,174,058.60	09	Dec.31
Finland	2,246,832.00	10	Oct.15
Finland	1,953,608.31	11	Oct.08
Norway	8,393,627.56	11	Nov. 11
Total	134,212,545.75		
Of which:			
Norway	117,457,472.30		
Finland	16,755,073.45		

As of December 31, 2010

