



ANNUAL REPORT 2009
for the
**TRUST FUND FOR ENVIRONMENTALLY AND SOCIALLY
SUSTAINABLE DEVELOPMENT**
(TFESSD)

January 1 to December 31, 2009

World Bank TFESSD Team

Acknowledgements

This Annual Report for 2009 to the TFESSD donors draws on the contributions of all the many task teams working with TFESSD funding. Based on their inputs, the following Window Managers prepared the Window Reports: Nora Dudwick, Remi Kini, Nenuca Munoz Robles, Paula Suarez, Abdul Salam Syed, and Briana Wilson. Judith de Costa oversaw the financial reporting. Rasmus Heltberg led the preparation of the report and Joyce Chinsen and Carmen Martinel provided support with proofreading and formatting.

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I. TFESSD: 10 YEARS OF PROMOTING SUSTAINABLE DEVELOPMENT

TFESSD in its 10th year

1. This year marks the 10-year anniversary of the TFESSD. It has been a year in which the trust fund has proved itself more useful than ever in supporting the Bank step up to urgent development challenges with strong analytical underpinnings and partnerships. Climate change and global food and financial crises dominated the agenda in 2009. TFESSD provided important support on both these topics, helping the Bank scale up its work on climate change in low income countries while also responding to the acute needs of crisis-affected people around the world. Meanwhile, the Bank has strived to maintain impetus on long-term agendas, for example, environmental and natural resource management issues; social inclusion and accountability; and core vulnerable groups—often with continued TFESSD support.

2. As the TFESSD enters its second decade, there are reasons for satisfaction with the accomplishments. TFESSD support allows Bank teams to do more and do it better. Bank task teams in operational units use the funding to deepen the analytical underpinnings of policy dialogue and lending and to build country capacity. Bank task teams in central units, such as anchors and the research department, use the funds to advance global agendas and develop innovative tools and approaches. Activities navigate both the analytical and the operational space; they are neither pure research nor routine operational work. The best results often stem from a combination of analytical innovation, links to country dialogue and operations, and strong partnerships. The Bank's country-driven model and alignment between country strategies and trust fund activities are vital to the success of the TFESSD.

3. Partnerships are central in much of this—results do not materialize when someone tries to “go it alone”. There are many examples of strong partnerships, both at the activity level and at the program level. At the activity level, Bank task teams typically partner with government, donor, and civil society counterparts. Shared interests are the motivating factor in these partnerships. At the program level, the founding vision behind TFESSD of a shared interest between Finland, Norway, and the World Bank in socially inclusive and environmentally sound development remains as valid as ever.

4. The drive for results is backed up by effective administrative arrangements that emphasize accountability and flexibility. Processes have been put in place that allow for smooth administration of grant approval, reporting, and monitoring. Donor oversight focuses on program-level governance and progress. Dialogue with the Reference Group emphasizes thematic issues. TFESSD's processes have gradually evolved to meet emerging needs while respecting core principles, such as Sector Broad oversight, the role of the Reference Group, and donors as the ultimate decision makers. Internal control mechanisms comply with all Bank trust fund policies and best practice yet avoids excess rigidity. As a result, Bank task teams are highly appreciative of TFESSD support, much more so than many other trust funds.

5. Nevertheless, there is no room for complacency. Discussions continue on how to achieve the most from the resources made available through the TFESSD. For example, what should be the balance between emerging priorities (e.g., climate change, global crises) and long-term agendas (e.g., environmental management, social inclusion)? Is the current emphasis on fresh innovative approaches over relatively proven operational concepts a correct one? Can internal processes be improved to enhance effectiveness? Does the Bank exploit the cross-sectoral and partnership opportunities to the fullest extent?

Box 1.1: What is the TFESSD?

TFESSD is a multi-donor trust fund supported by Finland and Norway that provides grant resources for World Bank activities aimed at mainstreaming the environmental, social, and poverty reducing dimensions of sustainable development into the World Bank's work. It develops Bank and client country capacity, promotes inclusion of sustainable development issues into Bank operations, and fosters cooperation between different units in the World Bank and with external agencies and groups. TFESSD currently funds around 150 activities with a mandate to earmark at least 50% of the funding to Sub-Saharan Africa. Cumulative donor receipts since inception in 2000 have reached \$128 million.

TFESSD is the Bank's leading trust fund on cross-cutting social, poverty, and environmental issues with a track record of funding innovative tools and approaches before they become widely adopted. Examples of TFESSD-supported innovations include the piloting and subsequent scaling up of major approaches such as Country Environmental Analyses (CEA); Strategic Environmental Analyses (SEA); Poverty and Social Impact Analysis (PSIA); and social accountability tools. Development of sector strategies for environment and social development have received funding from TFESSD as have a number of influential reports and capacity building programs. In recent years, TFESSD has been a strong supporter of the rapid increase in the World Bank Group's work on adaptation to climate change while also providing some continued funding for other areas of work.

Activities are managed by World Bank Group staff. Funding is allocated on a competitive basis based on an annual Call for Proposals. Selection of activities for funding is based on quality. Selection criteria comprise relevance of submitted proposals to the themes of the Call; strategic fit; quality; dissemination and knowledge management; cross-sectorality; and rationale for grant funding. Partnership with Norwegian and Finnish researchers and institutions is encouraged.

Strong results during a time of global setbacks

6. TFESSD has continued to generate strong results at the country and global level. The model of flexible funding for innovative analytical work and capacity building allows Bank task teams to tailor analytical work and capacity building efforts to the needs and opportunities in client countries. The World Development Report 2010 on *Development in a Changing Climate* was probably the most visible TFESSD-funded output this year. The World Development Report received high marks. It established the Bank as firmly committed to addressing climate change and provided intellectual foundations to this end which will guide efforts in the years ahead despite the disappointing outcomes of the Copenhagen Climate Change talks.

7. The window reports in Chapter 2 describe the breadth and depth of results. As those reports make clear, TFESSD continues to produce strong outputs and achieve satisfactory results in a wide array of topics, sectors, and countries. Impacts of TFESSD activities stem from dissemination of new knowledge; innovation in how the Bank and its stakeholders approach development issues; formal and informal capacity building; and shaping of projects, policies, and strategies via discussion, consultation, and evidence building.

8. For example, TFESSD has supported essential work on crisis monitoring and response. The activity on assessing poverty and distributional impacts of the financial crisis created a new methodology of micro-simulations that allows countries to understand the impact of the financial crisis on different population segments. It is based on available data and does not require data gathering. Another activity, in contrast, focuses on real-time monitoring of crises impacts using qualitative data gathered from focus group discussions with vulnerable groups in twelve countries. It has created deeper understanding of variations in the impacts of global crises on vulnerable groups such as women, children, migrants, export-sector workers, etc. It has also created strong internal and external partnerships on crisis monitoring.

9. A wealth of knowledge sharing and capacity building on adaptation to climate change are ongoing in most regions of the world with TFESSD support from the most recent rounds. For example, the activity on “Developing Readiness for Climate Adaptation” has built communities of practice and networks among youth, agriculture-water practitioners, urban managers, decision-makers, media, and parliamentarians. It also supported the e-learning course on “Fundamentals of Climate Change,” which is helping Bank Staff deepen their understanding of how to integrate climate change issues. The activity on Adaptation to Climate Change in the MENA Region helped Morocco analyze the impacts of climate change on agriculture, water, and food security and influenced national adaptation programs. A report from this activity led to follow-up work on an integrated strategy to address climate change and informed the design of a GEF investment operation as well as a loan for Morocco’s National Program for Agriculture. Several activities are influencing the preparation of the Pilot Program for Climate Resilience, including in Yemen, Tajikistan, Pacific Islands, and Africa.

10. Other noteworthy results of climate change activities include the design of a new Indigenous Peoples Climate Action Fund (IPCAF) which was recognized with an award for best design from the Environmental Funders Network and Alliance Magazine. IPCAF has been endorsed by Indigenous Peoples representatives from around the world, and by World Bank President Robert Zoellick, and Dr. Robert Watson, Former Director of the Inter-governmental Panel on Climate Change. There has also been progress with piloting innovative weather index insurance mechanisms for better coping with weather and climate shocks, and evaluations of the effectiveness of social safety nets in the wake of natural disasters are being completed.

11. There have been strong results on environmental management in South Asia and China. A TFESSD grant has helped South Asia scale up its analytical work on a wide range of environmental issues such as health, cleaner industries, energy efficiency, pollution control, drought, mining, climate change, and groundwater management. These activities led to a deeper dialogue with the countries. The results from the studies are being incorporated in several Technical Assistance projects and Country Assistance Strategies. The findings of a major report on groundwater in India contributed to the design of water sector operations in India by ensuring greater attention to groundwater management in Andhra Pradesh and elsewhere. The grant's support to the pilot program on Andhra Pradesh drought adaptation led to improved integration of various programs that were previously fragmented. An activity on Air Pollution Control in China led China's Ministry of Environmental Protection to establish a Particulate Matter control program—the first time that China has agreed to establish a program of this nature.

12. TFESSD-funded work on natural resource management in Africa and Central America has also generated noteworthy results. In Liberia, a TFESSD-funded study brought land tenure to the forefront. The discussions with the President of Liberia over the study led to the creation of a Land Commission charged with land tenure reform. Given the links between violent conflict and land tenure insecurity, this is a remarkable achievement. In Central America, the Integrated Indigenous Land Administration and Natural Resources activity has influenced how the region works with issues around indigenous land tenure systems and allowed better coordination between the Bank's urban, rural, and environmental teams. It has influenced the operational strategy and policy dialogue around the land sector in Central America. Meanwhile, the work on Indoor Air Pollution in Madagascar is influencing an ongoing Bank project. Through rigorous testing, the initially proposed locally-manufactured stoves were found to be unsafe and inefficient. The project has instead adopted the Cleancook stove developed in Ethiopia.

13. TFESSD has been scaling up its support for evidence-based policy-making using a variety of methods to assess the effectiveness of policies and programs. A study of the Rural Employment Guarantee Program in Bihar, India found low participation and awareness of the program, in particular among women. This led to greater efforts to build awareness of program rights and entitlements. TFESSD support to the implementation of Rwanda's social assistance policy reforms led to government decisions to pursue policy improvements. For example, a small pilot for public works and cash transfer innovations in a few sectors evolved into a broader anti-poverty policy framework which was adopted as a flagship program in Rwanda's second five-year Poverty Reduction Strategy Program. The Randomized Impact Evaluation of the National Solidarity Program in Afghanistan has demonstrated that it is possible and useful to carry out rigorous impact evaluations in very fragile and conflict-affected settings. The Zambia country study has been praised by donors for its groundbreaking work in bringing together an unusually wide range of private sector and government representatives in a collaborative way to discuss policy and design analytical work.

14. TFESSD provided long-term support for mainstreaming disability—one of the most chronically neglected issues of development. Focus has been on accessible transport and on inclusion of people with disabilities into social protection systems. A disability toolkit on accessible urban transportation in Mexico has been completed. Work is ongoing on disability benefits systems in Bosnia and Herzegovina and Moldova. In South Asia, TFESSD support has developed local capacity to better measure disability and provide services to the disabled.

A Strong yet Flexible Management Framework

15. TFESSD continues to disburse at the expected pace. The TFESSD disbursed and committed \$14.8 million during the reporting period, bringing the cumulative disbursements and commitments to \$110.4 million at the close of 2009. Of this, 46% went to activities benefiting Sub-Saharan Africa. The Africa share of cumulative disbursements and commitments since inception has remained stable just below the 50% target in recent years: it grew from 45% in 2007 to 47% in 2008 but stabilized at 46% in 2009, as mentioned. The Bank remains mindful of the need to reach the 50% Africa target.

16. Fiduciary safeguards and governance procedures are in place and function adequately. No activity is started without prior donor approval. No major irregularity or instance of non-compliance surfaced during the reporting period. Like all World Bank trust funds, TFESSD is subject to random and unannounced trust fund audits on a sample basis; no issues have been raised. Most control issues are minor: extensions of grants, queries about eligible countries and expense categories, rare incidents of disbursements past the closing date.

17. The Bank remains highly satisfied with and committed to the TFESSD. An assessment by the Bank's internal quality assurance group concluded that TFESSD "continues to have a positive and important role to play in Bank activities. The program has a single clear objective that is precisely aligned with the Bank's strategy of mainstreaming environmental, social and poverty-reducing dimensions into sustainable development. The program is well-managed and operates effectively with the Bank's Sector Boards, and with substantive input from the donors" (Box 1.2). Management is appreciative of the timely support to core priorities provided by the TFESSD, not the least because the annual themes are fully aligned with emerging priorities (Box 1.3). And a mini-survey of task team leaders—the workhorses behind everything the TFESSD does—revealed high appreciation for TFESSD's support (see Box 1.4 below).

Box 1.2: QAG assessment of TFESSD

the Bank's internal Quality Assurance Group (QAG) undertook a review of global programs and partnerships, among them also the TFESSD. Excerpts from their review are provided below:

[TFESSD] has had, and continues to have, a positive and important role to play in Bank activities.

The program has a single clear objective that is precisely aligned with the Bank's strategy of mainstreaming environmental, social and poverty-reducing dimensions into sustainable development. The program is well-managed and operates effectively with the Bank's Sector Boards, and with substantive input from the two donors: Norway and Finland. Grant resources are incremental to BB [Bank budget] and are awarded annually in response to proposals from TTLs concerning tasks they and their managers consider important to address development issues. All proposals are carefully and transparently reviewed by the Bank and donors. Thus TTL interest and commitment is the driving force behind the program. The wide array of innovative and cross-cutting work funded by the program, through its poverty, social and environment focus, has inter alia, had a direct influence on CASs, on CDD design, and on poverty analysis.

Strong Aspects:

- The single DO [Development Objective] is precise; it states what the program is trying to achieve, with whom and for what purpose. The objective exactly complements Bank strategy.
- Program management in SDV is strong and well-supported by four technical managers, one for each of the four sectoral windows that match the Sector Boards.
- Grant procedures are clear and operate annually to a defined and carefully monitored timetable. The program management team responds substantively to queries from TTLs, Sector Boards and donors; complete and open records of reviews, grant allocations and reports are properly filed.
- The four Sector Boards play an important role in approving or rejecting proposals and reviewing project implementation.
- Any slippage in TTL compliance with reporting procedures is forcefully and effectively handled by the program management team.
- The donors worked in concert with the Bank to design procedures, which have proved to be robust. Donors continue to play a substantive role in setting themes and approving grants. Their high expectations for fund management have been a spur to effective performance.

Areas Needing Improvements

The trust fund is a funding facility that is working well and achieves its development objectives... Ensuring quality output of grant-funded projects and disseminating findings relies, however, almost exclusively on existing Bank procedures, practices and standards. The donors carried out one independent review in 2008 that was positive but the panel feels it would be advisable for a more regular and systematic review of actual project achievements to be undertaken. This would give all stakeholders a view on the overall impact of the grants themselves.

Suggestions to the Task Team

Request the donors to provide technical expertise to work for a short period with IEG or QAG staff in an annual review of randomly selected TFESSD projects, with particular focus on outputs, outcomes and dissemination of project findings... Continue to concentrate team efforts on administering the trust fund to the standards already achieved. Work with the Sector Boards and resist all temptations to encroach on TTL and Unit manager turf...

Source: Unpublished QAG assessment report, 2009

A year of setbacks for sustainable development

18. Global financial crises and climate change have been the dominating themes of the past year. The Bank and the TFESSD have been heavily engaged in both. Lending grew through the crisis period reaching unprecedented levels, much of it to help countries respond to crises, prompting the Bank to seek its first capital increase in 30 years. Countries in all regions increased their requests for policy advice and dialogue on crises-related themes, including food security, agricultural responses, social safety nets, and fiscal issues. TFESSD assisted in some of these efforts, for example through activities on safety nets, crisis monitoring, and rural development. The adoption of themes relevant to crises for the FY10 and the FY11 Calls, as well as earlier approved grants, ensured that TFESSD was regarded as an important and strategically well-aligned trust fund resource for the Bank.

19. Climate change was another major theme of 2009. A large amount of work—much of it with support from TFESSD—was designed to culminate in the months before the December, 2009 Conference of the Parties to the UNFCCC held in Copenhagen. The work focused on adaptation, mitigation, and finance and involved all regions and several networks of the Bank. TFESSD support was often geared to ensuring adequate knowledge of how climate change impacts vulnerable groups, how adaptation can reduce vulnerabilities, and how affected people can participate in decision-making. There has also been a growing work program on reduced emissions from deforestation, again with a view of ensuring benefits and managing the risks to vulnerable forest communities. Although official statements on the outcomes of the Copenhagen talks may have been muted, Bank staff was deeply disappointed and frustrated with the result. Nevertheless, the work on climate change resumed in the first months of 2010 in a spirit of hopefulness that international agreements will eventually be reached and that Bank work on mitigation, adaptation, and climate finance will be helpful not only to client countries but also to defining the evolving frameworks of international climate change architecture.

20. As the Bank stepped up to help countries meet needs stemming from the crises and to address global climate change challenges, pressures on staff grew, especially on staff in operational units. An internal reform agenda was launched with the aim of making the Bank better able to respond quickly and flexibly to client needs. Several internal process reforms have already been implemented; many more are on their way, including reforms to the matrix management system, a new knowledge management agenda, and possibly further decentralization. As of May 2010, most of these reforms are still in their early phase or remain under consideration; so far, none have influenced the operating environment of the TFESSD in a direct manner. However, as the reform agenda advances, it will be important that trust fund management keep the donors abreast of possible implications for the way the TFESSD conducts business.

Box 1.3: Overview of TFESSD themes in recent years

The FY07 Call aimed to strengthen the enabling policy and institutional environment for pro-poor responses as well as assessment of the experience with local level responses across four priority themes:

- Natural disasters
- Inequality and barriers to inclusion, including a special focus on access to natural resources and vulnerable groups
- Crime, violence and access to justice, including tenure and usufruct rights
- Adaptation to climate variability and change

FY08 themes focused on:

- The role of institutions in protecting the productivity and resilience of ecosystems to enhance equity and sustainability
- Analyzing and mitigating environmental health risks to promote quality of life, productivity and equity
- Tenure security, livelihoods and access to municipal services for poor, urban slum dwellers
- Promoting decent work and social inclusion
- Promoting equity, addressing the needs of the poorest and most vulnerable, with particular focus on empowerment, promoting security and better livelihoods for marginalized groups

FY09 was unique with a narrow focus on adaptation to climate change as the single overarching theme.

FY10 had two themes:

- Climate change impacts and responses.
- Food insecurity, financial shocks, and vulnerability.

FY11 again adopted a single theme, namely shocks and vulnerability. All types of shocks were included, allowing some continuity with previous years' themes on climate change and financial shocks.

Risks and Challenges to the objectives of TFESSD

21. As we look ahead, what are the risks and challenges to the successful achievement of the TFESSD objectives to mainstream the environmental, social, and poverty reducing dimensions of sustainable development into the World Bank's work? At the program level, TFESSD's objective remains as valid and relevant as ever. The environmental, social, and poverty reducing dimensions of sustainable development are evolving—climate change, crises, and fragility are among the issues that have gained prominence, for example—but large challenges remain. As the Bank continues to be at the forefront of global responses to new and re-emerging development challenges, there will be a need for the TFESSD to support essential knowledge, engagement, and capacity building on how to address these challenges. TFESSD's flexibility to annually agree new themes with the donors helps to ensure that the Fund remains relevant.

22. At the activity level, there are two core risks facing the TFESSD. The first risk is that the alignment between the objectives of individual activities and the objective of the program may weaken. This can happen if the quality review prior to approval of the proposals is inadequate or if there is weak oversight of activities under implementation. To mitigate this possibility, the trust fund is considering a strengthening of technical proposal review processes and reinforcing the window managers' oversight role. The second risk is that of inadequate quality of trust funded outputs. This may happen if TFESSD-financed analytical work and capacity building take the backstage to other operational work, a real possibility if lending remains at the current high levels. Adequate staff attention is required to ensure quality: activities left entirely to consultants do not generate strong results. Already, there is some evidence that task team leaders face hard trade-offs between supervising TFESSD activities and other parts of their work program (see Box 1.4). The window reports in Chapter 2 provide many examples of activity-level challenges, including slow disbursing activities. Some of these issues could have been prevented with more attention to timely implementation. This risk can be mitigated by allowing some staff time and travel to be charged to the trust fund, as is currently under consideration by the donors.

Box 1.4: Mini-survey of task team leaders

A mini-survey of TFESSD task team leaders (TTLs) was conducted to shed light on how and why potentially covering staff time and travel would lead to better results (staff time and travel are not eligible under TFESSD rules at the present). The respondents TTLs were from both regional and anchor units and from many different sectors. The results showed great appreciation for the trust fund and overwhelming support for potentially allowing staff time and travel to be covered in order to enhance results.

We asked TTLs how much time they currently spend on supervising grant activities. Not surprisingly, their responses revealed large variation. While some TTLs spent 1-2 staff weeks per year on writing consultant TORs and reviewing outputs, most of the TTLs who responded reported spending 4-6 staff weeks per year. This was required, many TTLs felt, for adequate quality control. One, a young TTL in a country office, even reported spending 16 staff weeks. None of this time is currently charged to the trust fund. Several TTLs also reported spending weekends on trust fund work, reflecting their dedication to the studies but also the fact that core deliverables such as loans take precedence over TFESSD-funded studies.

The ability to link trust funds to other work with an adequate Bank Budget attached is often crucial for the ability of TTLs to focus and engage personally in supervision. One TTL offered a good illustration: this TTL supervises two grants for different MENA countries. One grant helps fund a large piece of Economic and Sector Work with an adequate Bank Budget allocation. The TTL is able to put twelve weeks per year into this work stream and is therefore very satisfied with quality control and speed of implementation and disbursement. The other grant is for climate change capacity building for which the TTL has no Bank Budget and consequently is unable to travel for supervision. Instead, consultants supervise the in-country work even though, ideally, the TTL would have preferred to do some of that herself.

Other factors that can lead to higher-than-average TTL time spent on supervision include methodology development and dissemination, activities which rarely can be delegated to consultants. One TTL engaged in a gender survey reported quite high supervision costs, which she needed in order to coordinate the work with other donors and government departments; develop methodology and survey instruments; draft dissemination notes; and provide inputs to large Bank reports. Even though this TTL employs international consultants, she still desires and feels the need for deep personal engagement in methodology development and writing dissemination notes.

We also asked how supervision of trust funds impacts on travel costs. One TTL told of attempting,

sometimes unsuccessfully, to combine trust fund travel with other travel in order to reduce costs: "It would be extremely helpful if some staff time and travel costs were covered. It would also impact the quality of the trust fund outcomes. This is because, at present, no matter how hard I try to have the trust fund activities run parallel with mission travel funded from other sources, it seems impossible to get this to work well. The trust fund activities need in-field supervision, and the supervision needs to be done at the 'correct' times in the program. Without staff and travel time this does not happen. Also, I frequently feel that the trust fund activities end up being done outside office hours because I do not have sufficient resources to cover my time".

II. WINDOW REPORTS

A. SOCIAL PROTECTION WINDOW

1. Summary

1. 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 financed 60 initiatives under the Social Protection window, for a total of over US\$10.5 million.

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

- Activities to address 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 elderly.
- **Risk and vulnerability assessment**, country strategies and evaluation including (i) analytics, poverty and wealth dynamics; (ii) Social Protection responses to natural and man-made disasters, including climate shocks; (iii) support for country-level Social Protection strategies and policies, and integration in to PRSPs; and (iv) impact evaluation and learning, including country pilots
- **Employment generation and labor markets** including (i) protection for informal sector workers; and (ii) expanding rural non-farm activities, especially in low income settings. Thus far, there have only been a handful of TFESSD grants in this area.

3. Within the thematic area of highly vulnerable groups, the focus includes youth issues, policies toward the disabled, ethnic minorities and indigenous groups, the poor and the elderly. In terms of disability, TFESSD currently supports mainstreaming disability at the World Bank and assessing the social and economic impact of disability in conflict affected countries. In the area of youth, work has centered on country-level analysis of youth issues in Jamaica, Timor Leste and Morocco. 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, research was carried out on informal support systems for the elderly and on targeting social protection programs to the poor in India.

4. In the risk and vulnerability assessment, country strategies and evaluation thematic area, activities include monitoring and evaluation projects in Nigeria and Rwanda, assistance to a community driven development strategy in Nigeria, help to increase service access among vulnerable groups in Eritrea, and global analyses of the links between risk, economic growth, social networks and poverty reduction in low income settings. In addition, there is now a core set of activities around climate change and natural disasters and related responses in a number of regions. These activities came about following this year's call for proposals to address climate change related vulnerability and the FY07 call to address social protection issues related to natural disaster management. Finally, this year's call to address food insecurity and financial shocks also resulted in a cluster of activities around this theme, mostly in Africa and Asia.

5. Under the employment generation and labor markets theme, there have been four approved grants to date. All these grants are now closed except for one, which is a general study on informal sector workers and globalization with case studies in the ECA region. The overall focus has been on the links between labor market dynamics, skills and vulnerability.

2. Progress toward the Development Objectives

TFESSD's Objectives and Value Added

6. There have been significant achievements in the Social Protection Window under the first thematic area, attention to highly vulnerable groups and at-risk populations (Box 2.1). These contributions ranged from the completion of a disability toolkit on accessible urban transportation in Mexico, to ongoing work to support the reform of the disability benefits system in Bosnia and Herzegovina as well as Moldova. Research has also highlighted disability issues and brought them into the country policy dialogues and country poverty assessments, as well as addressed information gaps on informal support systems to the elderly in order to inform policymakers. Finally, in Pakistan and Bangladesh, TFESSD support has developed local capacity to better measure disability and provide appropriate services to the disabled.

Box 2.1: Support to the Mainstreaming of Disability

An umbrella grant has been used to support the inclusion of disability components in Bank operations. The funds were used as a flexible source of financing to enable quick response to requests from Bank Task Team Leaders willing to include disability considerations on their projects. In the past year, the number of activities under implementation increased significantly and included:

- Eastern Europe: the grant continues to support the reform of the Disability Benefits Systems in Bosnia and Herzegovina and Moldova.
- Latin America: an Accessible Urban Transportation Toolkit in Mexico was completed and disseminated to several other countries, including India. The Toolkit has been translated into English, Spanish and Portuguese with Hindi on the way. In Colombia, an activity on accessible transport was implemented.
- Africa: an analysis of the situation of disabled people in Sierra Leone was completed and has served as a basis for the country policy dialogue.
- Middle East and North Africa: a regional study on disability social insurance progressed, as well as a policy dialogue on accessible transport in Morocco and Egypt and a study on youth with disabilities in Egypt.
- South Asia: a regional workshop on inclusive education took place. Work progressed on disability and AIDS in Sri Lanka and India as well as an analysis of a disability module in Afghanistan as part of the Afghanistan Poverty Assessment.
- East Asia and the Pacific: a report on accessible transport in China, Vietnam and the Philippines with a focus on the lessons for the World Bank engagement was developed. In addition, an empirical study on Disability and Poverty in 20 Low Income Countries using the World Health Survey data set was prepared.

7. With respect to the youth focus, significant contributions were made to developing understanding, tools, and policies at local, regional and global levels. For example, a household survey in Timor-Leste, which analyzed the strategies of vulnerable populations to cope with shocks, improved the Bank's Social Protection dialogue with the government. This improved communication resulted in interest by government officials to make policy changes and their attendance the World Bank Social Safety Nets Core Course to learn how to do so. Local statistical capacity was also greatly improved. In Jamaica, a new tool for measuring the impact of anti-violence programs on adolescent behaviors was developed through TFESSD funding. This is now being used as a standardized evaluation tool by various government agencies. To ensure institutionalization of the findings within the World Bank, the study that led to the tool is being incorporated into a new Bank regional study by the Chief Economists Office on Crime and Violence in LAC.

8. In FY10, work in the area of risk and vulnerability assessment, country strategies and evaluation expanded to include reducing the vulnerability of small and medium agricultural producers in Latin America & the Caribbean to climate change by supporting the conceptualization of innovative weather index insurance mechanisms. Other significant areas included the completion of: (i) a Conditional Cash Transfer Implementation Manual; and a related Monitoring & Evaluation System to promote transparency and effectiveness in the use of public funds for safety net initiatives in Nigeria; (ii) the preservation and improvement of one of the oldest running panel data sets in the world in India; and (iii) a first-of-its-kind evaluation of the impact of Indian Ocean tsunami on livelihoods and the effectiveness of related safety nets.

9. In the area of employment and labor markets, regional studies of East Asia and Africa were completed in FY10. The East Asia study focuses on the implications of globalization and growth on the unskilled population, and on policies to address the skills gap and provide increased access to good employment opportunities in Indonesia, the Philippines and Vietnam. The Africa study resulted in important findings on labor market policies that have been incorporated into various local and World Bank trainings and in Poverty Reduction Strategy Papers for the region.

Impact on the Bank and in Client countries

10. The TFESSD-supported portfolio has made clear contributions at the country level and on Bank operations. Impacts on the Bank have been significant in several areas. Flagship toolkits and training materials are being used in Bank and regional training events. Research findings from some grants have impacted PRSPs and CASs. Cross-sectoral approaches used in TFESSD activities have encouraged teams to work across institutional boundaries. In East Africa, for example, Social Protection and Agriculture staff are partnering to develop risk sharing instruments, particularly those based on weather indices to provide index-based insurance products for managing climate risks (TF092625). The Community-based Natural Disasters Toolkit developed by Social Protection and Social Development staff under TF057305 was requested by the World Bank Latin America Teams responding to the recent earthquake in Haiti.

11. These examples illustrate the nature of impacts achieved at the country level with TFESSD support:

- **Bangladesh: TF090877** supported the Bangladesh Household Income and Expenditure Survey (HIES) team to design and test a disability module, which will be included in the 2010 HIES. Bangladesh is now the first developing country to implement the recommendations of the UN Washington Group on Disability Statistics on a large scale.
- **Indonesia:** The World Bank used the research from TF057436 to carry out the 2008 Poverty Assessment for Aceh, which helped to document the impacts of the tsunami across a variety of settings as well as evaluate the effectiveness of reconstruction efforts. This research is also being used by operational teams on the ground involved in reconstruction.
- **Nigeria: TF055616** supported the production of a Community-Driven Development (CDD) Policy Note and Harmonization Framework. The CDD Harmonization Framework was used in the design of the Implementation Manual of two major World Bank Projects (the Community and Social Development Project (CSDP) and FADAMA III project). The CDD policy document was integrated into a national long term development strategy document: Vision 2020.
- **Pakistan: TF090877** helped the Pakistan Poverty Alleviation Fund (PPAF) design a disability survey. This survey assessed 20 % of households. Of the 11.2 % of people identified as disabled, more than 30 % received Individual Rehabilitation Plans. PPAF is now expanding its involvement in disability issues and will continue to assess disability prevalence rates using this survey.
- **Rwanda: Under TF091040**, support to the implementation of Rwanda's social assistance policy reforms led to government decisions to pursue policy improvements. For example, a small pilot for public works and cash transfer innovations in a few sectors 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, Rwanda's Economic and Development and Poverty Reduction Strategy for 2008-12. Now it is gradually being refined and scaled up within about 20 % of the country, with plans to move ahead to national coverage.
- **Senegal:** UNICEF is using results from the survey developed under TF092501 as the baseline for a pilot Conditional Cash Transfer (CCT) program in the Kolda region. Given the interest of both the Government and donors in CCT, it is anticipated that this survey will also prove useful for a national-level initiative.
- **Timor Leste and Lao PDR:** The study on vulnerability in Timor Leste (TF090861 and TF055617) and Lao PDR (TF055617) is serving as an important input in their current country-level social protection technical assistance work. There is a now deepened understanding of the vulnerability situation in these countries.
- **Vietnam:** The study produced under TF090759 was designed in conjunction with the preparation of the Country Partnership Strategy for 2006-2010, and the results served as critical inputs to several investment projects with a strong minority dimension. In the context of the Bank's Safeguard Policy, this study is now often the first reference point for guidance on ethnic minority issues in Vietnam.

12. In addition to results at the country level, some regions have used TFESSD funding to develop regional strategies, for example on ethnic minorities in Latin America, Asia and Africa (Box 2.2), safety nets in Central Asia and labor market policies in Africa.

Box 2.2: Ethnic Minorities, Poverty and Human Development (TF090720)

This grant supports the first global qualitative assessment of poverty and socio-economic indicators for indigenous peoples. It includes comparable country assessments for over 10 countries in Asia and Africa, which were added to existing data for Latin America to provide a global baseline. As shown by recent experience in Latin America, these analyses can improve monitoring of national poverty reduction strategies for indigenous peoples, and policy formulation and social service delivery to these groups. This assessment responds to a direct request from the United Nations Permanent Forum on Indigenous Issues. The report examines poverty, labor, education, health and social protection issues and includes chapters by economists, social development experts, sociologists and anthropologists. It was used as justification for the Indigenous Peoples Climate Action Fund. The team also presented the report at a meeting chaired by the President of the World Bank. The team is now undertaking a series of additional dissemination activities at the Bank, UN headquarters, and some of the study countries.

Shortfalls

13. 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. Reasons for delays included a lack of necessary data (TF090720, TF057435, TF055759 and TF092558), national elections (TF092500), government staff turnover and lack of engagement (TF092503, TF090877 and TF055759), weak local capacity (TF055759 and TF055944), uncooperative communities and political sensitivities (TF090860), and severe drought (TF092625). In particular, over-optimism on the part of task teams on the time it will take to recruit and contract adequate technical (and sometimes local) firms is a consistent source of delay. For example, an effort (TF057002) to identify vulnerability in the use of health systems in Eritrea ran into delays due to challenges in finding a qualified local firm and field assistants who could also speak in the local dialects. In other cases, dissemination activities were curtailed due a lack of budget available for the travel of World Bank staff as in the case of TF057305.

Capacity Building

14. Capacity building has been an important aspect of grant activities in the Social Protection Window. Most activities support knowledge sharing and dissemination, capacity building (through government participation in the Bank's Social Protection Core Courses for example), and partnership development. There have been a number of flagship publications financed with TFESSD resources. For example, "Globalization, Wages, and the Quality of Jobs: Five Country Studies" (<http://go.worldbank.org/HEHSF8CLF0>) provides a framework for research and data collection, as well as guidelines for policymakers to identify whether barriers to labor mobility and/or competitive forces triggered by globalization are preventing poor and vulnerable workers from contributing to and reaping the benefits of economic growth. Dissemination events have typically included workshops in the participant countries (see Box 2.3) as well as a number of higher profile international gatherings. TFESSD funded projects have also built local capacity, such as in Indonesia where the NGO, SurveyMeter, became a locally preeminent survey-oriented institution due to training received through the project. One of the most important aspects of capacity building has been the promotion of partnerships with other international agencies like ILO and UNICEF, bilateral agencies like DFID, NGOs, academic groups, and government agencies.

Box 2.3: Nigeria: Participatory Monitoring of Needs (TF055842)

This grant supported the development of a participatory monitoring and evaluation (M&E) framework for the use by the National Poverty Eradication Program (NAPEP) Office in partnership with civil society. It is now regarded as a major element of the Government's current reform agenda. Furthermore, the project trained public servants at the federal, state and local government levels and civil society organizations on participatory M&E. Additional project activities included:

- data gathering and analysis for pilot testing of the participatory M&E tool;
- feedback meetings and consultations on the pilot exercise with project beneficiaries and NAPEP officials at the field level and policy level; and
- dissemination of over 1,000 copies of the M&E Framework Booklet at workshops across the country to key NAPEP and sectoral ministries and development agencies.

New Challenges for Social Protection: Responding to FFF Crisis

15. The recent food, fuel and financial crises (FFF) continues to dominate the agenda of the World Bank, further increasing the need for well-designed social protection policies and interventions. The Bank and the international community have responded by providing lending, budget support and technical assistance in areas such as nutrition, analyzing causes of vulnerability, strengthening social safety nets for the poor and vulnerable. Social protection related lending, which includes improving labor markets, social safety nets, nutrition and food security, social risk mitigation and related topics, has increased dramatically since the crises. From FY06-FY08, social protection lending averaged \$1.1 billion per year but then jumped to \$4.3 billion and \$4.2 billion in FY09 and FY10 respectively. Countries, even those that were previously reluctant to invest in their safety net systems, are thus much more supportive of the role of social protection than in the pre-crisis years.

16. This increase in demand is a strategic opportunity to shape social protection strategies in many countries but also a challenge for staff because much more assistance is needed without parallel increases in the Bank's budget for project preparation, supervision and related technical support. As a result, the Social Protection Window has seen a growth in demand for funding to help develop strategies and capacities to provide effective solutions. The new proposals to be approved under the FY11 Call for Proposals on the themes of shocks and vulnerability will help provide important further support to this agenda. Areas of particular emphasis include assessing the ability of crisis response instruments to benefit the poor and the development of innovative social safety nets for crises (Box 2.4).

Box 2.4: The Social Protection Responses to the FFF Crises in East Asia (TF095667)

This grant supports the recently created Social Protection team in East Asia and the Pacific with funding for activities to:

- address knowledge gaps on poverty, vulnerability, crisis impacts, social protection programs, and expenditures in Lao PDR, Timor Leste, Mongolia, and Vietnam;
- identify social protection priorities and specific areas for engagement and the policy dialogue going forward; and
- foster learning and disseminate knowledge on thematic and cross-cutting issues through in-country workshops and international events.

17. Planned activities are advancing through the identification of consultants, the allocation of tasks to prepare country analytical assessments and policy notes, and dialogue with relevant country counterparts. As capacity building and dissemination are both key components of the grant, relevant counterparts from the selected countries participated in the two-week Social Safety Nets Core Course organized by the World Bank Institute and the Social Protection and Labor Anchor in February 2010 (<http://go.worldbank.org/RKXXK1DCAZ0>).

3. Activity Summaries

Theme 1: Highly Vulnerable Groups and At-Risk Populations

18. **TF092503 Support to Mainstreaming of Disability at the World Bank (FY09) - \$879,055:** The goal of the TFESSD-Disability & Development Window is to include disability components in Bank operations. The main audience is Bank staff. The number of activities under implementation has increased significantly. In Eastern Europe, work is ongoing on the reform of the disability benefits system in Bosnia and Herzegovina and Moldova. In Latin America, a toolkit on accessible urban transportation in Mexico was completed and disseminated in Mexico, India, the World Bank, and several other countries. The toolkit is available in English, Spanish and Portuguese and will be translated into Hindi. An activity on accessible transport was implemented in Colombia. In Africa, an analysis of the situation of persons with disabilities in Sierra Leone was finalized and it was the basis for the country policy dialogue. In the Middle East and North Africa Region, a regional study on disability social insurance has advanced, as well as policy dialogue on accessible transport in Morocco and Egypt and a study on youth with disabilities in Egypt. In South Asia, there was a regional workshop on inclusive education, as well as work on disability and AIDS in Sri Lanka and India and an analysis of a disability module in Afghanistan as part of the Afghanistan Poverty Assessment. In East Asia and the Pacific, a report on accessible transport in China, Vietnam and the Philippines with a focus on the lessons for the World Bank engagement is being developed. Finally, an empirical study on disability and poverty in 20 low-income countries was developed.

19. **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 field work protocol is complete and being tested in Angola. The team held a workshop in Angola with the local researcher and relevant Disabled Peoples Organizations to work through the protocol. Workshops and policy dialogue at country and regional level are planned, as well as dissemination of the reports. As part of the knowledge sharing process there is also a session planned in each country with the key local stakeholders to validate the report.

20. **TF090877 Strengthening Capacity for Measuring Disability across South Asia (FY08) - \$140,000:** The main objective is to improve the capacity for measuring the prevalence, type, level, and causes of disability in Bangladesh, India and Pakistan. These countries would be able to assess whether or not this vulnerable population, who tend to be poorer and more disadvantaged than most, have access to equal opportunities. The Governments of Bangladesh and India have signed and ratified the UN Convention on the Rights of People with Disabilities (UNCRPD), while Pakistan has signed it. Appropriate disability data provides essential information for countries to improve implementation of the UNCRPD, policies, service delivery, and safety nets for persons with disabilities (PWD) and their families, as well as develop appropriate planning, budgeting and monitoring and evaluation systems. The primary activity for to achieve this grant's objectives was an in-depth, three-day workshop, which brought together teams from Bangladesh, India and Pakistan and lead to follow on work in Bangladesh and Pakistan. In India, however, the participants did not take the information from the workshop forward to the National Sample Survey Organization or the Ministry of Social Justice. Therefore, there was little follow-up work there. The grant is actively supporting the Pakistan Poverty Alleviation Fund (PPAF) in piloting a disability survey in 34 Union Councils, including earthquake-affected areas, which will expand across the country in the third Pakistan Poverty Alleviation Project. The team did not have success in engaging the government in this project, however. In Bangladesh, where the project has been most successful, the grant supported the Bangladesh Household Income and Expenditure Survey (HIES) team to design and test a disability module. The team presented it to the broader Bangladesh Bureau of Statistics, which approved its inclusion in the 2010 HIES. Analysis of the data from the HIES will provide the baseline for the Bank-funded Bangladesh Disability and Children-at-Risk Project and achievement of the UNCRPD's standards, as well as other government health, education and safety net programs. In India, Attributing impacts directly to this grant is difficult given the countries' involvement in the UNCRPD and the existence of other disability projects in Bangladesh and Pakistan. It appears, however, that the TFESSD supported work has influenced the disability measurement agenda. In Bangladesh, the grant influenced significant changes in the largest national survey, which 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 other UN member countries. In Pakistan, the PPAF-implemented Earthquake Disability Project used its survey to link people with functional limitations directly to services. Over 20 % of households were surveyed, and of the 11.2 (average across UCs) % of people identified with issues, more than 30 % were assessed and developed Individual Rehabilitation Plans. PPAF is now expanding its involvement in disability issues across its national program and will continue to assess disability prevalence rates using the survey developed with TFESSD support. Overall, this project has been very successful in building local capacity and sharing knowledge through active learning workshops, cross-country presentations, and technical assistance. It has also developed partnerships by ensuring the involvement of government line ministries, NGOs and disabled people's organizations.

21. TF091148 India: Empowering Disabled People in India (FY08) - \$45,000 (Completed): To date, there is no rigorous analysis of the socio-economic impacts of different interventions on the lives of disabled people and their families and the institutional factors at the local level that drive outcomes and inform policy development and donor support. In this light, the objectives of the proposed study and dissemination activities are to: (i) provide survey-based evidence from a major disability program in Andhra Pradesh (AP) on the effectiveness of different interventions aimed at increasing the empowerment, social participation and livelihoods of disabled people; (ii) provide insights into the social and institutional factors that drive the observed outcomes; and (iii) engage Indian policymakers and civil society on disability policy and practice through a state-level workshop on draft findings, community-based dissemination of findings the disabled self-help group (SHG) network, and the publication of report findings. A qualitative report based on a household and village quantitative survey was completed. This, along with additional analysis, was shared with Government of AP (GoAP) and other stakeholders in mid-2009. Dissemination and policy dialogue to share analysis and provide exposure to best practice was completed through active engagement with potential users of this work, including the Department of Rural Development (GoAP), the Ministry of Social Welfare (GoI), representatives of other states, international donors, civil society and other stakeholders. The team also conducted international dissemination. The joint work with the GoAP on design, implementation and dissemination of the survey has resulted in their exposure to good survey methods and practice. The GoAP felt the report was very useful and they are relying on the findings for reorienting their SHG programs and outreach interventions for people with disabilities. For example, the GoAP has recently undertaken a process review of their disability certification procedures. This review was considerably informed by the survey findings and field visits. The generation of knowledge on an understudied area makes this a very valuable piece of work not only for India but for other countries as well.

22. 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 over three years, paying close attention to its gendered dimensions. This is the first truly cross-sectoral youth study in the MENA Region. For the first time, the Bank will have youth-specific household data in a country where data access barriers are especially high. Most importantly, it will allow for an unprecedented understanding of school-to-work transition issues and youth labor market informality. The team expects to widely disseminate it with decision makers in Morocco as well other Arab Mediterranean countries, including youth representatives. The knowledge-sharing plan will be developed in consultation with the Government once they clear the data dissemination.

23. **TF057435 Violence and Crime in Jamaica (FY07) - \$200,000:** The study aims to determine 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 overall increasing trend over the last 30 years. The study will generate evidence on the impacts and cost-effectiveness of different approaches that seek, directly or indirectly, to reduce criminal and violent activity among young people in Jamaica. It will evaluate specific projects to develop an appropriate mix of policies. The project's progress report was finalized in May 2008. In February 2010 the lead consultant traveled to Jamaica to present preliminary findings at a conference involving the Government, development partners (including the WB and IDB as well as bilateral agencies, such as USAID and DFID) and civil society. The study will also be incorporated into a new Bank regional study on Crime and Violence in LAC being undertaken by the Chief Economists Office. This will ensure institutionalization of the findings within the Bank. The activity has given rise to a new tool for measuring the impact of anti-violence programs on adolescent behaviors, which the government in Jamaica is now using as a standardized evaluation tool.

24. **TF090861 Reaching the Vulnerable and At-Risk Youth in Timor Leste (FY08) - \$75,000 (Completed):** This project's objective is to analyze vulnerable populations' shock coping strategies and how government interventions can minimize shock-related welfare losses. The original proposal for this project was to focus on issues of youth and vulnerability. To respond to the client's interests, however, and considering the limited development of safety nets in Timor Leste, the project changed its focus to vulnerability and coping strategies of Timorese households more generally. Despite political instability, the team successfully designed and carried out a household survey on risk and risk management. The survey is fully compatible with the Timor Living Standards Survey (TLSS) and thus relevant to the Timor context. The team presented their main findings at a seminar in Dili in November 2009, with the attendance of key counterparts from Ministry of Social Solidarity, as well as their advisors. The attendees were very interested in translating the recommendations into policy decisions. The project team also mobilized other Trust Fund resources to allow key government officials to attend the two-week World Bank Social Safety Nets course. The project thus contributed to improving the dialogue with the Government in the area of Social Protection. This project's data collection also strengthened local statistical capacity, which will be crucial in future household survey implementation, such as the planned 2010 household survey. This survey will assess the performance of social safety nets programs implemented by the Ministry of Social Solidarity in order to improve service delivery to the population.

25. TF090720 Ethnic Minorities, Poverty and Human Development (FY08) - \$190,000:

This project's objective is to provide the first qualitative global assessment of poverty and socio-economic indicators for indigenous peoples. This global effort to assess the poverty and socio-economic status of indigenous peoples responds to a direct request from the United Nations Permanent Forum on Indigenous Issues. It examines poverty, labor, education, health and social protection issues and includes chapters by economists, social development experts, sociologists and anthropologists. It assessed around ten countries in Asia and Africa and combined those assessments with existing data for Latin America to provide a global baseline. As shown by recent experience in Latin America, this could improve monitoring of national poverty reduction strategies for indigenous peoples and policy formulation and social service delivery to these groups. The final report will be published as a book. The team is now undertaking a series of dissemination activities at the Bank and UN headquarters and in some of the study countries. To date, the work was presented in a meeting chaired by the President of the World Bank and was used as justification for the Indigenous Peoples Climate Action Fund. On April 23, 2010, the team leader will present findings at a seminar organized at the United Nations Development Program in New York.

26. TF090759 Promoting Equity for Ethnic Minorities in Vietnam (FY08) - \$120,000:

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. This project will deepen, refine and update the Vietnam Country Social Analysis (CSA) on Ethnic Minority Development with involvement from Vietnamese counterparts. It will disseminate results at community, national and regional levels. The team launched the study in Hanoi with government counterparts, INGOs, NGOs, and other stakeholders working on ethnic minority affairs. Extensive local capacity building has occurred: (i) the Institute of Ethnic Minority Affairs (IEMA) of Vietnam and many local academics and researchers received in-depth training; and (ii) There was local involvement in planning for fieldwork, the development of qualitative and quantitative methodology, and data analysis. There has also been extensive public dissemination of this research and it was shared with the Government in June 2009. This project has shown preliminary impacts. There are several investment projects in Vietnam with a strong minority dimension for which the study results have provided critical input. Also, in the context of the Bank's Safeguards, this study is often now the first reference point for guidance on ethnic minority issues in Vietnam.

27. TF055759 Informal Support for the Elderly: A Three-Country Study (FY06) - \$200,000 (Completed):

There is little empirical evidence on the extent, causes or trends of informal support systems for the elderly. To address these information gaps, this study explored informal support arrangements for the elderly in India, Sri Lanka and Senegal. Issues covered include trends in inter-generational co-residence and family support to the elderly, the extent of non-resident family support (including remittances), the role of the community as an informal support mechanism, gender dimensions including the status of widows, and the interactions between informal support mechanisms and public interventions for the elderly. The audience is policymakers dealing with welfare of the elderly, as well as World Bank and other donor/NGO staff working in these countries and regions. The team completed the three-country study providing a rare analysis of the changing state of intergenerational support for the elderly in low and middle-income countries. The study is not as robust in the Senegal case, however, due to survey limitations and the use of secondary data. The team shared the report with colleagues working in this area, other researchers in the field, policymakers from all three study countries and NGOs, such as HelpAge International. The report is already proving useful in many

settings. The World Bank Core Course on Pension Reform used the report and its results in its course materials. In Sri Lanka, this work was part of a broader engagement which produced a policy paper on Ageing in Sri Lanka and led to a major workshop with policymakers in that country.

28. TF090860 Identifying the Poor in India (FY08) - \$80,000 (Completed): The objective of this activity is to promote effective targeting methods for government and donor-supported programs focused on poor households. The team studied the performance of current targeting methods using existing information and new surveys in two rural Indian states - Orissa and Tamil Nadu. They also held discussions with state government counterparts to understand their concerns and needs. Once the data analysis is complete, dissemination is planned through active engagement with potential users of this work and through publication of the final policy note in a the local journal, the Economic and Political Weekly. Further dissemination is planned through a regional report on targeting in South Asia. The assessment will also feed into the national targeting dialogue and deliberations at government forums, including: (i) a presentation during the Orissa Development Policy Loan mission in mid-April 2010; (ii) a presentation to the Tamil Nadu state government as part of the rural livelihood project - Tamil Nadu Vazhndhu Kaattuvom Project (TNVKP); and (iii) presentations or written inputs to the central committee on targeting (under Ministry of Rural Development). This dissemination strategy was restructured from standalone workshops on targeting because they were considered too politically sensitive. The datasets will also be placed in the public domain. Since the finalization and dissemination of findings are planned for April-May 2010, the team has not yet seen results. However, preliminary findings suggest that the policy note would be useful in informing, and hopefully influencing, state and central government thinking on the design of the next proxy means test tool and targeting methods.

Theme 2: Risk and Vulnerability Assessment, Country Strategies and Evaluation

29. TF055842 Nigeria: Participatory Monitoring of Needs (FY06) - \$319,768 (Completed): The main objectives of the project are to: (i) promote accountability, transparency and effectiveness of the government's poverty reduction agenda; (ii) enhance the government's and civil society organizations' (CSOs) capacity to monitor key elements of the government's poverty reduction program; and (iii) increase and institutionalize citizen participation in the monitoring and evaluation of Nigeria's poverty reduction strategy. The team carried out the following activities to achieve the project's objectives: (a) training of public servants and CSOs on participatory M&E and joint framework development; (b) pilot testing of the framework; and (c) dissemination of the tools, methods and results. In partnership with civil society, the project team developed a participatory monitoring and evaluation (M&E) framework for the national poverty reduction strategy. The National Poverty Eradication Program (NAPEP) office adopted this framework. The project team trained key NAPEP staff, ministries and development agencies on the framework. The team disseminated over 1,000 copies of the participatory M&E framework booklet through workshops with key NAPEP staff, sectoral ministries and development agencies across the country. Since the completion of the M&E framework, several other programs have used it, such as World Bank community-based poverty focused interventions in Nigeria (microcredit, skills acquisition and community-implemented education and health micro-projects).

30. **TF055616 Nigeria: Harmonization of Public Policies and Processes (FY06) - \$189,651 (Completed):** The main objective of this project is to assist in building a national and state-level policy consensus on community driven development (CDD) in Nigeria. The target audience includes federal, state and local government-level policy makers; development workers; World Bank staff; private and non-profit sector workers; and poor communities. A CDD policy note and a CDD Harmonization Framework were produced through this grant. The final CDD Policy Note has been delivered to Government and copies will also be circulated to key Federal Government Agencies. The CDD harmonization framework addressed both public and private goods provision and their use by the members of the community and other groups. To date, the project has raised awareness and built consensus on an integrated CDD policy and program framework among key stakeholders. There has been wide acceptance of the CDD approach as effective tool in poverty alleviation - especially for community-level public services. Following dissemination of the policy documents and framework, the CDD Harmonization Framework was used in the design of the implementation manual of two major World Bank Projects (The Nigeria Community and Social Development Project (CSDP) and the Nigeria FADAMA III project). The government also integrated the CDD policy document into a national long-term development strategy document: Vision 2020.

31. **TF090779 M&E Framework for Nigeria Safety Net Program (FY08) - \$150,000 (Completed):** The objectives of this project are to: (a) promote ownership, empowerment, and participation of the recipients of SN programs; (b) ensure effective management of SN programs in Nigeria; (c) enhance the capacity of all stakeholders to effectively monitor and evaluate SN programs in Nigeria, and (d) deepen citizen participation and institutionalize participatory process in the planning, implementation, monitoring and evaluation of SN programs in Nigeria. The President launched the program in August 2008, with funding mainly from the Federal and State government and technical assistance from the Bank. The project produced and disseminated a Conditional Cash Transfer (CCT) implementation manual and a CCT monitoring and evaluation (M&E) system. At a national workshop in Abuja, state government officials from Niger, Cross River, Enugu, Yobe, Imo, Kwara, Oyo and Kogi received and discussed possible applications of the manual for customized CCT programs in their respective states. Cross River, Niger and Enugu have since used the manual in the design and implementation of their CCT intervention. A World Bank assisted CCT lending project in Nigeria also plans to use the manual. Twelve CCT pilot projects using a locally adapted form of the implementation manual and M&E system are now active. The government at all levels finds it very useful and practical. The project also assisted the National Poverty Eradication Program (NAPEP) to develop an effective and monitorable Conditional Cash Transfer program using a participatory approach. Substantial capacity for development and implementation of M&E systems for CCTs was developed in the country, especially in the NAPEP and in selected states. With clear government ownership the project moved smoothly. Now with increased capacity of the government to monitor safety net programs, it will be easier for the World Bank to support result-based projects in some of the state agencies.

32. **TF057002 Tackling Vulnerability to Address Health Issues of Eritrea (FY07) - \$200,000:** 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. The objective of this grant is to: (i) carry out a desk review of the current types and levels of vulnerability among the target groups in terms of access to and usage of health services; (ii) conduct a participatory rapid assessment (PRA) with particular focus on the rural poor, mobile populations, and women, to determine factors that generate vulnerability which affect the use of health services; (iii) based on the findings of the PRA, produce a report on factors that contribute to vulnerability associated with the use and non-use of health services and recommend ways in which identified barriers can be overcome; and (iv) disseminate findings through story-telling to enable a better understanding of the roles and responsibilities of various stakeholders in promoting accountability in health service delivery. In the last 12 months, the implementation of this grant has accelerated. Activities (i), and (ii) were completed by a local firm, and activity (iii) is close to completion. The findings of this study will provide evidence to assist the Ministry of Health in designing appropriate approaches and service interventions (across the nine ethnic groups) which will ultimately serve to improve reproductive health outcomes. The team will soon partner with the Ministry of Health in order to disseminate the findings of the report.

33. **TF091040 Rwanda – Developing, Building and Evaluating Social Assistance for the Poor and Vulnerable (FY08) - \$180,000:** The major objective of this project is to support implementation of Rwanda's social assistance policy reforms. In particular, the grant has focused on assessing the Direct Support (DS) program and the Public Works (PW) program. 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. This work has so far impacted the government's decisions to pursue policy improvements relating to targeting, budget-allocation criteria and processes, and complaints mechanisms over the next year. 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 5-year Poverty Reduction Strategy program (PRSP), Rwanda's Economic and Development and Poverty Reduction Strategy for 2008-12. The public works pilot is gradually being refined and scaled up to 20 % of the country, with plans to move ahead to national coverage.

34. **TF055617 Global: Risk, Growth, and Poverty Reduction in Low Income Countries (FY06) - \$240,000:** This project will look at the links between risk, economic growth, and poverty reduction in low-income settings with the objective of improving pro-poor growth strategies and policies in Country Assistance Strategies (CAS) and Poverty Reduction Strategy Papers (PRSP). It will also evaluate ex-ante risk management instruments and develop country-level pilot programs. Finally, the project will develop a network of researchers and development specialists around these themes. To date, the team has completed and disseminated a paper on social protection and poverty traps and a theory paper on risk, economic growth and poverty reduction. Still under production are research products on macroeconomic, health, and employment shocks, and natural disasters. In China, a number of policy-focused data and analytic activities were launched. This includes a paper on the specific vulnerabilities working women in East Asia. The team completed and presented the report of vulnerability in Timor Leste, which serves as an important input for the current country level social protection technical

assistance work, as well as the recently launched poverty assessment. The vulnerability study in Laos was also completed and served as a critical input to both the report "Vulnerability and Safety Nets in Lao PDR" and to the ongoing social protection policy discussions. Finally, a paper was put together to summarize findings from various research outputs. One impact of these activities is a deepened understanding of the vulnerability situation on the ground.

35. TF055944 Risk, Social Networks, Interventions and Poverty: Investigating Poverty & Wealth Dynamics (FY06) - \$149,500 (Completed): The project aims to increase the understanding of long-term poverty dynamics and its determinants through preserving and improving an innovative long-term panel data set. This data set, Village Level Studies (VLS), covers 30 years and multiple generations of households and individuals in rural Maharashtra and Andhra Pradesh. VLS is the longest running panel data set for a developing country. The International Crop Research Institute for the Semi-Arid Tropics (ICRISAT), located in southern India, has been responsible for VLS data collection and dissemination since the mid-1970s. The grant was successful in (i) continuing, and in some areas expanding, VLS data collection for three more years (2005-2007); (ii) improving documentation and consistency of all panel data collected in ICRISAT villages (over 30 years) and providing better access to researchers; and (iii) supporting and disseminating findings for new areas of research in India (e.g. poverty dynamics, risk and shocks, social networks). The grant also supported capacity building in data collection and analysis at ICRISAT, which was of low quality before. Research partnerships were developed and strengthened with teams at Oxford and Cornell. Oxford University provided support to ICRISAT to clean and build a consistent panel data set within a short period. With ICRISAT's permission, new VLS data files for 2005 and 2006 were made available to the wider research community on an Oxford website well in advance of ICRISAT's normal three-year wait period. The website also includes reorganized data sets from earlier rounds of the VLS: http://www.economics.ox.ac.uk/members/stefan.dercon/icrisat/ICRISAT/ind_x.html. The grant helped to salvage and continue one of the oldest running panel data sets in the world, which has influenced thinking on rural development and policy responses in India for several decades. It ultimately led to a large grant from Gates Foundation to ICRISAT to expand the initial panel data (more communities, more years), research on rural poverty and poverty dynamics in India, and staffing and institutional capacity. Data and papers were initially disseminated on an Oxford University website, and more recently through ICRISAT's own extensive website. The early background paper prepared by ICRISAT was disseminated at a World Bank-sponsored research seminar in Delhi. Follow on studies using the new data have been presented in various research forums and the findings are reflected in the most recent India Poverty Assessment.

Theme 3: Climate Change and Natural Disaster Impacts and Responses Sub-Cluster

36. TF092625 Index-Based Insurance Products for Managing Climate Risks in East Africa (FY09) - \$500,000: This project aims to improve a database for insurance against climate disasters and promote its application in different contexts. Households will become more resilient and therefore engage in more sustainable development practices. Ultimately these practices will enhance their asset accumulation and hence incomes. In addition to the report on the design of the instrument, which has been completed, various other technical reports will be produced. A seminar on the instrument was held in Kenya.

37. 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. Products will include a paper compiling lessons learned, a tool kit, a community-level risk management module, and workshops to disseminate findings. The team completed a toolkit/operational manual on community-based disaster risk management (CBDRM) in May 2009. This toolkit incorporates input from other TFESSD teams, with whom the SF/CDD teams have worked closely, including gender (TF057146) and disability (TF057288) in natural disaster risk management. A launch event for the toolkit was held at the World Bank headquarters and was chaired by the the Human Development Network's Vice President. Several knowledge sharing and dissemination activities have been carried out within this program of work to increase awareness of the role of SF/CDD in natural disaster management. Exchanges between countries included Malawi government (including Bank staff) visiting Pakistan for the first time in order to learn from the Pakistan Poverty Alleviation Fund's disaster mitigation strategy. These activities have resulted in the inclusion of CDD approaches to disaster preparedness and response in Country Assistance Strategies (CASs) and community strategies. Until recently SF/CDD operations were being prepared in countries with no attention to the potential role the social fund agency could play if and when a disaster occurs. As a result of this project's awareness raising activities and the practical guide (toolkit) that has been prepared, task teams now have a valuable resource to consult when preparing projects as well as when expected to respond to a natural disaster.

38. TF057305 Responding to Natural Disaster through Social Protection Instruments Including Vulnerable Groups (FY07) - \$90,000: This grant has aimed at sharing and disseminating the work of several teams on natural disaster risk management and vulnerable groups. Various activities aimed at disseminating the work of the various thematic groups have taken place during 2009 and are highlighted under TF057304. This awareness raising has led to social fund (SF)/community-driven development (CDD) Bank teams including strategies for strengthening community response to natural disasters in their project designs. For example, in East Asia several countries have requested guidance on community-based disaster risk management (CBDRM) including Vietnam, Mongolia, and China. In Africa, Zimbabwe, Nigeria, Malawi are including a focus on CBDRM in SF/CDD projects. In MENA, the Disaster Risk Management team has been using the toolkit to promote awareness of CBDRM in the region. The team has also experienced great demand from teams working on emergency operations in countries where natural disasters have recently occurred, such as Haiti where numerous copies of the Toolkit have recently been made available.

39. TF092501 Climate Change and the Changing Role of Children in Household Risk (FY09) - \$450,000: This project aims to reduce the vulnerability of children and families affected by climate change in the longer term 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. Project activities will consist of research 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.

40. TF092558 Climate Change-Induced Migration and its Impact on Youth in West Africa (FY09) - \$430,000: This project will use 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. Research results will be used to provide concrete policy guidance to counterparts in the three countries in meeting the needs of the growing numbers of young climate migrants in urban centers. Data allowing, the project will address both internal and external migration of youth in the region and abroad. The project will also carry out specific capacity building for the national statistical offices to better monitor and analyze internal and regional migration patterns. The outcomes of the project will be disseminated in national workshops in the involved countries and in a regional workshop in Dakar, Senegal. The team has completed draft background notes on available data and trends for each country and developed an outline for the main report. This outline was presented in Mali and Senegal in July 2009. This project is being carried out with close involvement of the national teams in Burkina Faso, Mali and Senegal and includes representatives from the ministries of economy and development, social affairs, and youth and employment, as well as the national statistical agencies. The July meetings (in Dakar and Bamako) to discuss the outline gathered people from different fields, and many international agencies and donors have shown considerable interest in the preliminary findings.

41. 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. The project will thus contribute to reducing risk and increasing resilience of both rural and urban households through the development of new, and adaptation of existing, safety net instruments. The outcomes of this project will help vulnerable households to be more prepared against environmental, social and economic risks. The initial meetings by the lead consultant in Dhaka in August indicated strong support for the project's objectives and widespread interest in medium-term disaster impacts and the potential roles for safety nets. The meetings identified potential sources for documents on the medium-term impacts of disasters. The start up of the work for the first phase of the research was delayed due to a number of factors, including the national elections that were held at the end of December.

42. 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 will also use a "train-the-

trainer" model to train local insurers and local universities on weather risk management applications. The project, although new, has already completed an initial prefeasibility study for introducing weather data grids for the design of agriculture insurance products in Guatemala. Phase two of the tool design will begin in the next few months for Guatemala and Honduras. Risk mapping of farmers will begin by mid-2010, along with capacity transfer activities.

43. TF094621 Improving Rwanda's Social Risk Management Options for Climate-Related Risks (FY10) - \$200,000: This project seeks to develop additional options and strategies to address risk within Rwanda's overall social protection (SP) approach. This study will examine the impact of the fear of droughts, floods, pestilence, or crop-price cycles on the adoption of credit-financed, technological improvements in agricultural inputs by landed but otherwise asset-poor agricultural households. A pilot study was conducted and it generated some tantalizing results where, for example, people who had had prior experience in small savings groups appeared to adapt more quickly and rationally than others who had no such prior experience of systematic decision-making in the context of risks of this kind. Discussions on issues underlying the study have been held with officials in the Ministries of Finance, Local Government and Agriculture. When available, results and reports will be shared and discussed with interested Rwandan parties, including officials, researchers, and policy makers.

44. 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 people in the 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 the lessons learned among the ongoing Bank's 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 bio-carbon finance component of the project has been progressing and a cross-learning workshop was organized in Washington, DC along with an exposure visit, including the Chief Minister of the State of Himanchal Pradesh (HP), to Costa Rica. Lessons learned have been documented and bio-carbon finance has been recognized as an important and high priority intervention by the Chief Minister of HP. A community-friendly bio-carbon guideline is being developed and preparatory work has commenced for the livelihood mapping. During the upcoming supervision mission in May 2010, the Bank and project team will agree on a knowledge sharing event and an additional exposure visit related to the community-friendly bio-carbon finance manual.

45. TF057436 Study of the Tsunami Aftermath and Recovery (STAR) (FY07) - \$150,000 (Completed): The main objective of this project is to evaluate the various Tsunami related safety nets in the affected region of North Sumatra to provide new information on the effective design of safety nets following a large-scale natural disaster and concomitant displacement of population. The team carried out the following to achieve this objective: (i) documentation of the immediate, medium-term and longer-term consequences for the population of northern Sumatra, Indonesia, of the 2004 Indian Ocean tsunami with respect to mortality, family disruption and relocation, physical and mental health, and economic and social security at the individual, family and community level; (ii) an examination of the reconstruction of lives and livelihoods in the aftermath of the disaster, paying attention to the effects of different behaviors in response to the disaster, the roles of kinship and social networks, levels of economic resources, and receipt and leveraging of external aid; and (iii) identification of the characteristics and behaviors of individuals, households and communities that are associated with mitigating the negative consequences of the disaster. The grant's objectives have been achieved. Over 13

research papers and reports have been produced and more are in production. These studies look at a variety of policy relevant topics including the effectiveness of aid mechanisms, the distribution of aid across households, and population well-being. Several of these studies have already been published in peer-reviewed journals. The findings have been reported in both academic and practitioner forums. Substantial knowledge exchange has occurred and is ongoing. There were over 30 seminars, including at least five in Indonesia, to government and other stakeholders (the World Bank, academics in the US, Europe and Indonesia). Research was also presented at high profile international meetings, such as the Annual American Economic Association meetings and the Annual International Demography meetings. This research is also being used in World Bank projects, including the World Bank's 2008 Poverty Assessment for Aceh, which helped document the impacts of the tsunami across a variety of settings as well as indicate the relative effectiveness of various reconstruction activities. Operational teams in the reconstruction areas continue to use knowledge from this project. Local capacity building was also a priority for this project. STAR invested heavily in a local NGO for study design, data collection, data processing, and analysis. Many specific skills of this NGO, most notably the tracking of displaced or highly mobile populations, have been developed under the auspices of this project. This NGO, SurveyMeter, is now the preeminent survey-oriented institution in Indonesia apart from the para-statal Central Statistics Office. It now leads a variety of projects, including the prestigious Indonesia Family Life Survey. This project is the first project of its kind to leverage a pre-existing large-scale survey and follow-up covering thousands of respondents in the aftermath of a disaster. It is also unprecedented to find a study this comprehensive and timely. The first post-tsunami survey was fielded only four months after the disaster. The main follow-up activities to this grant will be the dissemination of new knowledge and policy practices through academic journal articles, conference presentations, policy reports, and seminars directed towards practitioners. The data will be placed in the public domain and will be an important scientific resource for better understanding the impact of a natural disaster on population well-being.

Theme 4: Food Insecurity and Financial Shocks Sub-Cluster

46. 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. It plans to build the capacity of Rural Savings and Credit Corporations (RUSSACOs) and other microfinance institutions (MFIs) to deliver the insurance product with credit services (primarily to purchase animals) and agricultural services (training on animal health management, vaccination services and veterinary services). The team has held meetings with stakeholders in Ethiopia and experts on livestock insurance (FAO and others). The Ethiopian Association of Microfinance Institutions (AEMFI) was identified as the best local partner.

47. 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 impact, 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 team is moving forward with the planned activities. They are currently identifying consultants and allocating tasks for the preparation of country analytical assessments and policy notes, as well as having dialogue with

relevant counterparts in the different countries covered by these funds. In February 2010, relevant counterparts from the countries covered under these funds participated in a two-week Social Safety Nets course organized by the World Bank Institute

48. **TF095119 Community-Based Conditional Cash Transfers with Mobile Phone Banking (FY10) - \$400,000:** The objective of this project is to reduce vulnerability to shocks among poor households 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. This technological innovation will allow the cash transfers to go directly from the donor to the recipient, reducing errors and fraud and lowering transaction costs. This is the first community-based CCT anywhere and one of the first CCT programs in Africa. Thus it will serve as a flagship for the rest of the continent and other countries with limited institutional capacity. Activities for this project have not yet commenced.

49. **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. While methodologies exist for targeting chronically poor and food insecure households, implementation of best practices is limited in many countries due to lack of data, lack of knowledge, and weak capacity. This activity will help to address these gaps. This work is still in the early stages of implementation. The preparatory work for the country studies is almost complete. Individual country studies will be initiated soon. For several countries, the team has consulted with partners and identified existing social protection programs that would be suitable for piloting new targeting methodologies in the field.

50. **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. This project supports CCTs and women's community groups to increase the uptake of maternal and child health services and to mother's care of children. One evaluation is of a pilot community nutrition project. While the evaluation is being implemented by the World Bank, Ministry of Health staff was engaged throughout the design phase. To date, the team has drafted a concept note outlining the evaluation strategy, prepared a timeline, and drafted study tools, including a household, facility, and village questionnaire. A version of the facility survey was field tested during the launch mission for the larger community nutrition project. Survey implementation is expected to begin in February or March 2010, with preliminary results expected sometime in June 2010. In parallel, other elements of project evaluation, focused on qualitative and institutional assessments, are being developed. The work to date has provided a number of capacity development opportunities to engage with staff at all levels on the importance of selecting appropriate evaluation techniques, especially regarding sample size selection, in preparing for robust project evaluation.

51. **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 research to client governments, the World Bank, and other development partners on effective methods of protecting the poor and most vulnerable in Central Asia in the aftermath of the financial crisis. The work will specifically target strengthening safety nets and facilitation of employment opportunities. The social safety net work focuses on improved targeting, while employment facilitation focuses on would-be migrants, whose employment opportunities diminished because of the crisis. This project involves significant local capacity building. In Kyrgyzstan, the team will collaborate with the national statistical agency on a survey of migrants. The team is also working closely with the Agency for Social Protection, thereby providing on-the-job training in statistical methods of analysis. In Uzbekistan, the team is planning to start delivering round tables (starting in March) hosted by an Institute for Social Research under the cabinet of ministers. This project has led to a number of new activities. An IDA investment operation is planned in the area of social assistance in Tajikistan (FY11); an IDA budget support operation with a large social assistance component is planned in Kyrgyzstan (FY10-11); and a project funded by the Russian government to improve migrants' life skills is envisaged for Tajikistan and Kyrgyzstan (FY11). Finally, there are number of policy changes in the area of social protection under consideration by the respective governments.

52. **TF095046 Reducing Malnutrition Caused by Food Insecurity in Ethiopia (FY10) - \$180,000:** This project will fund innovative activities that would then lead to either: (i) new medium- or large-scale operations; or (ii) improved implementation of existing or pipeline projects. The objectives of this project are to establish in Ethiopia (i) pilot initiatives to increase the availability and reduce the cost of nutritional products, (ii) community-based management of acute malnutrition, and (iii) a cash/food transfer system in urban areas. Significant progress has been made in achieving the grant objectives. For the first objective, a value chain analysis for Plumpynuts and Corn-Soya-Blend (CSB) and a feasibility study for powdered milk were completed. The studies show that development partner's interventions are required to attract private investments in the sector, particularly in the improvement of access to finance and productivity/quality of inputs. The findings of the studies were shared with relevant stakeholders and the Ethiopian government agreed on the basic idea to create a public-private-partnership (PPP) project to promote private investments in the nutrition related industry. Other partners, e.g. UNDP, USAID and NGOs, are showing interest in creating a multi-donor funded PPP project to support the nutrition-related industry. Under the second objective, the team carried out a study on successful experiences in small-scale production of ready-to-eat packet foods produced by local women's groups in Bangladesh and India. The lessons learned from these countries' experiences were shared with a wide range of stakeholders and are being incorporated into the preparation of a pilot project on small scale-production of nutritional foods by a local women's group in coordination with various partners (UNICEF, FAO, WHO and the Ethiopian government). For objective (iii), since various partners are using different approaches to treat the severely malnourished at community level, the Bank's nutrition team has been leading the discussion to find a coordinated approach. The team completed a donor mapping and further discussion will take place how to coordinate ongoing efforts of partners under the National Nutrition Program (NNP). Finally, preliminary discussions are ongoing with various partners to introduce a new system of food or cash transfers for the food insecure in urban areas.

Theme 5: Employment Generation, Labor Markets

53. **TF055590 Informality, Globalization and Working Poor (FY06) - \$342,500:** 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. A Primer Note featuring lessons learned was completed. The framework and country studies were published as a book, [Globalization, Wages, and the Quality of Jobs: Five Country Studies](#), which was launched at an Infoshop event bringing participants from the US Department of Labor, Center for Global Development, IFC, World Bank, etc. This book provides ideas for new directions in research and data collection, as well as guidelines for policy makers. Furthermore, a short note for policymakers is underway and will be disseminated in the regions. This project will allow World Bank country economists and other interested persons to carry out analyses on the impact of globalization on working conditions. The conceptual framework provides a new methodology to analyze these issues. The analytical work on informality involved pre-pilots in Colombia and Bulgaria that informed the pilots of full questionnaires in Bulgaria, Uzbekistan, and Tajikistan. The implementation of the full questionnaire for Bulgaria provided a baseline for a social inclusion project. The implementation in Tajikistan generated baseline data for their annual Poverty Reduction Strategy (PRS) Progress Report and helped the government formulate more effective policy measures to achieve the PRS goals. Other regional departments have requested further implementation of the questionnaires.

54. **TF090820 Flagship on Labor, Skills, and Productivity (FY08) - \$60,000 (Completed):** These are the first studies to comprehensively address skills and skill development systems in education, social protection and labor markets. They focused on the implications of globalization and growth on the unskilled population, and on policies to address this skill gap and provide increased access to good employment opportunities. It defines (i) a more consistent regional approach to developing strategies and tools for assessing demand for skills and employment patterns, enhancing skills of vulnerable groups, and designing better labor market policies and institutions; and (ii) a more in-depth strategic framework to address the consequences of globalization on vulnerable workers in fast growing developing countries. The project covers three case studies in Indonesia, the Philippines, and Vietnam. The first part of the studies undertook a diagnostic of the unskilled population to identify the relation between skills, employment, job quality and labor mobility. The second part assessed some of the constraints preventing the poor or unskilled population from accessing decent jobs. The audiences are the Ministries of Education and Training and the Ministries of Labor. The studies on Indonesia and the Philippines were completed by local consultants (Indonesia still in draft format). The two studies made use of two ad-hoc surveys to assess demand for skills, skill mismatch and skill related policies. A third study on Vietnam is in its incipient stages. The Philippines Skill Report was disseminated to a large audience in April 2009 and follow-up is planned with targeted groups of policy makers and private sector representatives. Partially because of this study, formal Bank support to non-formal education is now under discussion and a policy dialogue with the government on higher education and skills is developing. They have requested follow-up studies. The Indonesia Skill Report was disseminated in early March 2010 also to a large audience. The Ministry of Education will use it, along with other studies, to change existing curriculum to develop broader skills. It is expected that both studies will lay the

ground for future analytical and operational work on skill mapping, skill development systems, and skill development for vulnerable workers. The following are lessons learned in this project: (i) complementing existing data with ad-hoc surveys greatly improved the team's understanding of local issues by enriching tremendously the available data and information; (ii) working with local consultants helped fine tune the policy recommendations; and (iii) working across sectors in the Bank helped deliver more innovative and comprehensive products.

55. TF055676 Africa Regional Labor Market Study (FY06) - \$96,349.54 (Completed):

This was the first cross-country analysis on the impact of labor market regulations on employment in Africa. The objectives of this project are to: (i) increase client, Bank, and donor knowledge of labor force issues in Africa; (ii) provide appropriate policy recommendations to clients developing labor markets strategies for Poverty Reduction Strategy Papers (PRSPs); and (iii) increase capacity for labor market analysis in Africa. All three objectives have been achieved. The knowledge generated under this grant has been well received in conferences and discussions around the Africa region. Most recently two papers developed through this grant, "Are Skills Rewarded in Sub-Saharan Africa? Determinants of Wages and Productivity in the Manufacturing Sector" and "Institutions and Labor Market Outcomes in Sub-Saharan Africa," were presented in 2009 at the Oxford University Center for Study of African economies conference and at the Institute for the Study of Labor (IZA)/World Bank (WB) Conference. The material generated under this grant has also been used in training sessions around the Africa region and will be used in the Bank's "Labor Markets Core Course," which includes participants from various developing countries. Impact on the Bank and client countries is also evident. The first survey paper's recommendations are being considered for PRSPs under development or in implementation. One of the key recommendations - that African labor regulations are not hampering employment creation - is being actively discussed among Bank staff, academics and policy makers and used in Bank project preparation. Finally, a follow-up regional study with the explicit purpose of developing strategies to implement the recommendations has begun. The main lessons from this project are that: (i) some countries have been able to achieve excellent growth in "good" or "decent" jobs and achieve poverty reduction as well; (ii) the informal sector has helped reduce poverty in Africa; (iii) labor market regulations are not holding back employment growth in Africa; and (iv) better labor market data are needed to understand the determinants of employment and earnings in Africa.

4. Implementation Progress

Summary of Implementation Progress

56. TFESSD has funded 60 activities under this window, which was opened in FY05, averaging about 10 approvals per year. All the first round of grants (FY05) are now completed. For FY10, there were 13 new approved activities. As presented in Table 2.1, the Social Protection Window has 33 ongoing activities, consisting of the following: (a) 4 activities approved in FY06; (b) 5 activities approved in FY07, (c) 6 activities approved in FY08, (d) 6 activities approved in FY09, and (e) 12 activities approved in FY10.

Table 2.1 TFESSD Social Protection Window Activities as at December 31, 2009

Call/Year	Approved Activities	Ongoing Activities	Closed Activities	Activities in Africa*
FY05	10	0	9	7
FY06	11	4	7	8
FY07	11	5	6	4
FY08	11	6	5	5
FY09	7	6	0	5
FY10	13	12	0	5
Total	63*	33	27	34

*This figure includes three dropped activities.

Implementation Progress

57. 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.

58. During the reporting period, the following 11 projects closed:¹

- TF055616 Nigeria: Harmonization of Public Policies and Processes
- TF055759 Informal Support for the Elderly: A Three-Country Study
- TF055842 Nigeria: Participatory Monitoring of Needs
- TF055944 Risk, Social Networks, Interventions and Poverty: Investigating Poverty & Wealth Dynamics
- TF057288 Disability & Natural Disaster
- TF057436 Study of the Tsunami Aftermath and Recovery (STAR)
- TF090779 M&E Framework for Nigeria Safety Net Program
- TF090820 Flagship on Labor, Skills, and Productivity
- TF090860 Identifying the Poor in India
- TF090861 Reaching the Vulnerable and At-Risk Youth in Timor-Leste
- TF091148 India: Empowering Disabled People in India

5. Disbursements and Commitments

59. As of December 31, 2009, the Social Protection Window has approved US\$11.8 million for TFESSD grants, of which cumulative receipts are US\$8.9 million while cumulative disbursements and commitments are US\$6.9 million (Table 2.2). The Africa share is 50%.

**Table 2.2: SP Window Receipts, Disbursements, and Commitments
(as of December 31, 2009)**

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	0.755	-	-	-		
FY05	0.938	0.938	0.000	100%	0.517	55%
FY06	2.179	2.053	0.059	94%	0.945	46%
FY07	1.285	1.083	0.082	84%	0.196	18%
FY08	3.029	2.405	0.666	79%	1.607	67%
FY09	0.744	0.423	0.364	57%	0.193	46%
	8.930	6.902	1.171	77%	3.458	50%

Strategic Review and Actions Taken

60. Due to changes in Sector Board leadership, a strategic review was not undertaken in the past year, but one is anticipated in the next year.

¹ TF053963, Support For Mainstreaming Disability At The World Bank was closed in FY09 but omitted from last year's closure list.

B. SOCIAL DEVELOPMENT WINDOW

1. Summary

61. Activities funded under the Social Development window have continued to progress well over the past year, providing support to analytical work, piloting of initiatives, and capacity building in key areas of social development. Results and lessons from the various activities continue to impact Bank-funded programs and client countries, as detailed more fully in Section 2 of this chapter.

62. Activities are grouped under eight broad themes (including two recent themes on climate change and shocks and vulnerability). The number of themes will be reduced in the next report as activities financed under earlier rounds are brought to completion. Key current themes include: (a) Community-Driven Development and Local Governance; (b) Social Inclusion and Diversity in Decision-making; (c) Poverty, Social Impact and Empowerment; (d) Innovations for Improved Governance and Social Accountability; (e) Country/Macro Level Social Analysis; (f) Global and Regional Social Development Initiatives (g) Adaptation to Climate Change and (h) Shocks and Vulnerability.

63. The CDD and Local Governance theme has one ongoing activity (due to close end-March 2010) and three recently closed activities. While early efforts on CDD focused on small CDD pilots, emphasizing resource transfers to poor communities and community participation in service provision, later efforts have focused on scaling up CDD and supporting intergovernmental and related reforms to strengthen decentralized local governance. Work has also been done on the use of CDD in conflict and post-conflict contexts, where it has been shown to make a unique contribution in helping rebuild countries, as well as building trust among ravaged communities.

64. The Social Inclusion theme has been brought to an end, with one recently closed activity focused on youth inclusion. This theme has overlapped somewhat with the Poverty, Social Impact and Empowerment theme, which has two ongoing and three closed activities designed to promote the inclusion and empowerment of excluded groups.

65. The Innovations for Improved Governance and Social Accountability theme has five ongoing and one closed activity. It remains an area of significance contributing to the Bank-wide focus on Governance and Anti-Corruption.

66. The Country/Macro Level Social Analysis theme has been brought to an end with two recently closed activities, while the Global and Regional Social Development Initiatives has three ongoing activities (including the recent donor- approved proposal on Supporting Strategic Analysis for Social Development and one closed activity.

67. Two recent themes on Adaptation to Climate Change, and Shocks and Vulnerability have been added based on the priorities in the FY09 and FY10 call for proposals. There are sixteen ongoing activities under the climate change theme which seek to build 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. There are four activities currently under the shocks and vulnerability theme focused on monitoring the impacts of the various global crises, as well as understanding and building resilience against the underlying factors causing vulnerability and marginalization.

2 Progress toward Development Objectives

TFESSD's Objectives and Value Added

68. As stated in several previous reports, the TFESSD has served to leverage scarce staff resources and been a major source of donor funding for social development within the Bank. As a result, it has been instrumental in advancing the Bank's work in this area on several fronts, and in maintaining social issues high on the Bank and global agendas. The Social Development Strategy (developed with substantial support from this trust fund) is about empowering people by creating more inclusive, cohesive, and accountable institutions. In order to mainstream these principles into the Bank's work, the social development group has shifted its emphasis over the years from engagement at the project level to a focus on broader program and policy dialogue. To this end, the trust fund has allowed the Bank to innovate and undertake catalytic research on key areas of relevance in the earlier years, including CDD and social accountability tools, social inclusion, country social analysis, and poverty and social impact assessments.

69. Recent trust fund support on two relatively new areas of work (the social dimensions of climate change, and crime and violence) is critical to advancing these issues within the Bank. A day and a half event focusing on Violence Prevention took place at the World Bank (April 6-7, 2009), designed to raise awareness of the link between violence prevention and development. The event, opened by the Hon. Martti Ahtisaari (2008 Nobel Peace Prize Laureate and Former President of Finland) and Mr. Enrique Penalosa, Former Mayor of Bogota, Colombia, brought together a diverse group of participants from within and outside the World Bank. Further information on the conference can be found at <http://go.worldbank.org/RVC6BBW0F0>.

70. The trust fund supported the area of Indigenous Peoples and Climate Action by assisting in the design of Indigenous Peoples Climate Action Fund (IPCAF). The IPCAF was recently recognized with an award for best design from the Environmental Funders Network and Alliance Magazine. The design allows for funding from external sources, such as private companies, foundations, bilateral and multilateral aid agencies, and development banks to reach directly and rapidly to IP practitioners in the field. The IPCAF Roundtable took place in Washington DC on the 18th of November, 2009. Seven Indigenous Peoples representatives from around the world (Fiji, USA, Kenya, Guatemala, Belize, and Ethiopia) participated in the Roundtable and shared their knowledge and experience related to Climate Change. The president of the World Bank Robert Zoellick gave the opening remarks. Expressions of support for the IPCAF have been received from Dr. Robert Watson, Former Director of the Nobel-Prize winning Inter-governmental Panel on Climate Change IPCC

71. Trust fund support in the area of Community-Driven Development (CDD) has been key to moving this agenda within the World Bank (Box 2.5). CDD is an approach that gives control of development decisions and resources to community groups and representative local governments, and since 2000 lending towards CDD constitutes approximately 10% of total lending of the World Bank group. Through its support to local and community-driven programs, the Bank has financed services such as water supply and sanitation, health services, schools that are tailored to community needs, nutrition programs for mothers and infants, the building of rural access roads, and support for livelihoods and micro enterprise. Additionally, CDD has proved an effective way to rebuild communities in post-conflict and post-disaster situations. However, a major challenge to CDD is the issue of scale – how to achieve national coverage rather than focus on enclave projects. Work is ongoing in this area. For example, Nigeria has harmonized national and state-level programs and policies on CDD related to decentralization, community empowerment and local government capacity building. Additionally, an e-book has recently been published on ‘Scaling up Local and Community Driven Development’, which is available on the CDD website at <http://go.worldbank.org/24K8IHVVS0>.

72. The TFESSD has also supported several impact evaluations of CDD operations in a broad range of countries and regions (e.g. the Philippines, Laos, Cambodia, Vietnam, Papua New Guinea, Pakistan, India, Tanzania, the Gambia, Serbia and Uganda). DEC, the Bank’s research group, is drawing on these studies for a major Policy Research Report on Local Governance under preparation; several of the studies also featured prominently in sessions with donors and clients (e.g., a Chinese government conference on CDD and New Countryside Construction in Chengdu in November 2007 and an ADB forum on CDD and Strategy 2020 in December 2008).

Box 2.5: Update on Social Development and Demand for Good Governance

Worldwide there is increasing recognition that citizen involvement is critical for enhancing democratic governance, improving service delivery, and fostering empowerment. The Social Development Department (SDV) has been at the forefront of leading the work on Demand for Good Governance (DfGG), and is continuing to mainstream social accountability initiatives in World Bank operations as reported also last year. DFGG encompasses initiatives that focus on citizens as the ultimate stakeholders and include activities relating to information disclosure and dissemination; user participation and consultation; complaints handling; and independent and participatory monitoring.

The Norwegian-Finnish Trust Fund for Environmentally and Socially Sustainable Development (TFESSD) has been catalytic in supporting social accountability pilot projects in a variety of geographical and sectoral contexts. Though TFESSD funding for social accountability has scaled down since 2006, TFESSD supported staff in the Demand for Good Governance (DFGG) Cluster of the Social Development Department (SDV) continues to be actively involved in refining DFGG and Social Accountability approaches and integrating them into Bank operations.

In line with SDV’s focus on inclusive and accountable institutions, the restructuring within SDV created a DFGG cluster within SDV to focus on (i) mainstreaming DFGG activities in Bank operations; (ii) building capacity around DFGG approaches; (iii) managing and disseminating knowledge of DFGG tools; (iv) incubating innovative DFGG approaches; and (v) demonstrating impacts of applying DFGG approaches. The DFGG cluster, in collaboration with other Bank units, is developing DFGG training modules and guidance notes on the application of specific DFGG approaches and tools such as decentralization, citizen charters’, community score cards, complaints handling mechanisms, and citizen facilitation centers. The team has launched a DFGG Resource database and is finalizing a DFGG Indicator Reference database that provides provide task teams a one-stop shop for DFGG resources. The cluster

is expanding the DFGG Community of Practice and organizing DFGG Speaker Series events to increase internal collaboration and knowledge-sharing on DFGG activities.

The DFGG cluster is in the process of incubating pilot projects such as the - Local Government Transparency and Accountability in Africa (LOGTAF), Africa Local Council Oversight and Social Accountability Project (ALCOSA), Local Government Competition of Excellence (COPEGOL) and the Budget Transparency and Simplification Initiative; which demonstrate proof of concepts thereby assisting task teams in mainstreaming various DFGG initiatives into operations. Recognizing the need for robust impact evaluations of DFGG interventions, SDV in collaboration with the Development Impact Evaluation Initiative (DIME), is conducting a stocktaking of existing impact evaluations on DFGG to demonstrate that “DFGG Delivers”, and providing operational support to task teams on designing impact evaluation components for DFGG interventions.

Two other recent innovative areas are complaints handling mechanisms and budget simplification and transparency. Complaints Handling Mechanisms are increasingly recognized as a critical tool for promoting transparency and accountability in Bank-financed operations. A recent Quality Assurance Group (QAG) led Governance and Anti-Corruption (GAC) Benchmarking and Learning Review, which assessed the responsiveness of Bank-supported operations to the GAC agenda, found that complaints handling mechanisms were included in only 28 percent of reviewed projects. In response to this need, the DFGG Team is developing a comprehensive set of resources that task teams can use to design and strengthen project level complaints handling mechanisms including a DFGG How-To note on “Designing Effective Complaints Handling Mechanisms in World Bank projects”. Another innovative pilot multi-country initiative² aims at improving public sector transparency and accountability at the national, provincial and local levels of government. The initiative supports activities related to budget publication, analysis and demystification, and awareness creation and capacity building to increase public discourse regarding public expenditures. The initiative targets three countries – Nepal, Cote d’Ivoire and Cameroon, where there is a reasonably high level of political support for budget openness.

Impact on the Bank and in Client Countries

73. TFESSD-funded activities funded under the various themes have made clear contributions to corporate and regional priorities and have served to complement and strengthen ongoing Bank-financed projects and analytical work. The examples below highlight some of the impacts resulting from trust funded activities:

- **China** - The Government of China has shown great interest in using CDD approaches in their future poverty focused programs. There has been significant evidence of CDD impact collected, published, and brought together to generate a body of persuasive information, evidence which helped influence the interest of China in this approach..

² The initiative “Promoting Budget Transparency through Budget Publication, Dissemination and other Social Accountability Approaches” is supported by the Governance Partnership Facility (GPF).

- **India** - At the request of the Govt. of India (GoI), and in partnership with Cities Alliance, and Bank Regions, the grant helped to facilitate a South-South Dialogue between the GoI and Brazil, which was instrumental in scaling up India's reforms geared towards slum upgrading and prevention. During the tour the Indians had an opportunity to meet their counterparts and non-governmental practitioners to learn how Brazil has addressed security of land tenure, financing social housing, basic services to the urban poor, conditional cash transfer to the urban poor, slum improvement initiatives, and how to build partnerships and knowledge networking.
- **Social Dimensions of Climate Change** have become widely accepted as integral to the climate change agenda. A team has been set up in SDV and a Bank-wide practice group has been formed. Learning events, knowledge products, and trainings have resulted in attention to social aspects in climate change work carried out inside and outside the Bank.
- **Moldova** - A Climate Change Office within the Ministry of Agriculture and Food Industry was established prior to the Awareness Raising and Consultation Workshop in late October 2009. This Office was established to inform and improve agricultural policy under changing climate conditions.
- **Madagascar** – Social accountability mechanisms and community monitoring have been integrated into several Bank projects in Madagascar, including the Second Governance and Institutional Development Project, the Private Sector Growth Poles Project, and the Mining and Minerals Governance Project.
- **Bangladesh** - Under the activity of Gender and Local Governance in Climate Change Adaptation, study findings were used in Bangladesh's action plan on climate change 2009. The study findings were also included in WDR2010 on Development in a changing climate.
- **Senegal** – Work on improving information on poor fishing communities' socio-economic status, marine over-exploitation, and climate change influenced the design of the Bank's Senegal Fisheries Management Project and the West African Regional Fisheries Management Project.
- **Guinea-Bissau** – The Integrated Poverty and Social Assessment served as a valuable input to the Interim Strategy Note (a short version of the Country Assistance Strategy used in post-conflict countries) and informed the design of Bank programs in the country.
- **Sierra Leone** -- a study on youth employment is being incorporated into the CAS and a follow-up operation on youth employment is in the pipeline for IDA financing. The study is also being used to inform donor and UN programs on youth.
- **Governance and anti-corruption (GAC)** - The Learning Review of GAC has resulted in integration of the demand side of governance as one of the three pillars of the Bankwide GAC strategy's baseline against which progress on GAC Strategy Implementation will be measured in the future. This is a significant contribution towards mainstreaming of the social policy agenda within the governance discourse and the Bank's growing GAC agenda.

Shortfalls and Challenges

74. While progress of trust funded activities has generally been satisfactory, a few activities have experienced delays for a variety of reasons—several due to changes in task management as task managers either retired or moved to other jobs within the Bank, and new task managers needed time to assume ownership of the activity, some due to political instability or bureaucratic delays in the countries of implementation, and others due to delays in consultant/contractor availability or procurement delays. For example, the multi-country activity on Strengthening Citizens through Upgrading Informal Settlements has gone through two changes of task manager over the past year and a half, due to staff rotations within the Bank. This had led to delays in implementation start up, particularly since the work requires broad consultation and coordination with a multi-disciplinary, cross-sectoral team. However, a concept note for the activity has been finalized and implementation is about to begin in several countries.

Capacity Building, Knowledge Dissemination and Partnerships

75. Local capacity building, knowledge dissemination and building of partnerships constitutes a significant part of most of the activities funded under the TFESSD. Many activities have in-country capacity building seminars and workshops, and partner with local consultants or institutions to implement activities. Final outputs, toolkits, videos, and reports are widely disseminated to stakeholders and other interested Bank and in-country staff and clients through conferences, workshops and brown-bag lunches.

76. Some of the activities have resulted in strengthening of partnerships with bilateral and other donors, as well as mobilization of other donor resources. For example, as a result of the study on youth employment in Sierra Leone, UNDP is implementing a pilot on youth employment in collaboration with the Sierra Leone National Commission for Social Action.

New Challenges for Social Development

77. The recent food and fuel crises, followed by the financial crisis have continued to dominate the agenda of the World Bank over the past year, and is expected to continue to absorb attention in the medium term. The Social Development group started work in response to the financial crisis – a grant to support “real time monitoring of the impacts of the global economic crisis” begun implementation in June 2009. During the first 6 months, 17 rounds of qualitative research have been carried out in 9 countries in partnership with local research groups. This has entailed multiple effective partnerships within and outside the WB. The work has been used at country, regional and corporate level.

78. TFESSD has also provided funding support to the preparation of the Mid-Cycle Implementation Performance Review for the Social Development Strategy. This review is considering how the application of the principles and objectives of the SD strategy of 2005 have worked out in practice. Stock-taking papers have been commissioned from the Social Development Groups in the Bank's operational regions, and 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 MCIPR will, as well as assessing lessons learned from the implementation of the strategy up to this point, also lay out strategic plans and directions for the next three years of the strategy within the Bank. This fund is also being used to realize a long-term objective of the Social Development group in the Bank - namely to establish a set of indices of social development which track social development outcomes at the country level. The ISD is being established, with support from SDV and TFESSD, at the Institute of Social Studies at the Hague. The creation of this index will transform the available data for long-term tracking of country level progress in social development.

3. Summaries of Ongoing and Completed Activities

Community-Driven Development and Local Governance

79. 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.

Ongoing Activities

80. **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.

Closed Activities

81. TF055513 Local Governance Platforms: Strengthening Local Government Community Interface in CDD (FY06 - Closed) - \$400,000: This activity aims to build local governance platforms in Zambia, Angola, and the Philippines, by strengthening learning, capacity, and mechanisms to integrate the CDD approach with local government and social accountability. Assessments of intergovernmental systems and the extent of local government autonomy have been completed in all countries, along with reviews of fiscal flows to local governments and community-based organizations. Results have contributed to the design of the fourth phase of the Angola Social Action Fund project and have influenced the sustainability strategy of the Bank-funded Philippines KALAHY-CIDSS project. The activity has contributed to achieve important outcomes. In the Philippines, the activity has informed the bank and the Government on how to best fit CDD operations to different local governance contexts. With the extra funding received during the last fiscal year, we were able to respond a request from the Government to look at a CDD model where LGUs would assume greater leadership and responsibility. We were able to study carefully a government initiative where additional resources are given to local governments for development projects: DSWD are using some unprogrammed project resources to pilot an approach in 30-40 LGUs where LGUs take on a much greater responsibility for implementation, with DSWD's role focusing on TA support. DSWD have selected the 30-40 LGUs from a batch of about 70, who represent the first 2 batches of KALAHY LGUs. They have developed a "performance" framework to help identify and distinguish better performing LGUs. In Angola, the work has informed the high-level decentralization working group, composed of donors and government counterparts. In the Philippines, the activity has contributed to inform the country team in the development of CDD harmonized conceptual framework and lessons learned from CDD operations to be incorporated into CGAG and local governance strategies. In Angola, the activities helped to build consensus between the key development partners on a sector strategy.

82. TF055616 Nigeria Harmonization of Public Policies and Processes (FY06 - Closed) - \$200,000: The main objective of the grant is to facilitate national and state level policy consensus on community driven development in Nigeria. This is strongly aligned with the Government's vision and effort to harmonizing all programmatic and policy efforts related to decentralization, community empowerment and local government capacity building. This is also in line the regional objective of the Africa Action Plan - which aims to fully incorporate CDD into Poverty Reduction Strategies and to also scale unsuccessful CDD programs. The target audience or stakeholders for this exercise include Federal, State and Local Government level policy makers and development workers. World Bank assisted projects staff, private and non-profit sector workers and poor community people in Nigeria. To date, a sizeable amount of consciousness and consensus has been built among the stakeholders on an integrated CDD policy and program framework and some documentation has taken place. There was a draft CDD policy document which is now integrated into a National long term development strategy document called the Vision 2020 document. The key elements of the draft CDD Policy documents and the CDD Harmonization framework that was produced through the use of the TF has been worked into two main lending programs - Community and Social Development Project CSDP and FADAMA III project. These two projects have been approved by the Executive Board of the World Bank and the Federal Government of Nigeria and are now effective.

83. **TF057237 Youth Inclusion in Conflict and Post-Conflict Contexts – Implications for CDD (FY07 - Closed) - \$200,000:** The objective of this activity is to strengthen capacity to address the challenges of youth inclusion in conflict and post-conflict settings using CDD approaches, through analytical review work and methodology development. To date, youth assessments and capacity building for CDD project staff have been completed in Burundi, Colombia, Kosovo and West Bank and Gaza, and results have fed into the design of Bank projects (e.g. youth participation and inclusion in the West Bank and Gaza Village and Neighborhood Development Project). New work was initiated in southern Thailand, implementation continues in Sri Lanka and TF-sponsored work was completed in West Bank and Gaza. The objectives of the Thailand work are to (i) engage with youth in the conflict affected areas, to give them voice, as well as build leadership skills so that they are positive contributors to peace building; (ii) to engage with local development agencies that work with conflict affected youth; (iii) to document lessons learned from youth-focused CDD and other initiatives, deepen understanding on the conditions of the youth in the midst of the conflict situation in the south, and examine their potential contribution and challenges towards peace building. Youth-focused CDD will be piloted in 5 communities in the conflict affected provinces. The project would place strong emphasis on the monitoring and evaluation component as well as documentation of lessons learned from the pilots. For the youth-focused CDD, participatory indicators will be developed and tested.

Social Inclusion and Diversity in Decision-making

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

Closed Activities

85. **TF055754, Youth and Development in Conflict-Affected Countries (FY06 - Closed) - \$200,000:** The objective of this activity is to build capacity to address youth development issues in conflict-affected countries through analytical work and an action research learning program in Sierra Leone, Rwanda and Burundi. Over the past year, two studies based on the review and analysis of youth programs and policies in Rwanda and Burundi have been finalized and shared with the governments in Rwanda and Burundi, as well as with national and international NGOs and donors. (Voices of Youth in Post-Conflict Burundi, and Voices and Views: Youth in Post-Conflict Rwanda). Additionally, the publication on Youth Employment in Sierra Leone has been finalized and widely disseminated (with copies sent to the donors and reference group). Outputs from the Burundi study have been included in the Country Assistance Strategy (detailed in results from TF057212 below), while the work in Sierra Leone has resulted in a pilot for youth employment being implemented by UNDP and the National Commission for Social Action.

Poverty, Social Impact, and Empowerment

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

87. **TF090810 Livelihoods Action Learning Fund (FY08), \$250,000:** This activity is designed to enable action-oriented learning among multi-country stakeholder from grassroots to national level that promotes access to inclusive growth and livelihoods development opportunities in South Asia. Progress over the past year has been highly satisfactory. The Livelihoods Learning Note Series was successfully launched in January 2008 with six editions published over the past year, and an electronic newsletter circulated within the Bank and to external clients. A thematic learning event on “Micro-Planning for Rural Livelihoods Projects in India” was held in India in December 2008, with participants including project staff and government counterparts. The reports and other information on this topic are available at <http://go.worldbank.org/Z37LNY7OC0>. A successful cross-regional workshop, "Impacting Project Outcomes through Institutional Development and Human Resource Management Practices in Livelihoods Projects" with 45 participants from Afghanistan, Pakistan, Nepal, India, Bangladesh and Sri Lanka, took place from November 3rd-5th in Dhaka, Bangladesh. A successful India-focused learning workshop on Procurement in CDD/livelihoods projects was held in Bhopal on 26th and 27th May 2009. The Mentoring Fund enabled south-south learning and exchange with a team from Madhya Pradesh visiting the project in Andhra Pradesh to better understand the AP SHG model of institutional and livelihoods development at the grassroots. This activity has been central to supporting the work in the region's rural sector in documenting and sharing operational lessons, offering capacity building events and materials oriented to both client and staff.

88. **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. The work is planned to take place in six countries (India, Tanzania, Yemen, Nigeria, Angola, and Brazil), reduced from eight originally planned, with a strong focus on supporting Bank operations. The grant activities are proceeding appropriately. A formal review of the concept note was conducted. The global products have been received or are under contract, and separate concept notes are being prepared for the case study work. Two country CNs have already completed formal review, and country work in five countries is set for implementation this FY.

Closed Activities

89. **TF057189 Supporting Accessible Justice Systems in Post-Conflict Countries (FY07 - Closed) - \$250,000:** The overall objective of this grant is to study access to the multiple layers of justice mechanisms in post-conflict countries (East Timor and Sierra Leone), with a view to informing and improving pro-poor justice initiatives and related operational activities. There has been substantial progress in implementing the grant over the last year. The Timor-Leste Survey of Living Standards has now been completed and translated. F

90. **TF057310 Azerbaijan Rural Mobility and Livelihood Opportunities (FY07 - Closed) - \$100,000:** The objectives of this activity are threefold: (a) to identify socio-economic factors that will help maximize the impact of road transport projects to improve access to livelihood opportunities and reduce barriers to inclusion; (b) to develop a toolkit for equitable road network distribution which supplements economic models of road project assessment; and (c) to build the capacity of the government of Azerbaijan to reduce unequal access to livelihood opportunities and barriers to social inclusion. Reports prepared under the activity were shared with the AzerRoadService (ARS). The grant activity successfully changed the way the ARS plans road rehabilitation programs. Unlike under the previous highway projects, the Additional Financing to the Highway 2 Project would rehabilitate not only the M6 highway but also its strategic connecting roads that link the rural hinterland with the M6 highway. The list of local roads to be rehabilitated is strategically selected according to the data collected and following broad principles set forth under the grant activity, so the rural connectivity and access to livelihood opportunities can be better improved under the project. Similarly, highway projects under the ADB financing will also rehabilitate connecting roads, in addition to the highway network that is the main target of their projects, in order to improve rural connectivity and livelihoods.

91. **TF057347 Mobilizing Rural Institutions (FY07- Closed) - \$600,000:** This activity is designed to help client countries overcome spatially-induced exclusion in livelihoods through adaptation of and partnerships with rural institutions. Rural institutions under review include informal community-based organizational structures, institutional rules and practices at the local level, as well as formal organizations and rules sponsored by development projects to link rural populations with public and market services. The proposed countries were Afghanistan, Ethiopia, India, Vietnam and Yemen. The project undertook an institutional analysis of the local level public and market organizations providing services in rural areas, and the interactions of informal local level institutions that mediate rural relationships with local state and market institutions. The insights from these five countries informed the Bank's work on rural institutions beyond the life of the TFESSD project. Country case studies and other information on this activity can be found at <http://go.worldbank.org/G6856TQJB0>. Results from this activity have contributed directly to the genesis of the World Bank's work program on Social Dimensions of Climate Change.

Innovations for Improved Governance and Social Accountability

92. 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.

93. **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 PRSP and PRSC interventions, and (ii) to obtain an improved understanding of poverty and environment linkages in Madagascar, and identification of vulnerable regions in the country. In spite of the political crisis in Madagascar which erupted in late January 2009 and prevented mission work for several months, this component has made progress. Participatory budgeting pilots have continued in five communes, and the clients have prioritized the continued support for this activity. It has been reported that other mining regions also plan on adopting these mechanisms at the commune level. Further, a plan for scaling up the scorecard (models, costing, institutional arrangement) was agreed with a multi-stakeholder group prior to the crisis; in spite of the crisis, a USAID supported NGO intends to integrate elements of the scorecard into its support. Lessons from this experience have been integrated into the curriculum for Bank staff on Governance and Anti-Corruption, and spurred additional pilots in other countries. Finally, the methods and expertise from the scorecard process and the overall country approach to mainstreaming social accountability is being used as one example for other programs in the region.

94. **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. Implementation has been very satisfactory, with research on good local governance practices completed in each country and results disseminated during a regional Seminar in Senegal in October 2008. Participants at the seminar included representatives from local government authorities, civil society representatives, government officials and donor organizations from ten Francophone African countries (see <http://www.worldbank.org/africanpbseminar>). Additionally, a Local Governance Competition of Excellence (COPEGOL) has been launched in each country (successfully completed in Rwanda in November 2008. In Guinea, the reward ceremony was held in June 2009 and rewards (governance training) were scheduled to be delivered to 30 locally elected officials in October/November 2009. However, the political crisis has constrained the World Bank to suspend its operations in the country. Therefore, planned activities had to be cancelled. In Burkina Faso, the internal deficiencies of our implementing agency and main partner, the AMBF, has brought the implementation of the local governance competition (COPEGOL) to a standstill. The team is currently trying to revive the project with the new executive secretary. Finally, based on the findings of the stakeholder meetings and reports on individual countries as well as the regional forum discussions, the project generated a final analysis that provides lessons learned and broad policy recommendations (attached). The analysis will be peer-reviewed in January 2010 before being finalized and mainstreamed inside and outside the Bank.

95. **TF090255 Impact Evaluation of Local Development and Governance (FY08) - \$850,000:** The objective of this activity is to complete a robust 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: 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. Baseline survey collection has been completed in Tanzania, and is ongoing in Gambia, India and Pakistan. In Uganda, contracting arrangements for the firm that will undertake the field work have been completed and work has begun. A multi-country impact evaluation workshop for agriculture, CDD and local governance projects took place in Ethiopia in April 2009. Two other cross-country workshops were held in Brasilia, Brazil, November, 2009 and South Asia, Goa on December 17-21, 2009. Forthcoming workshop on fragile states is planned in May-June 2010.

96. **TF090592 Promoting effective Local Governance in MNA – 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 strengthen local decision-making processes. A stocktaking study on the local governance context and accountability mechanisms in the three countries has been completed and pilot sectors have been identified in each country, with counterpart buy-in obtained. In Egypt, two pilots are planned within the health sector – a public expenditure tracking survey of in-kind goods, and a hybrid community scorecard to address lack of supplies and local health service delivery issues. In Morocco, interest has been expressed by the Bank-financed National Human Development Initiative Project in strengthening ongoing accountability activities within the project and piloting social accountability mechanisms. In Yemen, a request has been received to pilot a citizen feedback mechanism in the urban water sector. As part of the objective to build capacity and mainstream support for demand-side governance activities, the project team organized a study tour to India, to introduce participants to best practices in social accountability approaches, and to further build capacity among Bank staff. The tour was conducted from 19 - 27 June, 2009 in two Indian States, Maharashtra and Andhra Pradesh, and included participants from Morocco (National Initiative for Human Development, (INDH), Egypt (Integrated Sanitation and Sewerage Infrastructure Project and Ministry of Education) and the World Bank Headquarters, Washington DC (Local Service Delivery Initiative team). Lessons from the study tour have propelled substantial support for pilot activities in the three countries, particularly in Egypt where the head of the Ministry of Education's Quality Assurance Group, a participant in the tour, is now spearheading the pilot activity in Egypt.

97. **TF090743 Building Demand-side Governance by the Poor (FY08) – Closed \$150,000:** The objective of this activity is to strengthen demand-side governance and build capacity of poor and vulnerable groups in selected African countries to demand improved quality of basic services. This activity was originally planned for Nigeria, Ethiopia and Kenya, but due to post-election unrest in Kenya, and lack of Bank resources for Nigeria, country focus was changed to Senegal and Ethiopia. The planned activities in Senegal were satisfactorily implemented. Focus group meetings were held in different localities across the coastal region of the country (separately with elders, women, and those dependent on marine resources) to gather information, give communities and opportunity for "voice", and to disseminate information to them; a very large scale statistically representative survey was undertaken along the entire coast. This gathered both factual and perception-based information from respondents. It also provided a very important vehicle for respondents to "voice" their opinions on significant policies that the government is considering implementing. This report was widely disseminated in-country in French and dissemination to a much wider audience is now underway with an English translation version. Grant implementation activities in Ethiopia proceeded satisfactorily. A detailed statistical analysis of report card data on public services delivery (specifically safety nets), budget literacy, and financial transparency was undertaken and the information distilled into "policy useful" notes. The distillation of this report card data was important in expanding citizens' "voice" as the report card data included information on citizens' perceptions of the efficiency, responsiveness, and transparency of their local government officials and core public services. This was the first time that such information had been collected and disseminated in Ethiopia so was quite innovative. In particular, a "policy useful" note on perceptions of a large scale food for work project helped sharpen reporting and oversight activities related to this important project. Dissemination of the work in Ethiopia occurred widely through NGOs and CSOs, but international development partners also expressed great interest in the reports.

98. **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.

Closed Activities

99. **TF057340 Alliance for Demand Side Governance for Social Accountability in South Asia (FY07 - Closed) - \$385,000:** This activity aims at broadening the context and depth of demand-side governance in CDD, decentralization and local government reform projects at the state level by strengthening institutional capacity and undertaking field-based action learning and research. Implementation over the past year has been satisfactory, with capacity building provided to five centers of excellence established previously to undertake demand-side governance activities and to become platforms for country and regional south-south learning. This Trust Fund has established a community of practice on social accountability in the region to bring together key stakeholders in civil society organizations and government and develop a shared understanding of best practices (<http://sasanet.org>). Many knowledge dissemination and learning events were organized in the region and in the World Bank to build institutional capacity at all levels. A number of publications, outputs and learning events have been produced, achieving the stipulated objectives. The project has also helped in creating an enabling environment within the World Bank to include demand side and social accountability approaches in Governance and Accountability program within the World Bank. Some of the material produced in the project has been used to develop training material for Bank staff and clients who are working to develop these aspects in World Bank projects and programs. These have been also presented in a high level Bank Governance and Anti Corruption Council which develops the policy framework in this area. The institutions developed as a result of this project have emerged as national and regional centers of excellence for social accountability. Also a network and coalition of social accountability practitioners across various stakeholders have been created as a result of this project. Finally a knowledge and learning platform has been created which will continue after closure of the project.

Country/Macro Level Social Analysis

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

Closed Activities

101. **TF055507 Integrated Country Social Analysis (FY06 - Closed) - \$600,000:** This activity aims to consolidate the use of Country Social Analysis (CSA) as an instrument to mainstream social development issues into macro-policy dialogue by better informing and analyzing the impact of social factors and processes that shape development outcomes. It also seeks to enhance and test statistical indicators to inform the analysis and monitor progress of social development in the areas of inclusion, accountability and cohesion. Over the past year, work has focused on blending country social analysis with political analysis, and merging and expanding the CSA framework with a rights-based approach to social policy and two notes have been produced and are under review. This approach has been used in other country level studies to look at the legal, institutional, programmatic and financial aspects of rights-based social policy and service delivery and assess progress towards improved social inclusion, accountability and cohesion. The work has also informed policy dialogue with the Organization of American States. Examples of CSAs prepared earlier with support from this activity can be found on the Bank's external website at <http://go.worldbank.org/UTUOJ6Q720>. During the last year of implementation, the original TTL fell seriously ill and several of the final activities were completed with reduced scope or were canceled. This has diminished the potential of more recent outputs to have a fuller policy impact, since the "upstream" activities targeted towards policymakers naturally assume importance towards the end of an analytical process when findings become available.

102. **TF057280 Country Social Analysis, Extreme Poverty and Governance (FY07 - Closed) - \$200,000.** This activity aims to further develop country social analysis to better address extreme poverty and local governance issues by focusing on African countries. Over the reporting period this trust fund contributed to a report of street children in Cote d'Ivoire and Burkina Faso, which is being finalized. It also supported socio-economic analysis in a subset of Sub-Saharan countries, contributing to a better understanding of migration issues. This activity was reviewed by the Sector Board in April 2009 as the implementation over the past half year has been slow. However, based on the projected implementation plan for 2009 submitted by the task team leader, the Board decided to allow the activity to continue.

Global and Regional Social Development Initiatives

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

104. **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). However, due to slow implementation over the first year, task management was reassigned and the scope of the activity broadened to support the production of a formal ESW on prevention of urban violence. The study has been progressing very well. All the case studies have been completed and are already generating very useful findings that have stimulated discussion in the Bank and started to influence the work program in Haiti, Kenya 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 team has started to prepare the synthesis report and a draft is expected end February 2011.

105. **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. Progress to date has been good, with a background paper assessing the current status of peri-urban/slum and informal water sector provision in more than 20 countries prepared and discussed within the Bank. The findings from this report have been used as input into other regional flagship reports, including infrastructure and water. The second phase of the activity, consisting of country case studies on how social issues affect water pricing and access in informal urban areas is ongoing. Research has been completed, model methods developed for assessing how contextual factors affect the functioning and pricing of the public standpost 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 case for Senegal, with a background case study also developed on Lesotho, and preparatory background work completed for Ethiopia and Zambia.

106. **TF09585 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 specific objectives of the proposed project are: i) to support a comprehensive review of experience and results arising from the implementation of the 2005 World Bank Social Development Strategy at the levels identified in the results framework: outcomes on the ground; intermediate outcomes; attainment of institutional objectives within the Bank; improved indicators of process both in the Bank and in partner countries. ii) building on this review, to develop effective approaches for mainstreaming social development themes throughout the Bank's operational portfolio, iii) to scope out a future program of flagship analytic work pursuing the themes of the 2005 strategy, iv) to support the establishment of an independent and credible program to monitor progress in social development on a global scale through quantitative indicator sets (the Indices of Social Development).

Closed Activities

107. **TF055504 Social Policy (FY06 - Closed) - \$537,000:** The main objective of this activity is to create the institutional space in the Bank for fresh thinking on social policy relevant to developing and transition countries, with a focus on three key themes – livelihoods, institutions, and social integration. Over the past years, the focus of activities has been on producing the book series to disseminate analytical lessons widely and on expanding collaboration with the LAC region on social guarantees. Three books were published and widely disseminated, including a public book launch in Finland in June 2008 – ‘Institutional Pathways to Equity: Addressing Inequality Traps’, ‘Assets, Livelihoods and Social Policy’, and ‘Inclusive States: Social Policy and Structural Inequalities’. New work on inclusive citizenship and accountability has also been initiated which has the potential of feeding directly into the Bank’s Governance and Anti-Corruption Strategy. Three further books are scheduled for publication in 2009. Further information on social policy can be found on the Bank’s external website at <http://go.worldbank.org/IAR5GM78L0>. Three more books have been published in the series "New Frontiers of Social Policy" in 2009: (a) Citizenship, Governance and Social Policy in the Developing World, (b) Building Equality and Opportunity through Social Guarantees, and (c) The Social Dimensions of Climate Change: Equity and Vulnerability in a Warming World. In addition, a major undertaking in 2009 was the commissioning of the Benchmarking and Learning Review of Governance and Anticorruption. The Learning Review was managed by the Quality Assurance Group at the request of the GAC Secretariat and the Social Development Department and was financed in part by the TF Social Policy grant. This Learning Review has resulted in integration of the demand side of governance as one of the three pillars of the GAC-in-projects baseline against which progress on GAC Strategy Implementation will be measured in the future. This is a significant contribution towards mainstreaming of the social policy agenda within the governance discourse.

Adaptation to Climate Change

108. Over the past few years, the issue of global climate change has come to the forefront of the global debate. While there is much 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.

109. **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. A diverse set of activities has been completed, advanced or initiated during the reporting period. These fall into two broad categories: (a) those of operational and policy relevance within the World bank, geared to supporting the implementation of the Strategic Framework on Development and Climate Change (SFDCC); and (b) thematic studies to help articulate the global SDCC agenda. To date such studies have included: governance and climate action; rights, forests and the social dimensions of REDD; human mobility/ security and climate change; equity, human rights and climate change; and the use of participatory techniques in scenario development for adaptation planning. A learning module has also been developed (including a web-based e-learning version), and an operational toolkit, and a Bank-wide Practice Group launched as a vehicle for integrating SDCC in climate change related work across all regions. A report of the 2008 workshop was published and widely disseminated, and a flagship edited volume published in time for COP15 in Copenhagen. All materials are available via the SDCC website (<http://www.worldbank.org/sdcc>).

110. **TF092387 Area Based Development and Climate Change Adaptation (FY09) - \$500,000:** The key objective of this activity is to better understand the interface between territorial development and climate change adaptation in selected countries in Francophone West Africa and Latin America by: (a) developing and applying a methodology to identify operational recommendations on how to strengthen local adaptive capacity and resilience to climate change-related risks through decentralized and area-based approaches; and (b) creating a community of practice in-country and at the regional levels for area based development and climate change adaptation. In general grant objectives have been achieved satisfactorily during this period. The Bank team visited each of the 6 study countries during the period February-April 2009 to engage with internal partners from the country offices, local teams and stakeholders, and in general the response was very positive. The overall study methodology was adapted to local context and shared with local experts at the country level Inception workshops. These local/national stakeholders were later involved during the data collection and analysis to guarantee consistency and local ownership. The fieldwork, with additional help from the University of Michigan students, was completed in all 6 countries by August 2009 and the data was available for analysis in October.

111. **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 LAC region, identifying the transmission channels that bring about these impacts and the strategies that local communities have developed to cope. The methodology has been adapted and finalized in consultation with Bank staff, both from the region and the Country Management Unit, and external stakeholders including government counterparts in each of the five participating case study countries. A concept review took place on October 15, 2009. Fieldwork has begun in three of the five case study countries (Argentina, Peru and Paraguay) and is nearly finished in Argentina. For political reasons within the governments, work in Bolivia was delayed and work in Honduras was cancelled and switched to a new case study country, the Dominican Republic, which had similar coastal climate change issues. Preliminary workshops in capacity building and awareness raising were held in both Argentina and Paraguay and will be held in April 2010 in Peru and Bolivia.

112. **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 in the adaptation to climate change agenda, initially in Bangladesh and later in the Bank's global strategy. The project includes several activities - (a) Develop a framework on gender dimension of adaptation to CC (FY09), (b) A global review of gender issues in CC and document good gender practices on mitigation and adaptation (FY09), (c) Provide input to WDR 10 on climate change and development (FY09), (d) Review climate funds, identify strategic entry points and develop social/gender criteria (FY10); (e) a Bangladesh case study on gender dimension of climate change, (f) develop capacity building modules for women and men and their local institutions on CC, (g) piloting the modules and (h) finalizing the capacity building modules. The activities are achieving some of the objectives - as gender dimension was incorporated in WDR and other Bank documents and Bangladesh Strategic Actions on CC (2009). The activities for FY09 were completed successfully. A reputed firm Bangladesh Institute of Development Studies (BIDS) were contracted using a QCBS process for conducting Bangladesh Case study. BIDS has developed methodology and will go for field survey in February 2010. The study will be completed in September 2010.

113. **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. A first comprehensive draft report was submitted by the international consultant hired to undertake the desk review on the link between international human rights law and climate change. The draft represents an extremely thorough survey of the law in this area and contains detailed research of both the environmental and human rights law regimes. Further work is required on the human rights law dimensions. Links have been made to relevant learning institutions, international organizations and think-tanks working on climate change and human rights. A highly successful learning event took place on May 6, 2009 at Bank headquarters which substantially advanced the report and its findings.

114. **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). A Bank-wide team was set up to work on the activity. The team includes Andrea Liverani, TTL MNSSD, Alex Kremer (Sector Economist, MNSSD), Dorte Verner (Climate Change Coordinator, MNSSD), Aditi Bajerjee (Disaster Risk Consultant, MNSSD); George Joseph (Migration and Remittances Economist, HDNDE); Quentin Wodon (Advisor, HDNDE); Brian Blankespoor (DECRG); Hyoung Gun Wang (Economist, FEUUR). The team possess a range of analytical skills. A Concept note review meeting was held. The CN review meeting endorsed the activity and its objectives, and recommended a stronger focus on migration, with less emphasis on "conflict" due to the political sensitivity of the issue in the region, and with a cross-cutting attention to gender throughout.

115. **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 on 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. It will also look at the capacity of these communities to devise feasible resource conservation management and climate change strategies. Sound progress has been made towards the activity objectives this reporting period. With regard to improving information on poor fishing communities' socio-economic status and understanding of marine over-exploitation and CC issues, large scale statistically representative surveys have been completed in Senegal, are very close to completion in Sierra Leone, and are well underway in Liberia and Ghana. Very solid progress has been made in developing the Toolkit and a good draft has been prepared. To ensure that it is accessible by its target audience, the Toolkit has been strengthened by the inclusion of text-free instructive illustrations, developed by a professional illustrator with prior experience in developing illustrations for water quality materials. The Toolkit has also benefited from pilot testing in several communities in Liberia and is being modified now to reflect lessons learned.

116. **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. In 2009, two supervision missions were conducted as well as a case study in 11 villages and a stock taking of the literature related to terrace rehabilitation in Yemen. The first supervision mission in June 2009, identified the concept of payment for terraces maintenance as a payment for environment services. Foundation for this concept was tested with a case study in 11 villages. The purpose of this study was to perform a detailed analysis of communities that expressed interest in terrace rehabilitation to determine factors that contributed to the abandonment of terraces, the characteristics of the communities contributing to variations in these factors, and what has changed or could change within the community to make maintenance of rehabilitated terraces possible and desirable in the future. Findings confirmed that integrated soil conservation and water harvesting interventions, implemented through community-level collective action is a community coping mechanism to secure food for the household. On the basis of these findings the research design was revisited during the supervision of January 2010. In addition a stock taking of the literature on terraces maintenance and rehabilitation in Yemen was completed.

117. **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. The World Bank-executed Regional AAA (analytical and advisory activities) Program on Reducing Vulnerability to Climate Change in Europe & Central Asia (ECA) Agricultural Systems aims to enhance the ability of four countries in ECA to mainstream climate change adaptation into development/agricultural policies, programs, and investments. These countries are Albania, Moldova, Macedonia and Uzbekistan. At this stage work has commenced in Albania and Moldova with Country Notes on Climate Change and Agriculture drafted by the WB team and distributed to a variety of in-country stakeholders prior to the Awareness Raising and Consultation Workshop in each country. An Awareness Raising and Consultation workshop on Reducing Vulnerability to

Climate Change in Albanian Agricultural Systems was held on May 26, 2009 in Tirana. A similar workshop was also held in Moldova on the October 28, 2009 in Chisinau. The team has also contributed to increasing the awareness of Bank staff on this topic, including in the ECA region and across the Bank, by organizing BBLs where top global experts were invited to present their work, and recently by organizing one of the four official sessions of ARD Day during SDN Week, January 2010.

118. **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). Progress on this activity has been minimal in the period. This is primarily due to the fact that the staff member who was due to take over the grant left the Bank in mid-2009. It has been agreed that this grant will move to the Social Dimensions of Climate Change team where a new TTL will take it over. The objectives of the grant have been taken forward through other work (e.g. the ESW on pro-poor urban adaptation) - but this particular work program has not progressed greatly in this period.

119. **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. After a competitive hiring process launched in January 2009, the Consortium led by Egis Bceom International was selected to carry out the study of Vulnerability to Climate Change and Natural Disasters of the Bouregreg Valley as well as the cities of Alexandria, Casablanca and Tunis. The consulting firm is interacting technically with national and local agencies, while the World Bank team maintains an advisory and coordinating role with respect to the local and national counterparts. A regional workshop was organized in Marseille on June 27-28, 2009 on "Cities, Climate and the Mediterranean", in which the consulting firm, Egis BCEOM, presented the Study methodology, and representatives from all the three cities participated. The inception report was issued in September 2009 further defining the study methodology, and the phase one analytical work is well underway. The Bank team has missions planned to Tunisia in October, Egypt in November, and one to Morocco in December. Nevertheless, a delay is expected in the completion of the first phase, for which the draft report is now expected by end of March 2010.

120. **TF093120 Impacts of Climate Change on Indigenous Peoples and Traditional Knowledge (FY09) - \$1,298,500:** This activity is designed to: (i) analyse and document how indigenous peoples (IPs) are affected by climate change; (ii) identify IP knowledge and practices that are critical to mitigation of and adaptation to climate change impacts; and (iii) strengthen IP capacity for engagement and direct participation in the formulation of national and international public policies on climate change. Seven case studies which will be carried out by national and/or local Indigenous Peoples organizations, the decision was taken to assist FPW in the establishment of the Indigenous Peoples Climate Action Fund (IPCAF) prior to the development of the case studies. The grant implementation is progressing at a satisfactory pace. The Bank worked closely with FPW (an IP NGO) in the design of a climate action fund. The IPCAF was recently recognized with an award for best design from the Environmental Funders Network and Alliance Magazine. The design allows for funding from external sources, such as private companies, foundations, bilateral and multilateral aid agencies, and development banks to

reach directly and rapidly to IP practitioners in the field. IPCAF Roundtable took place in Washington DC on the 18th of November, 2009. Potential donors such as USAID, IDB, Rio Tinto, African Development Bank and Conservation International attended the Roundtable. Seven Indigenous Peoples representatives from around the world (Fiji, USA, Kenya, Guatemala, Belize, and Ethiopia) participated in the Roundtable and shared their knowledge and experience related to Climate Change. The president of the World Bank Robert Zoellick gave the opening remarks. Expressions of support for the IPCAF have been received from Dr. Robert Watson, Former Director of the Nobel-Prize winning Inter-governmental Panel on Climate Change.

121. 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 in launching a comprehensive assessment of public opinion poll on climate change in a broad set of developing countries, including MICs and LDCs. Implementation has been proceeding according to schedule and is near completion. The preliminary report with the core poll results is attached, and information on results of the dissemination and media attention is also provided. A draft final report containing the analysis of the results according to socio-demographic dimensions is expected by March 2010.

122. TF095002, Youth and Climate Change in MNA (FY10) - \$260,000: The objective of the proposed TFESSD is to enhance the role of young people in advocacy and awareness raising for effective mitigation and adaptation policies, by building their capacity to address climate change impacts and responses. Young people, which constitute over half of the population in MENA, have a direct stake in acting today, particularly in (i) acquiring awareness of future impacts and possible solutions, (ii) putting pressure directly on government representatives so as to immediately put in place adaptation and mitigation measures, (iii) leveraging greater accountability for relevant agencies and processes. To date the governments of Morocco, Lebanon and Tunisia have been approached. Once the national implementation partners have been identified, they will be invited to a 3 day workshop led by WBI-CC on how to run the YCCDI at the national level. The workshop is expected to be held at the Know-Med Center in Marseille by the end of FY10. Following this training, the WBI-CC and MNA Youth team will provide mentoring support in implementing the YCCDI in each country.

123. TF095008 Addressing Climate Change with Low-Cost Housing (FY10) - \$300,000: The main objective of this activity is to study is to reduce the negative impact of the built environment on climate change by promoting existing green technologies for housing that are affordable to middle and lower-middle income households; and to reduce the negative impact of natural hazards/disasters stemming from ongoing and future climate change on people living in low-income housing by promoting adaptive techniques for self-built and non-engineered housing that are relatively more resilient to natural hazards. In the preliminary phase partners identification has been completed and two missions has been carried out.

124. 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. Innovations identified will be scaled-up through a World Bank financed project currently under preparation and other livelihood projects financed by the State. The envisaged activities are expected to commence shortly, as such, the achievement of the grant objectives are highly

likely as the Government of Rajasthan and the Bank have agreed on the key elements of the project design and how best these activities could be utilized during implementation.

Shocks and Vulnerability

125. Recent climate events, conflicts, and ongoing global economic crises have 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.

126. **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 them to put in place transparent processes and review mechanisms (including safeguards) that increase the probability of selecting projects with positive economic and social impacts in the long-term. The activity also aims to identify lessons from economically and socially successful ventures to inform potential investors about ways to structure projects that will increase the likelihood of success. Other activities will also include to provide insights for development institutions such as the World Bank on the overall productivity of large-scale land-based activities (including the farm-size productivity relationship) so as to assess whether or under what circumstances standard advice to client countries may need to be adapted to new realities. Seven principles for ensuring responsible agro-investments were drafted under the guidance of a Bank-wide working group and building upon the activity's initial results. The principles, which were released jointly with FAO, IFAD, and UNCTAD in January 2010, are already being used as background documents for discussion as part of FAO's on-going consultation process on the Voluntary Guidelines for Responsible Governance of Land and Related Natural Resource Tenure, and it is anticipated that the principles will continue to be refined on the basis of on-going Activities and released for broad-based public consultation alongside the Bank's annual Land Governance Conference in April 2010 in Washington. A Bank report summarizing the results from the case studies, together with a toolkit of good practice in promoting responsible investment in agriculture, will be launched at the 2010 spring meetings, to be followed by a process of regional and country-level consultations.

127. **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 impacts as the economic crisis evolves. During the first 6 months, 17 rounds of research have been carried out in 9 countries in partnership with local research groups. This has entailed multiple effective partnerships within and outside the WB. The work has been used at country, regional and corporate levels.

128. **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. Project outputs and activities have been timed for delivery to feed into new project preparation and to support strategic learning amongst client practitioner. By March 2010 the first phase of outputs will help to identify emerging lessons on safety net

responses to the food crisis. This will be valuable at country level and for a wider audience. The next phase of the project will look at supporting learning and dissemination initiatives, to bring the experiences of these countries to a wider audience.

129. **TF095881, Poverty and Social Impact Assessment of Agricultural Policies as Supply-Side Responses to Food Insecurity in Central America (FY10), \$300,000:** The activity seeks to strengthen the policy dialogue among public and private stakeholders in Central America on the distributional effects of agricultural supply policies currently under implementation, specifically those that have been designed to address food security threats caused by external shocks. An additional objective of this activity is to build capacity of national stakeholders to conduct PSIA-type analyses. In order to achieve its objectives, the project will conduct PSIA analyses on policies and strategies that have been adopted by governments as supply responses to threats of external price shocks on food security in Guatemala, Honduras, and Nicaragua.

4. Implementation Progress

Summary of Implementation Progress

130. Since inception, the TFESSD has funded 137 activities under the Social Window, of which 33 were ongoing as of December 31, 2009. In addition, 13 activities closed between February and December 2009. All activities approved prior to FY06 have closed. Ongoing activities consist of: (a) 2 activities approved in FY06 (which will close by the end of this calendar year); (b) 2 activities approved in FY07; (c) 5 activities approved in FY08; (d) 13 activities approved in FY09; and 11 activities approved in FY10. Table 1 below shows the number of activities approved each year (excluding the co-terminous staff position funded under the Social Development Window) and their status, as well as the number of activities that are implemented within the Africa region (including global activities which include the Africa region).

Table 2.3: TFESSD Social Development Window activities as of December 31, 2009

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
Total	137	33	104	72

Implementation Progress

131. 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. Some activities which had experienced delays in the implementation process due to political crisis and instability were extended (for example, work in Madagascar). The clients also requested to continue the technical advice provided on some of the ongoing local level pilots on participatory budgeting (including an evaluation to feed into the model for other communes) and in community scorecards in health. Some other activities have remained slow due to staff changes but will pick up its pace during this fiscal year.

132. In general, the majority of trust funds require some period of extension, and in keeping with TFESSD procedures, the Social Window secretariat has usually granted extensions of up to one year (or 18 months on an exceptional basis) based on requests by task team leaders. These extensions are typically requested due to delays in implementation because of country-specific situations, or to allow for completion of dissemination activities, particularly formal publication of reports which requires more time to process.

133. Thirteen activities closed between February 1-December 31, 2009 with outcomes highlighted in Section 3 of the report:

- TF055504 Social Policy
- TF055507 Integrated Country Social Analysis
- TF055513 Local Governance Platforms: Strengthening Local Government-Community Interface in CDD
- TF055616 Nigeria-Harmonization of Public Policies and Processes
- TF055743 Strengthening Social Accountability for Delivery of Public Services and Inclusive Governance in the Caribbean
- TF055754 Youth and Development in Conflict-Affected Countries
- TF057189 Supporting Accessible Justice Systems in Post Conflict Countries
- TF057237 Youth Inclusion in Conflict and Post-Conflict Contexts: Implications for CDD
- TF057310 Azerbaijan Rural Mobility and Livelihood Opportunities
- TF057340 Alliance for Demand Side Governance for Social Accountability in South Asia
- TF057347 Mobilizing Rural Institutions
- TF090255 Impact Evaluation of Local Development and Governance
- TF090743 Building Demand-Side Governance by the Poor.

Disbursements and Commitments

134. Social Window expenditures continue to be on track, as shown in Table 2.4 below. As of December 31, 2009 the Social Window had disbursed or committed \$38.7 million (94%) of the total \$41.3 million received. Of this amount, 43% has gone towards activities in the Africa region. Activities approved prior to FY06 have fully disbursed. Activities approved in FY07 have disbursed/committed 98%, activities from FY08 have disbursed/committed 83%, and activities from FY09 68%.

Table 2.4: Social Window 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	0.577		0.000			
PR03	6.092	6.092	0.000	100%	2.785	46%
FY03	7.594	7.548	0.000	99%	2.327	31%
FY04	5.273	5.273	0.000	100%	2.312	44%
FY05	5.419	5.419	0.000	100%	2.089	39%
FY06	5.212	4.840	0.022	93%	2.406	50%
FY07	3.030	2.976	0.012	98%	1.515	51%
FY08	6.840	5.685	1.688	83%	2.703	48%
FY09	1.302	0.885	0.465	68%	0.577	65%
	41.339	38.717	2.187	94%	16.715	43%

Strategic Review and Actions Taken

135. **Annual Strategic Review:** The annual strategic review is an opportunity to review 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 in September 2009 indicated that one activity (Communities at the Sharp End of Change funded in FY09), had implementation issues, since the original TTL had left the Bank and a replacement had recently been hired. The SD Sector Board approved a reduction of \$200,000 in the grant amount, leaving the activity with \$290,000 towards implementation. Additionally, an activity approved in FY10 (Contract Farming and the Role of Government) was dropped since the TTL was moving to a new department and was unable to take the proposal forward.

136. **Reallocation of Funds:** As of end-September 2009, 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. 2009). The Sector Board recommended that some of the funding be allocated to the following two new proposals, if approved by the TFESSD donors:

- \$350,000 to support a study on Societal Fragility and Conflict (which would serve to contribute to next year's WDR). and
- \$400,000 to be support strategic analysis for social development, which would include updating the Social Development Strategy and preparation of Social Indicators

137. The TFESSD donors approved the proposal on Strategic Analysis for Social Development in December 2009, but rejected the proposal on societal fragility and conflict. The donors also stressed the need for a transparent and systematic approach to deal with proposals being submitted outside of the regular call for proposals. They recommended that unused savings unable to be absorbed by ongoing activities be put towards activities under the next Call for Proposals.

C. POVERTY WINDOW

1. Summary

1. During this reporting period, there have been a number of achievements, both in strategic terms for the poverty window, and also in terms of the activities moving forward. The managing unit of the poverty window has changed its name from the “Poverty Reduction Group to the “Poverty Reduction and Equity Group.” This change was made to signal that equity, and not just growth and poverty reduction is central World Bank priority (see Box 2.6). In this context, we want to acknowledge that this explicit focus on issues of equity, and increased attention to and increased capacity for distributional analysis have benefited considerably from the support that donors such as Norway and Finland have provided through the TFESSD. This fund has supported innovative initiatives for testing methodologies, tools and approaches to deal with distributional issues, all of which significantly enhance the Bank’s capacity to achieve its goals.

2. Under the poverty window, the funded activities are achieving the TFESSD objectives by: (i) generating policy-relevant knowledge; (ii) creating capacity; (iii) opening new fields for research and operations; and (iv) promoting cross-sectoral work. As described below, the work has also been accompanied by some implementation challenges and delays. In many cases, these have resulted from inadequate capacity at the local level; in other cases from lack of smooth transition when the task shifted from one task team leader (TTL) to another within the Bank. In all these cases, the flexibility of the TFESSD has been helpful in allowing Bank task teams to make the necessary mid-course corrections for responding to client having a real development impact. Despite some implementation issues and delays, however, as this reporting period comes to a close, all activities are on-track.

3. Currently, the Fund supports activities in four thematic areas:

- Employment, earnings and shared growth, including analysis of labor market interventions and labor market behavior outcomes.
- Impact evaluation and creating evidence for policy, including evaluation of CDD, safety net and agricultural sector interventions.
- Vulnerability to shocks, including the food, fuel and financial crises, among the poor and extreme poor.
- Climate change and sustainable livelihoods, including work on quantifying and understanding the distributional impacts of climate change.

4. The impact of TFESSD in the Bank and in client countries has happened at different levels and through different channels, most notably: (i) innovation, (ii) dissemination, (iii) new knowledge among Bank's counterparts and other stakeholders, including governments, NGOs, academics, think tanks and politicians. Activities rely on capacity building that takes place through informal consultative process as well as through more formal training exercises and involvement in project design and execution. Impacts occurs through shaping of policies and reforms via consultation processes as well as a result of evidence produced through impact assessments and evaluations. However, the impact of the Fund is seen not only in the form of outcomes, but also in the way it influences processes, by encouraging new ways of thinking about development problems and solutions.

2. Progress toward the Development Objectives

5. While poverty reduction is the mandate of the World Bank as a whole, activities financed under the Poverty Window focus on the poverty and distributional implications of global issues.

Strategic Objectives and value added

6. During this reporting period, the Bank's Poverty Reduction Group, which manages the Poverty Window, reorganized its work program around five pillars: (i) measuring and understanding poverty and inequality; (ii) coping with crises; (iii) growth, employment and poverty reduction; (iv) the state and the promotion of equity; and, (v) monitoring & evaluation for policy effectiveness. At the same time, the unit's name was changed to the Poverty Reduction and Equity Group, to signal that equity, and not just growth and poverty reduction, remain central to World Bank priorities. This explicit focus on issues of equity, and increased capacity for distributional analysis have benefited considerably from the support of donors such as Norway and Finland through the TFESSD, which has supported innovative initiatives for testing methodologies, tools and approaches to deal with distributional issues.

Box 2.6. What is equity?

The 2006 World Development Report, *Equity and Development*, emphasized that equity is not just an end in itself, but important for development because it is likely to stimulate more productive investments and thus lead to faster growth. The WDR made a clear distinction between equality and equity: equity implies equality of opportunity, where personal effort, preferences and talents can determine outcomes rather than family background, social position, race or gender. Significant inequality in wealth and opportunity can perpetuate extreme deprivation, often for large segments of the population, wasting human potential and slowing economic growth. Promoting equity depends on explicit policies that expand access to quality services (health care, education, and justice), economic infrastructure such as roads, power, water, sanitation and telecommunications; and markets. This WDR, an important source of inspiration for the recently renamed Poverty Reduction and Equity Group, received significant funding from the TFESSD. Equity is now a core issue for the Poverty Reduction and Equity group, and is addressed by a number of TFESSD activities currently financed through the poverty window, such as the distributional analyses of climate change and of fiscal crisis.

7. Important examples of the work the TFESSD has supported through the Poverty Window include the Poverty and Social Impact Analyses (PSIA), the multi-country Moving Out of Poverty studies, and most recently, the distributional analysis of the impacts of the food, fuel and financial crises and of climate change. As an example of the value added the funds have contributed over the years, we can mention the February venture between Social Development and the Poverty and Equity Unit resulted from the extensive cross-sectoral work in a range of countries on the distributional impact of policy reforms that was originally funded by the TFESSD.

8. It is also worth noting the extent to which issues of empowerment and gender equity, important to the Trust Fund, have been mainstreamed into a significant number of activities. That is the case of the agricultural adaptations project, which has already succeeded in mainstreaming gender into the policy discussion and influencing project design; the evaluation in Bihar; and the impact of empowerment project. Other projects, including the impact evaluation of the National Solidarity Program in Afghanistan, have carefully disaggregated data according to gender, with interesting preliminary findings.

9. The Trust Fund currently supports activities in four thematic areas:

- Employment, earnings and shared growth, including analysis of labor market interventions and labor market behavior outcomes.
- Impact evaluation and creating evidence for policy, including evaluation of CDD, safety net and agricultural sector interventions.
- Vulnerability to shocks, including the food, fuel and financial crises, among the poor and extreme poor.
- Climate change and sustainable livelihoods, including work on quantifying and understanding the distributional impacts of climate change.

10. Activities performed under this window are achieving the TFESSD purpose by: (i) generating policy-relevant knowledge; (ii) creating capacity; (iii) opening new fields for research and operations; and (iv) promoting cross-sectoral work. As described below, the work has seen some implementation challenges and delays. In many cases, these have resulted from inadequate capacity at the local level; in other cases from lack of smooth transition when the task has shifted from one task team leader to another within the Bank. In all these cases, the flexibility of the TFESSD has been helpful in allowing TTLs to make the necessary mid-course corrections that respond to client needs and will have a real development impact. Finally, despite some implementation issues and delays, as this reporting period comes to a close, all activities are on-track.

2.2 Impact on the Bank and in client countries

11. The impact of TFESSD in the Bank and in client countries has happened at different levels and through different channels, most notably:

- innovation in how the Bank and its stakeholders approach development issues, particularly poverty and equity;
- dissemination of new knowledge among Bank's counterparts and other stakeholders, including governments, NGOs, academics, think tanks and politicians;
- capacity building through informal consultations as well as through more formal training exercises and involvement in project design and execution
- shaping of policies and reforms, which takes place through ongoing discussion and consultation, as well as through provision of evidence produced through rigorous impact assessments and evaluations

12. The impact of the Trust Fund is seen not only in the form of outcomes, but also in the way it influences processes, by encouraging new ways of thinking about development problems and solutions. The PSIA work is again an example, since it introduces stakeholders analysis and mixed methods assessments to feed country dialogue before reforms. Another example is the Moving out of Poverty project which demonstrated the potential of combining qualitative data collection methods (quantitative surveys, life stories, focus groups and interviews), with innovative forms of analysis to understand the dynamics of poverty and mobility from the bottom up.

Innovation

13. The following activities exemplify innovative analytic work:

- **The Implications of Climate Change for Economic Policies in APEC** merges economic policies and climate change, involving Finance Ministries in conversations about climate change and environment, as well as (unusually) bringing together Bank experts in sustainable development with experts in fiscal and trade policies.
- **Assessing Poverty and Distributional Impacts of the Financial Crisis:** This activity created a new methodology of micro-simulations that allows countries to understand the impact of the financial crisis on different segments of the population. It is based on available data and does not require data gathering.
- **Employment of the Rural Employment Guarantee Program in Bihar:** After the first round of the quantitative evaluation identified low participation and very low awareness about the program's features, especially among women, the team redesigned the follow-up qualitative work to build awareness through an information campaign and film on program rights and entitlements. The next round of the survey will test whether the awareness building activities affected household behavior. (see Box 2.7).
- **Addressing Extreme Poverty in Low Income countries:** Risks and Shocks made innovative use of panel data to characterize chronic extreme poverty and explore sources of vulnerability, further complementing this data with qualitative data collection and participatory techniques.
- The **Randomized Impact Evaluation of the National Solidarity Program** in Afghanistan has demonstrated that it is possible and useful to carry out rigorous impact evaluation in very fragile, even conflict-affected settings.
- The **Impact of Empowerment** is bringing rigor to the in-depth study of how factors difficult to measure, such as social capital, empowerment, and improved governance, affect the success of CDD projects across several states in India, with

- the aim of producing an analytical framework, manual and field-tested data collection instrument readily applicable to the analysis of similar projects.
- The **Zambia Country Study** has been praised by donors for its groundbreaking work in bringing together an unusually wide range of private sector and government representatives in a collaborative way to discuss policy as well as design analytical work.

Box 2.7: Evaluation of the National Rural Employment Guarantee Program in Bihar

Implementation of this activity demonstrates a creative mid-course change to the evaluation design as a result of some unexpected findings. The original design of this activity called for detailed qualitative work to understand the more "black-box" picture of the program provided by the quantitative analysis. The first round of the quantitative survey was conducted across 150 villages in May-June 2009 suggest low participation in the scheme overall and very low awareness about program features and entitlements, especially among women. Despite the poverty in Bihar, awareness about how to demand and register for work was particularly low. A pilot of the qualitative work with focus group meetings confirmed the abysmally low awareness of the target population. Yet Bihar is one of the poorest states of India. There is clearly a huge unfulfilled potential for the program in this setting. Given this poor awareness on entitlements, the team (comprising research and operational staff) made the decision to implement the qualitative work in the form of a demand side intervention, using focus group discussions to conduct an information campaign on program rights and entitlements, including a film we have produced on NREG with a local NGO. The following round of the panel survey should thus provide an ideal opportunity to test the impact of the intervention i.e. whether surveyed households did anything differently after receiving the information and the degree to which better information and knowledge about the scheme improves its performance.

Dissemination

14. The activities under this window share an ongoing program of dissemination during the life of the project. This section summarizes the most frequently used channels and presents some examples from this reporting period:

Publications

15. **Climate Change and Volatility** in Tanzania has resulted in one paper in Environmental Research Letters, published by the Institute of Physics, and another as a World Bank Policy Research Paper. The first paper is in the top 3% of downloaded articles published this year from journals published by the institute of Physics, and elicited responses from DFID, the European Environmental Agency, and the European Commission. Yet another paper has been submitted to Global Environmental Change.

16. Assessing poverty and distributional impacts of the financial crisis has already resulted in two Policy Research Working Papers on Bangladesh and Philippines, along with a sort note in Economic Premise, a PREM publication.

17. **Promoting Shared Growth from the Bottom Up** is one of several trust funds that has contributed to 3 volumes in the Moving Out Poverty series, including a synthesis of the global research, a volume on India, and a third volume on conflict countries.

18. In addition, much of the work described above can be accessed through websites, including:

- www.worldbank.org/poverty
- www.worldbank.org/poverty/movingoutofpoverty
- Employment Lab: <http://go.worldbank.org/3JGIL5JWZ0>

Specialized conferences and workshops

19. The June 2010 APEC conference to be held in Japan will include discussion of the results of the work implications of climate change for economic policies in the APEC. The climate change work on Tanzania and India has been presented in specialized conferences and meetings. The World Development Report on Climate Change has been presented during the SDN Annual Forum in Jan 2010, with global presentations planned for the coming FY. PREM learning week will be enriched through dissemination of the products and methodologies developed under this Window, including among others, the Employment Lab, the methodological tool to assess impacts of macro shocks, and methods for measuring climate change impacts.

Capacity building

20. While capacity building overlaps with dissemination, we treat it as a separate category where the focus is primarily on building the skills, knowledge, and capability for analysis and operations. It includes working with and mentoring counterparts who are not fully skilled, partnering with organizations, and allowing adequate time during the process of engagement to achieve consensus, reach decisions, leverage budget, and move forward. Capacity building, as we note later in the report, remains an area that needs to be further developed.

21. During this reporting period, capacity building was undertaken by matching local counterparts with international experts. An example is Addressing Extreme Poverty In Low Income Countries, Risks And Shocks, which paired international experts from Oxford University's Center for the Study of African Economies with local counterparts in Ethiopia. The Randomized Impact Evaluation of the National Solidarity Program in Afghanistan is being carried out in close cooperation with the Vulnerability, Analysis Unit of Ministry of Rural Development to build greater the ministry's capacity. Moreover, a significant portion of the work has been carried out by local rather than international consultants. Given the complexity of the context, implementing a randomized impact evaluation is innovative and relevant, and contributes to develop a solid approach to assess policy and make decision of better investment of limited resources. Further examples of capacity building include:

- The Climate change and volatility in Tanzania team is working in partnership with the local Economic and Social Research Foundation (ESRF) as their primary local collaborator while exploring potential collaborations with other Tanzanian institutions such as the Tanzanian Meteorological Association.

- The Impact of Empowerment, carried out in India and Sri Lanka, collaborated closely with a local partner organization, the Center of Economic and Social Studies in India, the impact of which is illustrated by the fact the Center is now collaborating with Oxford, Berkeley and Stanford in collecting and analyzing data for other joint projects.
- Adapt, the Impact Evaluation Project for Agriculture in Africa, has trained 120 in-country policy makers and 25 Bank staff who are now working on the impact evaluations. They received training in: (i) evidence based policy, (ii) gender and (iii) agriculture.
- The work on Mozambique has been done in coordination with the Research Unit of the Ministry of Planning; and mainly carried out in Mozambique including staff from that unit and the Bank.

Policies and reforms

22. The Zambia Country Study has produced analytic work that is being drawn upon by the Ministry of Commerce, Trade and Industry in formulating a policy to develop and strengthen the MSME sector. The Millennium Challenge Account and USAID have also used findings from the study to develop their own strategies. Addressing Extreme Poverty In Low Income Countries, Risks And Shocks has produced analysis on vulnerability and shocks used in the Nicaragua poverty assessment. This analysis is contributing to social policy discussion in the country.

23. Adapt, the Impact Evaluation Project for Agriculture in Africa has influenced local teams to include gender analysis as part of their impact evaluations. One result has been that gender has been mainstreamed as part of the policy agenda, and teams are discussing how to make interventions gender-sensitive. The Youth Employability Project contributed to the design of the Disability and Children at Risk project in Bangladesh, and to the background analysis informing the “Understanding Child Labor” initiative formulated by the ILO, UNICEF the Ministry of Labor. Work on Climate change in ECA has been carried out in close conjunction with the Pilot Program for Climate Resilience in Tajikistan, a grant funded project to promote adaptations investments underway in the country.

Shortfalls and risks

24. While all activities are now on track, there have been a number of delays and challenges during implementations. Some delays can be attributed to insufficient departmental ownership of the activity. Several activities were put on hold when TTLs moved and were not promptly replaced by management. This caused delays of up to several months, in some cases until the TTL was replaced, in another until the original TTL was given permission to remain engaged until a replacement could be found. In other cases, the country manager or sector manager changed, which delayed processing of required approvals. In other cases, cumbersome Bank procedures, including procurement roles, delayed hiring of consultants. Other implementation issues concerned the unsatisfactory work of the international consultant firm contracted to collect the data, suggesting that a more hands-on approach on the part of the Bank staff may have alerted the team earlier to technical problems. Finally, a frequent concern among TTLs was the lack of capacity in client countries, whether among government counterparts, or among local researchers/firms. Finding good local counterparts in some cases entailed delays; in other cases resulting in hiring international rather than local consultants.

25. Activities were also subject to risks, although task teams were generally able to redesign the activity to address the problem. For example, given the lack of adequate data, Earning your way out of poverty had to be restructured, shifting from producing policy recommendations, to developing a method for rigorously analyzing issues with available data. Other projects had to cope with changing political priorities in client countries. The task team working on Climate change, agricultural productivity, and rural poverty in India had put considerable effort into engaging the Government of India through their Department of Economic Affairs and Ministries of Agriculture and of Environment and Forestry, but national elections that took place during this period contributed to large delays in processing administrative requests and uncertainty as to whether high level staff in key ministries would be replaced.

New challenges for Poverty Reduction and Equity

26. The development and policy practice of poverty reduction and equity is evolving much more rapidly than before. The World Bank is looking ahead to how to be up to the challenges on developing methodologies, approaches and solutions for our client countries. This work requires the allocation of resources to discovery costs and rigorous analysis. The road ahead shows us some new challenging topics that could be developed and that the Poverty Reduction and Equity Unit is taking under its work program.

27. The redistributive process: taxes and transfers have always 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.

28. Fragile states: post-conflict or in-conflict countries face a lot of challenges to address poverty reduction. In general, conflict contributes to depreciate also the social and institutional capital of a society and of the communities making it so much harder for governments and donors to deliver.

29. Equality of opportunity: 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, while giving more political room to re-distributive policies.

30. Monitoring and evaluating programs: beyond the technical design of a program to address poverty reduction, the implementation process matters. Therefore having a system to take corrective action and boost the impact of a given policy is critical. Understanding how M&E systems work and how they can be implemented is a coming challenge to poverty reduction.

3. Activity Summaries

31. This year, we have divided the activities in four thematic areas that support the implementation of the strategic areas of the Poverty Reduction and Equity agenda:

- Employment, earnings and shared growth
- Impact evaluation for evidence-based policy making
- Poverty and vulnerability to shocks
- Climate change and livelihoods

Employment, earnings and shared growth

32. **TF090857 Youth Employability (started in FY07), \$ 110,000** This study has identified innovative modalities to integrate disadvantaged youth, especially street children, in the labor markets of India and Bangladesh. It has assessing programs that can be up scaled for improving their social, entrepreneurial and technical skills. In Bangladesh, the findings influenced the Disability and Children at Risk project. In addition to that, Social Protection within the Bank is working jointly with ILO, UNICEF and the Ministry of Labor in the initiative “Understanding Child Labor” using the study as part of their background analysis. The Bank Education team, as per the Government’s request, is preparing a new vocational training project that is also building on the recommendations of this work, including the importance of working with selected NGOs to improve youth employability. This activity will come to an end in 2010 as expected and has already been the subject of dissemination and presentations, mainly within the Bank and with government officials working on these areas.

33. **TF057110 Promoting shared growth from the bottom up in Africa (started In FY06), \$120,806** This activity closed during this reporting period, following dissemination of the findings. The website -- www.worldbank.org/movingoutofpoverty -- has registered more than 8,000 downloads and 99,914 views since its inception. It consists of a cross-sectoral study that addressed the relationship between freedom, democracy and growth from the bottom up through mixed methods. It is characterized by its focus on identifying factors that help poor people move out of and stay out of poverty.

34. Findings contributed to three volumes in the Moving Out of Poverty Series: Success from the Bottom Up (a global synthesis); The Promise of Empowerment and Democracy in India, and Rising from the Ashes of Conflict. All three volumes were launched in Washington, were presented a meetings organized in London, Dublin, Paris, Stockholm, Mumbai, and Delhi. Findings have been discussed in the media in these countries and in blogs by international NGOs: <http://www.oxfamblogs.org/fp2p/?=195>
http://blogs.odi.org.uk/blogs/main/archive/2009/06/04/poverty_social_relations.aspx

35. One finding of the study regarding the process of implementation itself was the urgent need to develop local capacity. Although the team managed to raise some additional funds for this purpose, it was difficult build sufficient capacity in the time allowed, particularly given the challenging nature of the mixed methods used. The task team leader considers, in retrospect, that at least \$1 million should have been programmed for the work in each country.

36. **TF090888 Earning your way out of poverty (started in FY07), \$150,000** Three-quarters of all poverty reduction strategies identify lack of quality employment as a constraint to poverty reduction, and job creation as a priority policy objective. Given this concern, the objective of this activity was to develop analytical tools to identify ways of creating employment opportunities and decent jobs for the poor and vulnerable. These tools will be put at the disposal of: (i) Bank staff, so that they can respond to requests for technical assistance; and, (ii) governments, so that they can use them to formulate better policies for creating jobs. The tools were developed using panel data from Albania, Nicaragua and Vietnam. Last year, the team completed the analysis and country reports, and used them to draft a guide and a manual that can be used by other countries. The Philippines country team has already asked to use this tool and has worked with the team in applying it. The products developed under this grant will be a key component of the Employment Lab, a labor market diagnostic toolbox for developing countries that is already widely available on line at <http://go.worldbank.org/3JGIL5JWZ0>. Other components of this tool will be disseminated within the Bank during PREM learning week in May 2010, with further dissemination to follow.

37. **TF090727 Promoting decent work in Africa (started In FY07), \$ 600,000** Given the importance of the informal sector as an engine of employment and income in most economies in Sub-Saharan Africa, this study focuses on strengthening the links between education and skills development and employment in formal and the informal sectors. 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.

38. These approaches are being tested in selected countries. In Tanzania and Nigeria the work on skills development has been completed. Additional work is underway on Ghana, Uganda and Mozambique, and will continue in Rwanda. To date, implementation challenges have included locating qualified consultants; delays in commitments from the Country management unit, and political unrest that has forced the team to rethink case study countries (such as Madagascar). Findings are expected to influence upcoming and ongoing operations in these countries.

39. **TF057365 Zambia Country Study (started in FY06), \$ 553,000** The main objective this activity, which will close this coming reporting year, has been to generate information and capacity that can help the government expand pro-poor growth and develop market opportunities. This work has included analytical studies, drawing on widespread collaboration among key stakeholders and the promotion of policy dialogue between decision makers, civil society and other direct beneficiaries. Issues addressed have included the political economy of shared growth in Zambia as it relates to the informal economy; perceived inequality of existing production systems; and barriers faced by the poor when seeking economic opportunities and food security. During 2009, survey results were analyzed and reports and presentations were prepared. The work will be widely shared in 2010 and it will contribute to Zambia's 6th National Development Plan as well as donor programs. The private sector plans to use the mapping of businesses to design new services such as mobile banking. Several reviewers of the preliminary report have praised the work for the unusually broad and groundbreaking degree of collaboration between the private sector (Zambia Business Forum), Government (The Ministry of Trade, Commerce and Industry), which went beyond the usual narrow sample of urban manufacturers and small firms typically represented by investment climate assessments. The analytical work has looked at: (i) four agricultural value chains changes that could benefit the poor; (ii) a productivity assessment on rural and peri-urban firms. 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. The task team felt the flexibility of TFESSD regarding extensions enabled the initiative to proceed smoothly despite delays.

Impact evaluation for evidence-based policymaking

40. **TF094878 Randomized impact evaluation of the National Solidarity Program in Bihar (started in FY09), \$ 200,000** This activity has focused on increasing the capacity and the demand for rigorous analysis of the ability of community based development to generate durable improvements in food security and access to related infrastructure services. It will provide evidence to help design more effective mechanisms to reduce vulnerability in rural Afghanistan and other post-conflict environments with weak government capacity. This project fills the gap of evaluation structures; and demonstrates the feasibility and desirability of rigorous evaluation of development activities even in difficult environments.

41. The first follow up survey data collection has been completed, and key findings have already been shared with stakeholders in Kabul and Washington, with widespread dissemination scheduled for June 2010. The project has faced significant challenges, foremost among them the difficult security situation in Afghanistan. This has been compounded by lack of capacity in local institutions and professionals. As part of capacity-building efforts, however, it should be noted that 100% of the first tranche was spent in local consultants, and only 30% of the 2nd tranche will go for an international consultant. 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.

42. **TF094803 Rural Employment Guarantee Program in Bihar (started In FY09), \$ 120,000** The rural employment guarantee program is one of the largest safety nets programs in the world. It guarantees 100 days of employment to rural households on demand at the state minimum wage. This activity is evaluating the impact of this program on employment, labor earnings and other socio-economic aspects. Its innovative approach gives particular attention to institutional and program design and implementation factors in driving the observed outcomes; and underscores how the way programs are implemented can produce very different results, even for programs that have had very similar technical envisioning processes and designs. The original design was somewhat restructured to include a qualitative component. Preliminary findings revealed that there was considerable potential for improvement in the program given the abysmally low awareness about the program's benefits. To increase awareness, the qualitative component was adapted as an awareness-raising activity to include discussions, a film and handouts on program rights and entitlements for the treatment group. The impact of this intervention on behavior with respect to the baseline or control group will be analyzed, with results available after July 2010.

43. **TF094797 Aadapt, agricultural adaptations (started in FY09), \$ 400,000** Based on recommendations from the 2008 World Development Report in 2008 that the Bank: increase its engagement with and improve the quality of operations in agriculture, 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. Twelve teams attended the launch in April 2009 and all of them have moved forward in implementing their impact evaluations. Follow up missions to the teams have taken place and field coordinators are in place, with countries free to set their own research agenda and receive just-in-time advice. In addition, 120 national in policymakers and 25 Bank staff have been trained in evidence based policy, gender and agriculture.. As a result, 8 of the 12 teams have introduced gender-sensitive interventions and plan to test their effectiveness in boosting women's participation and outcomes in agricultural adaptations. Thus far, the most important implementation challenges are linked to operational schedules. Some baseline surveys were delayed due to local political disturbances or delay in the process of approvals. But all activities are back on track and within a year it should be possible to make conclusions about the operational relevance of the studies.

44. **TF056122 Impact of empowerment (started In FY05), \$ 275,000** This activity closed during the reporting period. It developed a methodology that can be readily applied by task managers who need benchmarks and tools to help them analyze the effectiveness of community development projects. To that end, the project picked three interventions (in Andhra Pradesh, Tamil Nadu and Sri Lanka) that differ substantially from each other in terms of approach and historical evolution; but followed a very similar evaluation methodology. The project resulted in better understanding of the extent to which project characteristics and pre-existing social capital together affect the scope for benefitting the poor directly or indirectly; greater knowledge about the enabling factors and aspects that allow different types of interventions to reduce vulnerability and enhance the beneficiaries' level of empowerment and social capacity; and an analytical framework, manual and data collection instruments for task managers. One implementation challenge concerned the project management's initial objections to the "slowness" of a rigorous analytical approach. The thorough and deliberate

approach, however, in the end turned out to be critical for the credibility of the program and the ability to build up a methodology. The impact of this work has already been evident in India and beyond. A number of research institutions are considering conducting follow-up studies to explore the long-term impact of Self Help Groups. This activity built capacity and increased credibility of the CDD approach for other Indian states. It also served as an example of collaboration between research and operations, in large part due to the initiative of the first TTL, who actively sought involvement of the research department. This collaboration should be emulated by other projects.

Poverty and Vulnerability to shocks

45. **TF090809, Ethiopia Internal Migration (started in FY07), \$ 175,000** Ethiopia is under increasing migratory pressures, with large rural-urban movements. This activity should strengthen the information base about the migratory dynamics and increase the menu of options for policy. 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. The team is currently preparing the descriptive report to ensure that no errors make their way into the rural survey. Despite the delay, activity has resumed and country counterparts remain extremely interesting in the findings.

46. **TF 057289 Addressing Extreme Poverty In Low Income Countries, Risks And Shocks (started in FY06), \$327,000** Shocks are an important cause of downward mobility, but the specific factors, events and conditions that push households into extreme poverty are still not clear. The country studies in Nicaragua, India and Ethiopia carried out for this activity explore this trajectory, with an emphasis on the coping mechanisms used by the poor. The initial analysis shows the importance of risk and shocks in pushing people into and keeping people in extreme poverty. The Nicaragua and Ethiopia studies have already produced strong results but progress on the India work temporarily slowed after the TTL moved to Hanoi and two members of the core team in India became ill. Thus far, in Nicaragua findings have already provided inputs into the national poverty assessment, and have also been prepared as a stand-alone report. In Ethiopia the work is well advanced. In India the work is underway but the analysis will be ready in June 2010. Country level consultations have been completed for Nicaragua and are pending for Ethiopia and India. A large dissemination workshop is planned for the next reporting year. Given the priority importance of vulnerability due 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.

47. **TF094729 Assessing poverty and distributional impacts of the financial crisis (started in FY09), \$200,000** In the midst of the financial crisis, this grant is developing a methodology for predicting and evaluating the distributional impacts of the financial crisis, exploring differences across social groups. In that way, it aims to provide timely policy advice that is evidence based and gender sensitive. Four country studies have been completed. The written outputs and detailed information on simulation results has been shared with regional/country teams who incorporated this work in their operational agendas. This work is available on the website www.worldbank.org/poverty and has 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 for country

teams to use and 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," organized for the Middle East and North Africa in Egypt in November 2009. Participants evaluated the course as very relevant, and the toolkit and documentation will be put on the web. This work is innovative in expanding the scope of the analysis that can be obtained without increasing data requirements. 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 status such as employed vs. unemployed. These impacts have important policy implications for when compensation or prevention programs. Findings have already been used by Bangladesh in the material that they prepared for the Annual Meetings; Egypt has used them as part of the ongoing policy dialogue on poverty trends in the country and in designing a technical assistance package for poverty measurements; The Philippines has used them in the wake of a recent typhoon, in the Damage and Needs Assessment Report to inform the design of a relief operation. The results for Mexico are being discussed with the Social Sector Secretariat and more collaboration has been requested; they want to use this work as an input for reforming their safety nets structure. Thus, the most challenging part of implementation has been the volume of demand for the services this activity is offering.

48. 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 intention was to produce a (i) core 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. During this reporting period, the Government decided it was not interested in an analysis of risk, shocks and social protection, due largely to the lack of political will to expand social protection programs. While this piece of work will probably be cancelled, the team still plans to produce empirical evidence on the value of social protection programs for making growth more inclusive and thus more sustainable.

Climate Change and Poverty

49. TF 093403 Implications of climate change for economic policies in the APEC (started in FY08), \$515,000. 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. As a result, these issues have been included in the agenda of the APEC conference to be held in Japan in June 2010, where the results of this work will be presented. This project has already produced a draft on trade policies and climate change; another on expected impact of extreme climate events in Indonesia, and has launched a study on fiscal policy and climate change in APEC that will focus on Indonesia, Vietnam and China as case studies. The main implementation challenge involved finding qualified consultants with expertise on both economic policy and climate change. Coordination within the Bank between Economic Policy in PREM and Sustainable Development

also presented challenges, and demonstrates the pressing need for more cross-sectoral work to bridge these areas.

50. TF 092567 Tanzania, climate change and vulnerability (started in FY08), \$ 536,000

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 will be applicable to other parts of the developing world. Initial implementation challenges involved difficulties in identifying a rigorous mechanism to integrate the climate modeling results with the statistical crop modeling and economic simulation; and identifying African researchers and professionals trained to take advantage of in-country capacity building activities. Now, however, 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. Working with the Tanzanian Ministry of Agriculture and the Country Office, the team has planned the dissemination activities for 2010. The published and disseminated work has received a lot of attention among the scientific community but also among the media. The paper by Ahmed, S.A., N.S. Diffenbaugh, and T.W. Hertel (2009) "Climate volatility deepens poverty vulnerability in developing countries" *Environmental Research Letters*, Vol. 4, was in the top 3% of the most downloaded papers of the year across all journals published by the IOP. The second paper is by Ahmed, S.A., N.S. Diffenbaugh, T.W. Hertel, D. B. Lobell, N. Ramankutty, A.R. Rios, and P. Rowhani (2009) "Climate Volatility and Poverty Vulnerability in Tanzania," *Policy Research Working Paper Series*. A third paper is under review at the *Journal Global Environmental Change*. Numerous conference presentations have resulted in requests from the Africa Region to support their rural operations.

51. TF 093356 Economic and distributional impacts of climate change in ECA (started in FY08), \$300,000

The main objective of this activity is to better understand (i) the key sources of climate change related opportunities and risks in selected ECA countries by analyzing the probable impacts on household 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. The work is being closely coordinated with the Pilot Program for Climate Resilience in Tajikistan, a grant funded project to promote transformational adaptations investments. This study draws on different data sources available and it is the first of its kind to carry out a bus-national vulnerability assessment to identify which parts of the country are the most vulnerable to the impact.

52. TF092326 Climate change, agricultural productivity, and rural poverty in India (started in FY08), \$320,000

This study will generate knowledge about the long-run impact of climate change on poverty and income distribution in rural India. The original objective was to inform policy debate in India by allowing for a much finer data, and the team put considerable effort into generating interest from the Government through their Department of Economic Affairs and Ministries of Agriculture and Environment and Forestry. However, political sensitivities about the climate change issue, the 2009 national elections, and uncertainty about positions of high level ministry staff delayed the processing of administrative requests. There is also widespread uncertainty regarding the continuity of the appointments of higher staff in key ministries. Finally, a new Country Director came on board, along with a new Sector Manager for agriculture. As a result, only a research paper will be the output of this activity. The methodological framework and preliminary results have already been presented in the Bank, and the team is using feedback to enrich the analysis by conducting robustness checks for the results and include alternative predictions about the impacts of climate change on the prices of

key agricultural crops; and producing two additional background studies on the impacts of climate related shocks. The first will broaden the measure of household welfare and poverty by examining impacts on child health, while the second will assess how rural households cope with climatic shocks through temporary migration and other labor supply responses. Findings are being shared during PREM learning week.

53. TF092523 World Development Report: Climate change and development (started in FY08), \$ 1,200,000. The production of WDR was a highly collaborative process, with consultations carried out face to face and remotely through the Bank's Global Development Learning Network, in 39 countries. Key partners, including UNFCCC, UNDP, OECD, UNEP, DFID, and the EU commission contributed to the analytical work. The Report was released on September 15, 2009 in Washington and Nairobi, and at launches and media events in the UK, Germany, Belgium, Norway, Sweden, France, Japan, Korea, Indonesia, United Arab Emirates, Brazil, Mexico, Russia/FSU, Poland, Ethiopia, Thailand, Cambodia and others during the months leading up to the UN Climate Conference in Copenhagen. The report, 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. 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.

Overview of activities

54. The Poverty window, launched in November 2001, has funded 79 activities to date. Sixty-three have closed and 16 remain ongoing, with 10 expected to close during 2010. From the ongoing activities, 50% are managed by the Regions and the other 50% by the Networks or by the Development Economics Group.

Table 2.5: Poverty Window Activities as of April 10, 2010

Call/year	Activities approved	Activities ongoing	Closed activities
FY02	19	0	10
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

Progress of ongoing activities

55. Most ongoing activities funded under the Poverty sub-window are progressing satisfactorily. A few were held up because new TTLs were not chosen in a timely manner when the original TTL left his/her position; in one case the original TTL was permitted to continue the work after a considerable delay. Overall, many of the products have had documented impact on new operations, policy dialogue and country assistance strategies, and government and donor strategic planning. Research findings have been widely disseminated in the form of academic journals, Bank publications, conferences and websites.

Closed Activities

56. During this reporting period, only two activities were closed (see Table 2.6 below):

Table 2.6: TFESSD Poverty Window Activities that closed over the reporting period

TF number	Activity name	Closing date
TF09088	Earning your way out of poverty	08/31/2009
TF056122	Impact of Empowerment	03/30/2009

Disbursements and commitments

57. The poverty window portfolio indicates relatively high disbursement ratios as projects move forward. As of April 10, 2010, 66.3% of the funds have been disbursed, and an additional 18.4% has been committed. The relative vary depending on the phase of the project, with projects disbursing much more towards the end of the implementation phase. For activities expected to close this fiscal year, the rate of disbursements and commitments is 95.17%, which indicates they are well on their way to closure.

58. Table 2.7 provides an overview of disbursements and commitments under the poverty window over the last year. The Africa share has reached 56%.

Table 2.7: Poverty Window 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	0.154	-				
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	2.775	0.023	101%	1.992	72%
FY06	1.102	1.117	0.016	101%	0.563	50%
FY07	0.917	0.706	0.048	77%	0.671	95%

FY08	3.111	2.678	0.571	86%	0.943	35%
FY09	0.380	0.266	0.143	70%	0.105	40%
	13.954	13.081	0.800	94%	7.376	56%

Actions taken or recommended

Annual strategic review by the Poverty Sector Board

59. 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 discussed by the Poverty Board in June.

Extensions, fund reprogramming and cancelled activities

60. Ten projects were granted extensions in this period to complete analysis or dissemination activities. Extensions continue to be requested, and are granted when there appears to be a clear justification for the request, and work is progressing satisfactorily. Among the most frequent reasons for extensions were change of TTL or key members of the task team; preliminary findings that prompted mid-course corrections and thus some delay; procurement and related processing delays from the Bank side; and in-country events such as elections or changes in key counterparts that slowed the work. Some projects were extended more than once, which may reflect an unrealistic assessment on the part of the TTL and/or window manager as to how quickly delays could be addressed.

61. The following projects were granted extensions during the past project year ("end date" refers to end of disbursement).

Table 2.8: Extensions

TF	Name	Original end date	Expected end date
TF092567	Climate change and volatility - Tanzania	30-Oct-10	30-Apr-11
TF09253	WDR on Climate Change & Development	30-Oct-10	30-Apr-11
TF092523	Climate change, agricultural productivity and rural poverty in India	30-Oct-10	30-Apr-11
TF090888	Earning your way out of poverty	30-Nov-09	31 May 10
TF090857	Youth employability	31-Oct-08	31-July-10
TF090809	Ethiopia internal migration	31-Oct-09	31-Oct-10
TF090727	Promoting decent work in Africa	31-Oct-09	31-Oct-10
TF09	Zambia country study	31-Oct-09	31-Dec-09
TF09	Addressing extreme poverty in low-income countries: risks and shocks	31-Oct-08	31-Jul-10
TF09	Impact of empowerment	23-Oct-08	31-Dec-09

D. ENVIRONMENT WINDOW

1. Summary

1. Because the economy of most developing countries and the livelihood of the majority of their populations depend on natural resource industries and the quality of the environment, the World Bank mission of effective and lasting poverty reduction requires that development be sustainable. During the last decade, the World Bank made significant progress toward integrating environmental concerns into all aspects of its lending and non-lending operations. This progress was achieved thanks to a deeper and better understanding of the links between the natural environment and economic growth. TFESSD made a remarkable contribution to this progress by supporting a series of innovative analytic, advisory, and capacity building activities that helped to strengthen the knowledge base for and a better understanding of the links between economic growth and the environment and poverty. Like the previous year, the activities funded by the TFESSD under the Environment Window are aligned with the three pillars of the World Bank 2001 Environment Strategy: (i) improving the quality of life, (ii) improving the quality of Growth, and (iii) protecting the quality of the regional and global commons.

2. This progress report summarizes the main results of the TFESSD-funded activities under the Environment Window during 2009. It has three sections. The first section deals with the contribution of the TFESSD-funded activities to the development objective of promoting strong environmental stewardship and mainstreaming the environment into Bank operations. The discussion focuses on the value added of these activities to Bank lending and non-lending activities, and on the impact of these activities on the development policies and programs of client countries. This first part also discusses (i) the challenges and lessons learned from the implementation of these activities, (ii) knowledge sharing and partnerships that resulted from these activities, and (iii) the emerging challenges associated with climate change and development agenda.

3. The second section summarizes ongoing and recently completed activities in the five thematic areas of natural resource management, environmental health, poverty and environment, environmental policies, institutions and programs, and vulnerability to climate change and natural disasters. The third section assesses the overall implementation progress.

2. Progress toward Development Objectives

4. As already mentioned, the activities of the Environment Window are aligned with the three pillars of the Bank's Environment Strategy adopted in 2001. These activities cover five key strategic themes including: (i) Natural Resource Management (NRM); (ii) Environmental Health (EH); (iii) Poverty-Environment Linkages; (iv) Environmental Policies, Governance and Institutions; and (v) Reducing Vulnerability to Climate Change and Natural Disasters. The distribution of the activities across these five themes is shifting towards Climate Change and Environmental Policies, Institutions and Programs in response to both internal priorities and external demand (including emerging clients' emerging needs).

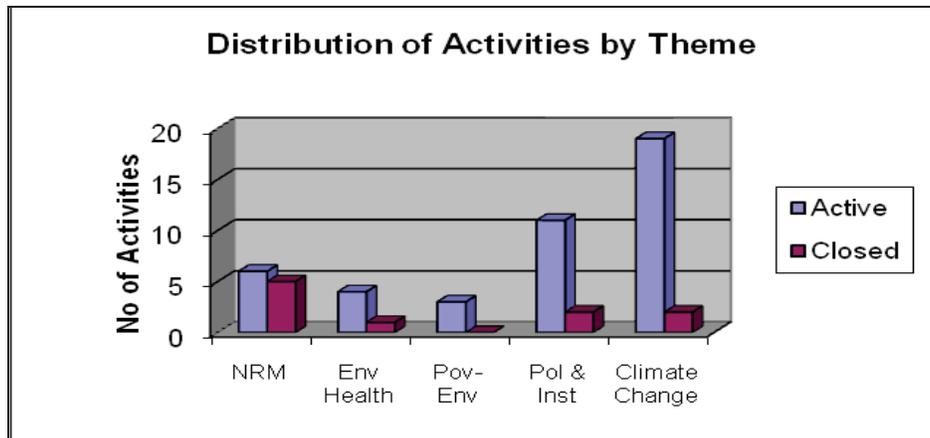


Figure 1: Distribution of Environment Window Themes

Value added and impact of the analytical work and other priority non-lending services

5. Combined with resources from other trust funds and Bank own resources, TFESSD is supporting critical enabling analytical work and capacity development in client countries. TFESSD is also facilitating knowledge sharing in client countries and in many instances fostering strong collaborative programs and building partnerships. In particular, funds provided by TFESSD supplement resources from the Bank Netherlands Partnership Program (BNPP) (approximately \$6 million each calendar year) to finance activities in the four priority thematic areas described below.

Innovative analytical and capacity building work at the country or sector level

6. This work consists in evaluating the baseline environmental conditions of a country or a specific sector with the aim to identify the priority environmental problems and to propose action-oriented recommendations that will help to resolve these problems. The knowledge and analytical toolkits generated help to mainstream the environment into client countries' poverty reduction strategies and sector development policies and reforms. Country Environmental Analyses (CEAs) and Strategic Environmental Analyses (SEAs) are the two main analytical tools used in this work. This work may also consist in strengthening environmental management institutions or other government agencies responsible for managing environmentally sensitive sectors (such as energy, mining, forestry, etc.).

7. Work in these areas is being carried out in Vietnam, Kyrgyz Republic, Pakistan, Uganda, Rwanda, Mali, Nigeria, and Mali, to name a few. This work also includes improving environmental governance and accountability in the mining sector of West Africa, controlling industrial pollution in Egypt and Bangladesh, and supporting the sustainable management of fisheries in the Western Indian Ocean. The Sierra Leone mining pilot SEA influenced the design of the technical assistance loan in the mining sector. The results of the Philippines CEA provided input to the CAS discussion, and proposed interventions that will likely influence the government's environmental policies.

Integrating sustainable natural resources management and environmental health concerns into Bank operations

8. Sustainable natural resources management: Activities aim to help Government agencies and local communities to engage in resource exploitation patterns that protect the productive capacity of natural resources to support livelihoods for the long term. Work under this theme includes developing the capacity of local governments and communities in Sub-Saharan Africa and other regions to manage natural resources such as land, water, fisheries and forests in a sustainable manner. For example, the sub-regional sustainable land management activity in Mali and Nigeria seeks to establish a collaborative, multi-actor institutional framework that will ensure the adoption and scaling-up of sustainable land management practices in both countries.

9. Also, the results from the study on *“Economics of Bio-resources Utilization”* under the Caspian Fisheries Management activity provided decision-makers and key stakeholders with a comprehensive analysis of the cost of unsustainable use of the fishery, and led to the promotion and adoption of less destructive fishing techniques. Recent evidence shows that the policy dialogue carried out under this activity influenced the five littoral states to coordinate policies, such as a fisheries protocol that is currently under consideration to support the Convention for the Protection of the Marine Environment of the Caspian Sea.

10. The output of the Non-Pesticide Management (NPM) study is supporting sustainable agriculture initiatives in various livelihoods project in the South Asia Region, particularly in India and has enabled the development of sustainable NPM components under the agriculture projects. The knowledge and learning base developed for sustainable agricultural practices helped small farmers in India change their farming practices that do not rely on the use chemical pesticides to control pests. The technology change allows the farmers to diversify crops and to increase yields. These learning activities and economic gains would not have been possible without TFESSD support.

11. Activities on Environmental Health aim to build a knowledge base (including robust quantitative estimates of the impact of environmental risks on the public), and to identify cost-effective interventions that will help client countries reduce the burden of environmental diseases related to lead pollution abatement, indoor and outdoor air pollution, and vector borne diseases. For example, in Nicaragua, TFESSD supported the development of a prototype dengue decision support system, and helped develop a web-based vector diseases system which allows the Ministry of Health to register entomological, epidemiological, meteorological and socio-economic survey data. Prior to TFESSD, standardized ecosystem and species data were not available.

Climate change and development

12. There has been a surge in demand for the World Bank to assist client countries to meet the multiple development challenges associated with climate change. As a result, the activities under this thematic area aim to support climate related actions in country-led development processes. TFESSD activities specifically focus on the following issues: knowledge, capacity building, and climate risk management, including adaptation aiming to reduce vulnerability to climate change and natural disasters. In addition to starting country and regional dialogue on these issues, mainstreaming climate risk management into projects through technical analysis and the development of adaptation and mitigation tools is being pursued. There are currently twenty active and two recently closed activities under this theme in countries such as Madagascar, Morocco, Yemen, India, and Thailand.

Poverty-environment linkages and opportunities

13. The analytical and capacity building activities under this theme explore ways to reduce poverty and sustain growth through sound and equitable management of the environment and natural resources. In addition to property regimes that ensure secure access to assets and economic opportunities, these activities seek to identify and support robust incentive frameworks that build on the compatibility between the attributes of the environmental goods and services at hand, and the socio-economic characteristics of the communities of resource users. These frameworks tend to result in resource exploitation outcomes that are equitable and efficient, and therefore likely to be sustainable. A case in point is increased access of the poor to agricultural land when access is constrained.

14. Research from many developing countries has demonstrated that relatively egalitarian patterns of land distribution generate higher rates of economic growth than highly concentrated ones. The basic reason for this outcome is that broad-based agricultural growth supports the production of non-tradable goods and services in rural areas and towns. This multiplier effect and the related rate of growth tend to be much weaker when the source of agricultural growth is concentrated in relatively few hands. In the area of land reform, TFESSD funded a land policy note which is being used as a key input into the design of Bank interventions in Central America to support the livelihoods of indigenous and non-indigenous groups. In Liberia, TFESSD supported the preparation of the new strategy for land and institutional reform for disenfranchised post-conflict communities. This new strategy prompted the president to sign a bill to create a land commission to spearhead land reform in Liberia.

Examples of impact

15. The Environment window portfolio of TFESSD-supported work has had numerous impacts at the country level. The examples below illustrate some of these:

- **China:** As a result of the discussions on the critical environmental challenges in the Shanghai, Jiangsu, Hubei and Hunan provinces during the “Call for a Green China Tour” in May 2009, China’s Ministry of Environmental Protection (MEP) agreed to establish a Particulate Matter control program. This is a big accomplishment as it is the first time that China has agreed to establish and implement a program like this, wherein the apportionment and dispersion modeling is applied to identify the air pollution sources and structure investment proposals.
- **India:** The output from the “*Community-Managed Approaches to Sustainable Livelihoods*” will support *Sustainable Agriculture* initiatives in various ongoing Rural Livelihoods, Irrigation/Watershed and Agriculture Productivity Enhancement projects in South Asia, thus ensuring continuity of the work program beyond the TFESSD funding. In addition, this activity is also being integrated in the National Mission on Sustainable Agriculture as part of the National Mission on Climate Change.
- **Liberia: as already mentioned,** TFESSD was transformative in pushing the land agenda to the forefront of Liberian politics and policies, it is the first recent large scale land study in Liberia. As a result of the study on “*Using a Sustainable Livelihoods Approach to Define Land Tenure Priorities in a Post-Conflict Environment,*” the Government of Liberia has taken steps towards land tenure reform by creating a Land Commission in charge of land-tenure reform. The study also brought various stakeholders together to discuss the land tenure problems facing Liberia. This has led to a \$2.9 million grant from the State and Peace building fund and a \$10-13 million dollar investment in land tenure by the Millennium Challenge Corporation. Other donors (e.g., UN Habitat, UNDP and Norway) are also now investing in land reform in Liberia.
- **Madagascar:** TFESSD helped catalyzed the Bank’s Disaster Risk Management (DRM) assistance program and institutionalize a DRM platform at the Prime Minister’s Office. TFESSD supported a large number of activities (i.e., met data analysis, risk assessment, cyclone norm revisions, and risk transfer) which are now being carried over in further depth under other programs. Madagascar now has a solid DRM program and has attracted South-South collaboration program with Senegal.
- **Morocco:** The work done under the “*Adaptation to Climate Change in the MENA Region*” is contributing to the development of a multi-sector strategy to address climate change. The analysis done is informing the design of a GEF investment operation on climate change adaptation and of a policy loan supporting the National Program for agriculture. And the final report is providing important insights for the National Program for agriculture regarding the adaptation options. The results from this activity will be used by the Country Management Unit to propose to the Government to have climate change as one of the pillars of the next Country Partnership Strategy.

- **Vietnam:** The comprehensive analysis on the current status of social accountability in Vietnam confirmed that the local people and local project staff do not have access to information and the people who implement social and environmental plans in large infrastructure projects lacked the **proper** training. The analysis raised awareness of the Government of Vietnam on the issues of social accountability, information disclosure and enabled public consultation activities. TFESSD supported the implementation of a new law on environmental protection and public consultation including training of provincial staff who directly confronted with issues related to the social and environmental impacts of local development projects. The mapping exercise done under the “*Natural Disasters and Risk Management in Rural Vietnam*” activity is being used by the World Bank office in Hanoi as a monitoring tool to geo-reference World Bank projects and compare to the map of natural disaster risk in Vietnam.

Challenges and Lessons Learned

16. While overall progress of activities has been good, some activities have encountered difficulties due both to issues internal to the Bank and political instability in partner countries. Challenges within the Bank include change of task managers, delay in identifying a new task manager, internal reorganization, procurement delay, difficulty in identifying a qualified consultant, and unfunded mandates and, at times, lack of support from a country office for a particular activity. Factors within client countries such as political unrest, lack of human resources in the client country, difficulty coordinating with local counterparts, reluctance of government agencies to release data, partner agencies withdrawing from project, etc also constrain progress on some activities.

Capacity Building, Knowledge Sharing and Partnerships

17. Knowledge sharing and dissemination, capacity building, and partnership go hand-in-hand to achieve the objective to improve management of natural resources, environmental governance and institutions, poverty-reduction and achieve growth. Strengthening national and local governments, empowerment of local communities and civil societies are an integral part of all the activities under the environment window. The activities funded by TFESSD have produced an array of capacity building tools i.e., workshops, guidelines, manuals, videos, databases and websites which has allowed client countries and other stakeholders to share regional and local knowledge and exchange lessons learned. More recently, a wealth of knowledge sharing and capacity building on adaptation to climate change is ongoing in most regions of the world with TFESSD support from the most recent rounds. The Environment sector is looking to reinvigorate its external partnerships through extensive consultations on the new Environment Sector Strategy for the Bank Group. These consultations are progressing well, thanks to TFESSD support (Box 2.8).

Box 2.8: Update on the consultations for New World Bank Group Environment Strategy

The generous support of the TFESSD has allowed the Environment Department, in partnership with IFC, to conduct inclusive and transparent consultations through discussions on a Concept Note aimed at reinvigorating dialogue and building trust with key partners. From October 2009 through April 2010 an unprecedented 64 external consultations were held in 116 countries, enabling direct conversations between the Bank and over 2,300 individual stakeholders. The dedicated external website (www.worldbank.org/environmentconsultations) has received over 55,000 hits during the same period, and features summaries of all consultation sessions, seven language versions, as well as feedback received directly online. In addition, some 14 analytical background papers are being undertaken to underpin the strategy. These papers are featured on the external website where a consultative platform allows stakeholders to contact the authors directly and engage in topic-specific analysis. All authors have been encouraged to consult externally on their respective papers, as appropriate, to further open up the process. The analytical papers are now beginning to feed key messages into the strategy drafting process.

A full draft is expected to be circulated internally in June, 2010 and presented to the Bank Board Committee of Development Effectiveness in late August, 2010. While a detailed analysis (by region and stakeholder group) of consultations feedback is forthcoming, main messages include a strong demand for the Bank Group to "close the gap between what it says and what it does" on the environment, to engage strongly in knowledge sharing and capacity building, to amplify and improve its communication on the links between development and the environment, to bolster valuation of ecosystem services and to support improved environmental governance and institutions. Internally the consultations team has conducted an Environment Strategy BBL Series to engage all Bank Group Staff in the process of developing the analytical background papers, share feedback from the external consultations, and reach out to Regions, Sectors and Networks. A range of Sectors including Energy, Transport, Education and ICT have been approached to explore how environmental sustainability may be addressed through the respective Sector Strategies in ways that may be monitored and also linked to development outcomes for beneficiaries. Discussions are also ongoing with PREM to strengthen economic perspectives to include environmental sustainability in the equation for development and economic growth. This series of consultations will continue with dialogue on the full draft Strategy in September and October, 2010, primarily through a web-based platform. The Strategy will be presented to the Executive Board in December, 2010.

3 Summaries of ongoing and recently completed activities

18. 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.

Natural Resources Management

19. The poor and the developing countries are largely dependent on natural resources and environmental services for their livelihoods and well being and economic growth may be hampered when environmental resources are degraded or lost. However, some people claim that the allocation of scarce resources to protect the environment and make a more sustainable use of the natural resource may retard economic growth and conflict with poverty reduction in the short term. This is part of the reason that some client countries' support for environmental and natural resource protection is mixed. The Bank addresses this through careful analysis of present and future consumption of natural resources and by building the capacity of countries to consider environmental sustainability in development planning. Activities funded by TFESSD have led to environmental interventions, improvements of the enabling environment for sustainable natural resources management, local participant, and gender equity.

20. Over the years TFESSD has continued to help generate new upstream analysis on environment issues leading to deeper engagement in the regions, not only at the regional level but also at the department and local government levels. TFESSD has funded an array of innovative analytical works, including assessments of watersheds in Ghana and Madagascar which helped the project team to better understand the supply of water to irrigation systems and threats that they may face. This will help Ghana and Madagascar identify forest areas in which water co-benefits are likely high, thereby helping them plan their deforestation strategies in connection with their acceptance into the readiness phase of the World Bank's Carbon Partnership Facility (FCPF).

21. What lessons have we learned?

- Buy-in at early stages of study preparation by Country Directors as well as all potentially interested ministries is paramount in the success of an activity.
- Combining the studies with capacity building and linking to an ongoing project is a major leveraging approach to strengthening the sector.
- Maintaining the approach of working with individual sectors to build and improve solid partnerships between ministries.
- Replicate the model of developing basic analytical studies attached to operations, so that lessons learned can be eventually picked up and scaled up.
- The Bank's convening power to help liaise on behalf of weak ministries, e.g., Ministry of Environment is key to the success of an activity.

22. *What is the World Bank doing on Natural Resources Management?* The Environment and Natural Resources Management program is helping client countries to responsibly manage natural resources and environmental public goods. It works within the broader context of economic growth, development, and poverty reduction. The program aims to improve understanding of the linkages among the economy, ecosystems and society, and to strengthen institutions to undertake action to address the following challenges:

- Managing the urban environment to improve health and quality of life.
- Managing natural assets that sustain economic growth, development and poverty reduction.
- Conserving ecosystem services including biodiversity.
- Mitigating and adapting to climate change.

Ongoing Activities

23. **TF090685 Natural Resources Management (NRM) Decision Tools (FY08), \$450,000.**

The main objective of this activity is to enhance the integration of NRM into local government and community institutions in Sub-Saharan Africa by harnessing and improving existing planning and implementation processes and tools. The fieldworks in the 3 countries (Tanzania, Uganda and Kenya) have been concluded and the reports have been drafted and validated by stakeholders in December 2009. The work financed by the TFESSD will help avoid prior mistakes made and build on best practice approaches by clarifying the importance of natural resource for local and national level growth and align future support with existing systems. In order to complete the remaining activities and disseminate the findings, the closing date of this grant has been extended for 6 months to June 30, 2010.

24. **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 the course of completing the first phase of the activity, i.e., developing a framework for making partnerships between private sectors and communities, it became apparent that the emphasis should not only be on facilitating private investments but also on keeping partnerships involving communities. As a result of the findings from the first phase, the team is considering to shift the country work to the Forest Carbon Partnership Facility countries requiring partnerships to be formed between private entities and communities. The second phase will look at what is needed in terms of institutional capacity and legislative measures to make partnerships in reducing carbon emissions work.

25. **TF090971 Caspian Fisheries Management (FY08), \$300,000:**

The main objective of this grant is to assist the recovery of Caspian sturgeon and sustainable management of the fisheries and introduce economically attractive alternatives to unsustainable practices at the community level. The Caspian Program involves the five Caspian littoral states (Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan) and several international partners including GEF, World Bank, UNDP, UNEP and the EU. Implementation is mostly on track; however, due to an unexpected funding shortfall from FAO some of the community level engagement activities have not been carried out. Nevertheless, ongoing cooperation with the UNDP/GEF CaspEco project indicates that this work will be incorporated into their project. It is also worth noting that the results from the study on *“Economics of Bio-resources Utilization,”* which will soon be disseminated to decision makers, will provide these key stakeholders with a comprehensive analysis of the cost of unsustainable use of the fishery, thereby supporting initiatives to promote alternatives to fishing. Also, recent evidence shows that the policy dialogue carried out under this activity has helped influence the political will of the five littoral states to coordinate policies, such as a fisheries protocol that is currently under consideration to support the Tehran Convention (the Convention for the Protection of the Marine Environment of the Caspian Sea), which entered into force in August 2006. In addition, grant activities, such as a recent sturgeon

genetics workshop, are contributing to ecosystem-based approaches to bio-resources management. There also has been an increase in investments in some countries in sturgeon hatchery production and enforcement. So far, Iran has shown great interest in the program. However, due to the political situation, the prospect of engaging further in the Caspian program is unclear.

26. 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 no TFESSD funds have been disbursed, the analytical framework for managing groundwater in the context of climate change has been developed and mainstreamed in SDN's flagship work on water and climate change. The concept note for the ESW on groundwater governance has been approved. TFESSD funds will be used to test the framework in selected case study countries.

27. 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. The TFESSD funds will be used to provide advice to the governments of targeted countries in West Africa on the adaptation to climate change on fish food security and inter-Africa fish trade. TFESSD will also help build climate change adaptation actions into the Ghana's fisheries management plans and policies. PROFISH will also focus on the impacts of climate change on marine and inland fisheries, coastal zones and fishing communities. The work on PROFISH will raise awareness that responsible fisheries management will build resilience to climate change for the fish population, sensitive habitats and for dependent fishing and coastal communities. Raising awareness of the importance of these ecosystems and building conservation measures into Bank operations will not only support fisheries livelihoods it may potentially open the way for earning future carbon credits.

28. 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. The project will be implemented in the Gutah Area of the Bameda Hills, in the Northwest Province of Cameroon. The project started later than planned due to internal procedural delays, but implementation is now underway.

29. 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. Implementation of activities is on track. A coalition of partners (consisting of FAO,

UNCTAD, WFP, IFAD) met to review the preliminary findings and recommendations from the research conducted under this activity with a goal to reach a consensus on reinvigorating a dormant community of practice and garner support from the UN High Level Task Force of Food Security and define the next steps.

30. 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 in Tanzania is underway and the analytical work has received attention from other countries where similar development challenges to biomass energy persist. The analytical work has also led to an enhanced dialogue on biomass energy in the Bank's Africa region and it will be a core theme for the new AFR forest strategy which is in its first stage of development.

Closed Activities

31. TF057353 Valuing and Protecting Water Services (FY07, Closed December 31, 2009), \$500,000: This activity proposed to use the results of the Millennium Ecosystem Assessment at the national level by developing necessary information to allow interventions in addressing degradation of water resources. It was envisioned that the information that will be collected will help assess the location, nature, and value of water services in Ghana and Madagascar in order to develop prioritized interventions to enhance natural resources management and reduce poverty. Unfortunately due to unforeseen challenges, i.e., difficulty in identifying a qualified consultant that would commit to a two-year program; reorganization in the Africa region; data quality; political turmoil in Madagascar and a change in government in Ghana, the project suffered repeated delays. Only one spatial data on micro-watersheds activity out of a total of three planned activities was carried out. The project closed with unspent funds (about \$300,000) which were returned to the Window.

32. TF090878 India: Community-Managed Approaches to Sustainable Livelihoods (FY0, closed December 31, 2009), \$150,000. TFESSD helped create a knowledge and learning platform for farmer organizations and networks working on eco-agriculture and organic agriculture in India. The project developed a website and a blog (<http://www.serp-ncsa.com/>) on Sustainable Agriculture which will serve as a platform for research scientists, civil society organizations, banks, fair trade companies, foundations and key decision makers in government at State and Central levels to interact on a continuous basis and exchange ideas on new advancements and practices in the area of sustainable agriculture. This activity was instrumental in influencing the agenda and focus of the National Mission on Sustainable Agriculture, one of the six missions formed for climate adaptation by the Government of India. The Sustainable Agriculture initiative is now fully integrated in the National Rural Livelihood Mission, thus ensuring continuity of the work program beyond TFESSD funding. This project is complete, the approved grant amount was fully utilized and disbursed, and it achieved its objectives.

Environmental Health

33. Environmental risk factors play a role in several major diseases around the world. Diarrhea, malaria, vector-borne diseases, respiratory infections are diseases that mostly affect the poor. These health impacts are expected to worsen, particularly for the poor and the most vulnerable as the world's climate changes. One of the objectives of the Bank's Environment Strategy is to improve the quality of life in our client countries by reducing environmental risks and pollution, thereby reducing child mortality, respiratory disease, blood lead levels, deaths due to malaria, and exposure to toxic substances. Several TFESSD activities have been influential in strengthening the focus on environmental health issues, facilitating a better understanding of, and developing tools to address, environmental-health linkages. Activities that fall under this theme are listed below.

Ongoing Activities

34. **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. This project is intended to be the upstart and "nucleus" for a new China Air Pollution Control Program that will gradually involve several national and international funding sources. Project implementation is on track. As a result of the discussions on the critical environmental challenges in the Shanghai, Jiangsu, Hubei and Hunan provinces during the "Call for a Green China Tour" in May 2009, China's Ministry of Environmental Protection (MEP) agreed to establish a Particulate Matter control program. This is a big accomplishment as it is the first time that China has agreed to establish and implement a program like this, wherein the apportionment and dispersion modeling is applied to identify the air pollution sources and structure investment proposals.

35. **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. The current political situation in Madagascar and the challenges in identifying safe and efficient ethanol stoves have caused some delays in the implementation of this activity. Collection of baseline data for household energy consumption and health status in sample households has been completed. Through rigorous process of testing, the initially proposed locally-manufactured stoves were found to be unsafe and inefficient, now have been replaced by the Cleancook stove developed in Ethiopia. Again, a nice outcome to highlight in the bulet list in section 2 A draft report on the African experience in scaling up household energy interventions is underway. The findings from the report on the importance of developing sustainable household energy and the potential of ethanol produced locally from sugar cane has been included as a theme in the ongoing CEA write out the acronyms for Madagascar.

36. **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 need to have several rounds of discussions with various provinces on the evaluation design has delayed the quantitative analysis of household survey data, thereby, delaying the implementation of the grant activities.

Closed Activities

37. **TF090915 Integrating Ecosystem and Species Data into Disease Forecasting Models (FY08, Closed, December 31, 2009), \$200,000:** This grant has successfully achieved its objective to promote and facilitate technical and scientific cooperation among OAS member countries. The government of Nicaragua recognized the importance and uniqueness of this project, hence high level support was provided by the Ministries of Health and the Environment, contributing to the success of this project. It has also created the demand for scaling it up throughout Central America. TFESSD supported the development of a prototype of dengue decision support system for Leon, Nicaragua. The prototype includes ways to enter demographic, entomological, taxonomic and epidemiological survey data into a database. Recognizing the importance of the prototype, the Ministry of Environment committed to continue hosting the site at their Leon node, and nominated it as the Ecosystem and Health node. TFESSD funds also helped develop a web-based vector diseases system (www.sinia.net.ni/vectoros) which allows the Ministry of Health to register entomological, epidemiological, meteorological, and socio-economic survey data. The system also allows users to obtain reports, including maps, and forecast the incidence of dengue by neighborhood, 9 weeks in advance. Prior to this activity, standardized ecosystem and species data have not been available because of the lack of access but are now available through the Inter-American Biodiversity Information Network (IABIN).

38. **TF090974 Lead Pollution Abatement in India and Bangladesh (FY08, Closed June 30, 2009), \$167,000:** This activity successfully achieved its objective to pioneer a new independent lead-acid battery certification program (*Better Environmental Sustainability Targets [BEST] Standard*) in India to reduce emissions and encourage proper and environmentally sound battery recycling and to prepare the first phase for replication in another Asian country. In partnership with the NGO Occupational Knowledge International (OKI), this program helped raise awareness and develop expertise in the lead battery industries to improve their occupational and environmental programs. *BEST Standard* has now been successfully institutionalized. A Board of Directors, which is composed of representatives from industries, government, and the community, was set up to govern the implementation of the standards. Another worth noting accomplishment was the Quality Council of India's agreement to adopt the BEST standard, this would provide an important visibility to the initiative and facilitate the adoption of the BEST standard across relevant industries. This activity is being replicated in Vietnam. IFC is currently considering a joint venture investment with Gratia Recycling Joint Stock Company, the largest battery manufacturer in Vietnam.

Poverty-Environment Linkages

39. Recognizing the imperative of linking good environmental management and poverty reduction, this priority theme emphasizes the need for better understanding of poverty-environment linkages in setting priority interventions. Below are activities that fall under this theme.

Ongoing Activities

40. **TF057168 Central America Integrated Indigenous Land Administration and Natural Resources (FY07), \$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 team worked inter-sectorally with the Sustainable Development network to revise the Central America Land Policy (LP) note from this integrated territorial management perspective. The draft LP note focuses on how territorial approaches to land administration and management can be emphasized to provide for inter-agency coordination functions. Results from the studies are driving the preparation of the next LAC Land Sector strategy. The activity was also catalytic in the creation of inter-sectoral dialogues within the LAC region (i.e., between the urban, rural, and environmental teams) which is leading up to the update of the operational strategy and has informed policy dialogue around the land sector in the Central American region, especially in Honduras and Guatemala. The outcome from the analysis on indigenous land issues is also contributing to the long-term process of improving the basis for recognition of indigenous land tenures in the region. The project has achieved its objectives and the team is preparing to close the activity.

Closed Activities

41. **TF057388 Liberia: Using a Sustainable Livelihoods Approach to Define Land Tenure Priorities in a Post-conflict Environment (FY07, June 30, 2009), \$120,000:** The main objective of this activity is to develop an action strategy for improving land tenure and sustainable livelihoods that will improve national security while directly contributing to poverty alleviation. This project is complete and has successfully achieved its objectives. The activities funded by TFESSD were instrumental in pushing the land agenda to the forefront of Liberian politics and policies. The discussions with the President of Liberia over the study led to the creation of a Land Commission charged with land tenure reform in Liberia. TFESSD funded the first large scale land study in Liberia and the recommendations from the study triggered the interest of a large group of donors (i.e., UN Habitat, UNDP, Norway, US) to invest in the land tenure arena. For example, the US Government agency, Millennium Challenge Corporation (MCC), is funding a \$10-13 million dollar investment project in land tenure which is scheduled to be approved this summer. Also, a \$2.9 million State and Peace Building (SPF) grant for a Bank land project in Liberia (Land Sector Reforms: Rehabilitation of Land Rights and Registration) was approved last November 2009. In addition, a donor coordination group on land, chaired by the Bank, has been set up in Liberia.

42. **TF057612 Pro-Poor Tourism in Zambia and Ethiopia (FY07, December 31, 2009), \$100,000:** The overarching objective of this activity is to build knowledge on the linkage between tourism and poverty reduction. The activity assessed the extent to which tourism benefits the poor and how the different types of tourism can affect development and reduce poverty. TFESSD facilitated the development of critical knowledge for the client and the Bank, capacity building that would have been otherwise difficult to fund through a conventional operation or ESW. The grant allowed the government of Ethiopia and the Bank to discuss pro-poor tourism framework with sector stakeholders and this translated into the concept of a tourism pilot project in Ethiopia. This pilot project will help implement pro-poor tourism activities in selected destinations, e.g., Axum, Lalibela, and Addis Ababa. The Government of Ethiopia built on the momentum of the pilot and prepared a tourism sector policy which was endorsed by the cabinet in October 2009. It is also expected that the results from this study will influence the design of similar activities in Gambia and Cape Verde

Environmental Policies, Institutions and Programs

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

Ongoing Activities

44. **TF090581 Kyrgyz Republic: Support to Development of the National Strategy on Secondary Use of Rangeland Resources (FY08), \$130,000:** The overall objective of this grant is to formulate recommendations for legal framework, policy and institutional changes to ensure that maximization of economic benefits, social equity and sustainable use of rangeland resources, with particular emphasis on overlapping and competing users and the protection of the rights of traditional users and the poor. 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.

45. **TF090664 Nigeria & Mali: Improving Governance for Scaling Up Sustainable Land Management (SLM) (FY08), \$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. Progress towards achieving the grant objective is good and the activity is expected to be completed this year. Drafts of the Nigeria and Mali synthesis reports are under finalization. The results and progress made have been discussed with Mali and Nigeria. It is expected that the results from the Nigeria work will inform a new major climate change ESW being planned by the Africa Region, as well as possible new agricultural and climate risk management operations in future. The knowledge generated from this activity is helping the governments of Mali and Nigeria, stakeholders, and development partners improve their understanding of the direct and indirect costs and benefits of land management approaches. Also, this knowledge is being used by the countries to prioritize actions in their SLM Investment Frameworks being developed with NEPAD's TerrAfrica partnership and Comprehensive Africa Agriculture Development Program.

46. **TF090726 Project Level Institutional Analysis (FY08), \$200,000:** The objective of this activity is to improve the knowledge and skill base of operational staff in the Bank and client countries, relating to institutional analysis of environmental and natural resource management (ENRM) issues to strengthen project design. The grant will support the development of practical guidance on how to assess institutional and governance constraints linked with the management of environmental and natural resource issues in investment projects, across different sectors. During this reporting period good progress was made towards completing the project level institutional analysis and the coastal cities and urban adaptation synthesis report. The approach and methodology used in the synthesis report is already being replicated in other regions (e.g., MNA), similar studies are also planned in Cotonou, Benin and Abidjan, Cote d'Ivoire. This activity is an excellent example of donor coordination between the World Bank/TFESSD, Asian Development Bank, and JICA on how best to disseminate the synthesis report once it is completed.

47. **TF090916 West Africa Mineral Sector Strategic Assessment (WAMSSA) (FY08), \$400,000:** The objective of the WAMSSA is to identify key environmental and social issues associated with mining growth in the West Africa countries of Guinea, Sierra Leone, Liberia, Ghana, Mali, Burkina Faso, Mauritania and Cote d'Ivoire. The results of the study will be used to formulate specific policy, institutional, and governance recommendations and interventions to be included in the West Africa Regional Mining Sector project which aims to ensure environmental and social sustainability of mining growth. Project implementation was slightly delayed because more in-depth consultations were undertaken than planned, which have now been completed. The decision meeting for the WAMSSA report took place on January 19, 2010. The report was deemed highly relevant by Bank management; it has been cleared for final dissemination. The results of the WAMSSA analysis will be used in the design of the Africa Mineral Governance Program. .

48. **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. It will try to bridge the gap between the actual pollution measured by monitoring devices and the perceived pollution which is heavily predicated on the availability of information. However, after discussing the proposal with the Egyptian Environmental Affairs Agency (EEAA) they 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 PROPER program; (ii) development of a public awareness campaign of EEAA pollution abatement initiatives in "hot spots" Implementation on the restructured proposal was reset to July 2009. The selection of the consulting firm was just completed in February 2010.

49. **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. This platform would be utilized as a mechanism for effective communication, information sharing, and monitoring and evaluation of the 22 projects at the sector-level, including gleaning lessons learned for future community-based World Bank projects. This is the first pilot aimed at capturing and sharing knowledge obtained during implementation to the benefit of the projects. TFESSD funds have supported the creation of a DM learning alliance, also known as a community of practice. This learning alliance has enabled the grantees to troubleshoot and share best practice information with the World Bank and their DM cohort.

50. **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. Consultations with external stakeholders are ongoing and are producing rich feedback and better awareness of how the Bank works with environmental issues. As of December 2009, 22 face-to-face consultations have been held in 10 countries, including more than 622 participants from 81 countries, UN agencies, NGOs, faith-based organizations, women's groups, academics, think tanks and the private sector. A website for the consultations, available in 6 languages, was set up. The Concept Notes have been reviewed internally and the preparation of analytical work is ongoing.

Closed Activities

51. **TF053902 Environmental Governance in Upstream Environmental Analytical Tools (CEA & SEA) (FY05, Closed June 30, 2009), \$350,000:** The objective of this grant is to strengthen the application of CEA and policy-based SEAs and help mainstream environment into CASs, PRSCs, and other programmatic lending. The grant is complete and has successfully met the grant objectives. TFESSD made a major contribution to advance the institutional and governance agenda linked to better environmental and natural resource management in the Bank's client countries. On SEA, a new conceptual approach for policy-based SEA was developed and piloted. The approach is being applied to help Mexico and India to develop a State-level Climate Change Action Plan. The SEA approach will also likely be applied in the formulation of strategies to reduce greenhouse gas emissions from deforestation and forest degradation. As reported in previous years, TFESSD was instrumental in helping to create and establish CEA as a major tool with the Bank to mainstream environment into CASs, PRSPs, and lending programs. TFESSD helped move CEA work to move forward to two levels: (i) evaluate CEA experience and further strengthen application of CEA based on lessons learned; (ii) focus on supporting and piloting the application of CEA impacts and enhance transparency and accountability of decision-making.

52. **TF057150 Land Distribution and Access to Tenure Security in Africa (FY07, Closed December 31, 2009), \$100,000:** This activity proposed to respond to the increasing demand for capacity-building and policy dialogue in the area of land reform and administration in Sub-Saharan Africa through regional land course toward an inclusive and client driven partnership. This activity is closed and has successfully met its objective. This grant helped increase information sharing and dissemination on land and property rights issues between practitioners and stakeholders of land reform and administration at regional and national levels. The publication, *"Agricultural Land Redistribution: Toward Greater Consensus,"* supported by TFESSD has been regarded highly useful by partner organizations in the Africa Region, stakeholders, and the Bank who participated in the meetings on the land redistribution. The grant not only helped establish new partnerships with relevant regional organizations it also solidified the involvement of key institutions (i.e., SADC, UNECA, LandNet West Africa, Makerere University in Uganda, etc) with whom the Bank worked with before.

53. TF057155 Strengthening Social Accountability in Vietnam's Hydropower Sector (FY07, Closed June 30, 2009), \$200,000: The objective of this activity is to assist the Government of Vietnam's implementing authorities and affected communities to develop, pilot and replicate effective practices for social accountability in Vietnam's hydropower sector and thereby support the sustainable development of the country's water resources. This activity has finally been completed after encountering a number of difficulties, including the withdrawal of one of the two government counterparts (Electricite du Vietnam (EVN)). As a result of this, the project was restructured to focus on large infrastructure projects in general rather than on the hydropower sector. The success of this activity can be attributed to the Ministry of Environment and Natural Resources (MONRE) commitment and support to work with the Bank. The findings from the report confirmed the value of the TFESSD grant. The report showed that the affected communities and local project staff rarely had the opportunity to participate in the consultations and development of interventions that affected their lives, and TFESSD enabled them to do just that.

54. TF090512 Western Indian Ocean Fisheries (WIOFish), (FY07, Closed June 30, 2009) \$200,000: Western Indian Ocean Fisheries is a regional partnership, established by NORAD, whose main objective is to promote the protection of the Eastern Africa marine and coastal biodiversity and the sustainable exploitation of the resources in order to maintain ecological integrity and equitably provide quality goods and services. The grant is complete and has successfully achieved its objective to support the "operation and expansion" of the WIOFish program. Prior to TFESSD, WIOFish was just a technical cooperation on data storage and retrieval. TFESSD enabled the collection of important fisheries statistics for storage and has operationalized the WIOFish database. The online database, which is now being administered by the Oceanographic Research Institute, is deemed the most complete regional source of knowledge on coastal fisheries in the Southwestern Indian Ocean. Sustainability of the database and the achievements of this grant are assured by the agreement of the Southwest Indian Ocean Fisheries Commission (SWIOFC) to become the official manager of WIOFish and all the participating countries have committed to continue feeding the database. The WIOFish Database is so successful that it has been adopted by WIOMSA as key data source on coastal fisheries.

55. TF090697 Enhance SME Competitiveness in East Africa (FY08, Closed June 30, 2009), \$185,000: The main objective of this activity is to improve the mainstreaming of environmental and social response into the core business organizations and strategies of local SMEs in East Africa towards the reduction of negative environmental and social impacts. This activity is closed and has achieved its objective successfully as demonstrated by the number of local SMEs, technical partners and local champions in Tanzania, Uganda and Ethiopia who developed and implemented their environmental and social business strategies. This was mainly achieved through the implementation of hands-on training sessions utilizing the rapid results methodology as a change management tool for the firms to achieve improved social and environmental performance and benefits for host communities. The success of this activity could also be attributed to the practical and participatory approach applied by the team. Local companies and partners were engaged in identifying priority environmental and social challenges and possible responses that are relevant to the companies and communities where they operate. TFESSD supported the development of practical localized training resources and tools (i.e., roadmaps, scorecards, monitoring framework), including the manual on *"Managing Environmental and Social Impacts of Local Companies."* The rapid results methodology was crucial in helping the companies implement their environmental and social goals.

56. **TF090908 Strengthening Institutions for Better Environmental Outcomes in South Asia (FY08, Closed December 31, 2009), \$750,000:** The specific activities supported by the TFESSD grant have been completed and the objectives were successfully achieved. This grant built on previous TFESSD supported programs (TF053892 and TF055946). Its main focus was on strengthening the Bank's engagement in the South Asia Region in building capacity, improving governance and mainstreaming environmental issues in the development agenda. The TFESSD grant contributed to the successful implementation of South Asia's analytical and advisory activities (AAA) on environmental health, cleaner industrial production with energy efficient technology, industrial pollution control, drought adaptation, environmentally responsible mining, climate change adaptation and groundwater management issues. The grant activities supported the Bank's dialogue with the clients at the national, sub-national and local levels and with the participation of communities and other stakeholders. The results from the AAA are being incorporated in the preparation of several Bank non-lending operations and CASs. For example, the Non-Lending Technical Assistance (NLTA) to Pakistan's National Environmental Policy informed the strategic priorities presented in the draft CAS for 2009-2012 and it is contributing to the design of the proposed Technical Assistance Loan. The recommendations of the Bangladesh industrial pollution compliance report are being mainstreamed into the forthcoming CAS for Bangladesh. The findings of the India groundwater AAA have contributed to the design of the groundwater management activities piloted under various water sector operations in India; a notable example is the design of a specific groundwater management component under the Bank-financed Andhra Pradesh Community-based Tanks Management project. The TA for Afghanistan's mining sector is contributing to the project on Sustainable Development of Natural Resources by helping the county develop the mineral and hydrocarbon sectors in a socially and environmentally sustainable manner. The grant's support to the pilot program on Andhra Pradesh drought adaptation led to the improved coordination, integration and packaging of various programs that were being delivered by different government departments in a fragmented manner as well as a robust monitoring and evaluation framework of the resulting coordinated programs.

Reducing Vulnerability to Climate Change and Natural Disasters

57. The poorest countries are often the ones that are most threatened by the degradation of the regional and global environmental commons. Activities under this theme focused on helping client countries improve understanding of the development risks associated with climate change assessing risk-mitigation measures, and identifying and implementing adaptation responses to reduce vulnerability to current and future climate change. Below are activities that fall under this theme.

58. **TF057357 Responding to Climate Changes in West Africa (FY07), \$300,000:** This activity will aim to develop a strategy including a framework of actions for adaptation to Climate Change in the Senegal and Niger River Basin. This activity started out slow due to poor performance of the first consultant. A new team of technical experts were hired and implementation has significantly progressed since then. After reassessing the scope of the grant, the team deemed that it was too ambitious to cover both basins (Senegal and Niger), hence, the scope was scaled down to just focus on the Niger Basin. The team of experts developed a methodology for climate risk management in the Niger River Basin; the results will be presented at a regional workshop from May 24-26, 2010 in Burkina Faso. The first technical report was presented and approved by the Niger Basin council of Ministers (September 28-29, 2010 in Benin), which resulted in a resolution passed by the Council of Ministers to request the Bank to support climate risk management of the country's investment program. This will feed in the preparation of the climate change discussions on the climate risk management of the Niger Basin investment plan to be held in the next Heads of State summit planned for the third quarter of 2010.

59. **TF057358 Adaptation to Climate change in the MENA Region (FY07), \$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. The activities in Morocco are almost complete; an analysis of the impact of climate change on agriculture and water with an emphasis on the consequences in terms of food security and social aspects was undertaken. The final report provided important insights for the National Program for agriculture regarding the adaptation options. In addition, the findings from the report incited the Minister for Economic Affairs to request the Bank's support to develop an integrated strategy to address climate change. The analysis will also inform the design of a GEF investment operation on climate change adaptation and a policy loan supporting the National Program for agriculture. In Yemen, climate scenarios have been developed and implications of climate change impacts on agriculture and water resource management were assessed. It is expected that the results will inform the preparation of the national 4th Five-year economic development plan. The results from the study in Yemen are being used towards the preparation of the Pilot Program for Climate Resilience for which Yemen was selected as one of the countries to benefit from the Climate Investment Fund.

60. **TF057385 Natural Disasters and Risk Management in Rural Vietnam (FY07), \$150,000:** The objective of this grant is to strengthen the Government of Vietnam's move towards integrated disaster risk management using data-based disaster risk analysis and evaluation. This activity is almost complete. The data sets on exposure to disaster risk and a working paper on households' attitudes towards risk will be released soon. These will help in the policy analysis on the effects of natural disaster on the economy and in determining the most vulnerable households. The mapping exercise, which was just a secondary product, motivated the World Bank office in Hanoi to geo-reference their projects. The natural disaster maps are now being used as a monitoring tool to assess the relevance and the placement of World Bank projects. The dissemination of the findings triggered a discussion on sharing and making data publicly available to policy research communities, donors and international and local research institutes. The sharp devaluation of the Vietnamese currency resulted in some budget surplus which was used to organize a dissemination workshop in Vietnam (February 26) to present the outputs, and launch an initiative of data integration among donors in Vietnam thereby needing to extend the closing date until February 2010.

61. **TF090698: The Social Policy Dimensions of Climate Change (FY08), \$400,000:** The goal of this grant is 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/e-commerce/catalog/product?item_id=8961826). 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 will form the basis for an ESW on pro-poor urban adaptation to climate change. There is an ongoing dialogue with the urban and environment group in the Bank to develop methodologies for the widespread replication of the urban vulnerability assessment.

62. **TF091350: India - Coastal Cities and Adaptation to Climate Change and Sea Level (FY08), \$350,000.** The overall objective of this activity is to identify the most vulnerable population and infrastructure in selected large coastal cities in India and assess the cost of adaptation and mitigation measures and assist the municipal governments to identify and develop a plan of priority actions for reducing vulnerability to impacts of climate change. The study funded by TFESSD is helping the Bank to better understand and analyze the impact of climate change in the coastal cities. The study is modeling the impact of climate change and identifying the most flood vulnerable areas in the city of Kolkota (previously Calcutta). Implementation is a bit slow due to data collection difficulty. A first draft of the report will be ready by April 2010. The Bank team has also initiated a dialogue with the Government of India on the possibility of a Development Policy Lending on Climate Change in various states, including West Bengal.

63. TF092566: Dissemination and Adoption of Lessons from Pilot Adaptation Projects to the Bank's Regional Portfolio (FY09), \$500,000: This activity will support the dissemination and adoption of adaptation policies into the wider Bank portfolio in the Latin America and Caribbean (LAC) 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 funding will support data-sharing, extract lessons learned from the portfolio of pilot adaptation activities, disseminate the information and promote climate-proofing policies and operations. Implementation of activities is on track. TFESSD has provided a platform for stakeholders to discuss their direction and concerns regarding adaptation issues. Two workshops were held to disseminate the experience from the adaptation projects supported by the Bank. The participants also discussed the structure and scope of future adaptation policies and funding instruments. The next phase of this activity will focus on the adaptation options in coastal cities and on the adaptive capacity of the urban poor.

64. 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. This activity will be co-financed by PROFOR and will be carried out in partnership with IUFRO and CIFRO. The team is also exploring the possibility of involving the National Forest Programme Facility in the dissemination of final tools. After a slow start due to the positioning of this work among the plethora work that emerged in the area of forests and adaptation, the project is advancing well in delivering the first part of the grant's objective. Several PROFOR partners have provided significant background materials on the actual and potential role of forest in climate change adaptation, thus disbursement of TFESSD funds have been modest. There was a positive outcome to the implementation delay. The outcome of the COP 15 in Copenhagen pointed to the importance of the role of forest in adaptation to climate change. The work done as part of this grant will be used to develop targeted briefs to disseminate the knowledge that will be generated.

65. 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. The TFESSD funds have contributed to the delivery of several high quality outputs that include a signature South Asia Climate change event in Kathmandu that catalyzed a new grouping at the UNFCCC COP15 in Copenhagen, to a World Bank South Asia Climate Change report and a technically innovative report on Climate Change and Agriculture in Bangladesh. One key outcome of the regional climate change event was the endorsement of a shared statement by the South Asian countries. This was a significant and unprecedented first step in creating a shared vision towards addressing regional climate change issues. TFESSD also funded a study on the *"Impact of Sea Level Rise on the Sundarban Estuaries,"* the *"Scoping Strategic Options for Development of the Kabul River Basin"* and two background papers on the India 2030 study.

66. **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 efficiently and effectively 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. Implementation of the remaining activities was delayed due to the previous TTL's departure. A revised plan and procurement process is being developed, however, to ensure completion and delivery of all the products (i.e., Handbook and web-based platform) a one year extension of the closing date (June 30, 2011) is necessary. So far, background papers on food, health, housing and land, infrastructure, water and vulnerable groups were completed and reviewed. These papers will form the basis for the main sections of the Handbook.

67. **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. Implementation is on track. 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' plans for climate change. The climate risk development notes will help clients assess hydrology risk and support the Africa region's water and energy sectors. This activity is also helping create a clearinghouse for climate information and tools for Africa water resources. The activities funded by TFESSD will help Ghana make informed decisions regarding climate change resilient rice varieties and feed into their Rice Policy, as well as the Bank's agricultural development strategy. Several workshops were held in Ghana to ensure that climate change considerations were eventually mainstreamed into the government's strategies. In Madagascar, a cyclone proof standard for building according to wind intensity in the 4 zones of the country was developed.

68. **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. Implementation is on track. A climate vulnerability and adaptation assessment has been completed in Albania which helped promote dialogue and awareness across the energy sector stakeholders in the country. A short brochure and a video intended for non-technical audiences have been produced and disseminated through Albania media and at the UNFCCC Copenhagen. A toolkit that incorporates lessons learned from Albania's assessment has also been produced. This triggered Uzbekistan's interest to participate in the second pilot and following consultations with the government and the Bank's regional energy sector team, an agreement was reached. An acceptance letter from the Government of Uzbekistan was received in January 27, 2010. The team has also engaged with USAID and EBRD who have expressed interest in using the methodologies developed to roll out work in 4 other countries in Central Asia in parallel with the work in Uzbekistan.

69. **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. However, the immediate focus is on building experience around methodologies for such assessment. As a first step, an evaluation of the financial institutions' climate risk which analyzed various aspects of IFC's operations and the direct and indirect climate related risks was carried out. An analysis of the impacts of climate on forestry, looking at various cycles of tree planting, analysis of best suited species for the forecasted conditions, use of resources, and the indirect effects on surrounding environment was also carried out. The initial work done on this study served for a successful engagement with the sector during the PPCR joint mission in Mozambique. A study which will analyze climate related risks (direct and indirect) to ports on the Atlantic coasts (e.g., hurricanes and sea level rise) will also be carried out. The lessons learned from these studies helped raise the awareness about climate risks and adaptation options for the private sector. It also helped stakeholders engage in the discussions on their perceived risks and needs that are related to climate risks.

70. **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. The preparation of the roadmap was delayed due to external and internal institutional changes that occurred in 2009; i.e., in March 2009, the Bank announced that it will support a comprehensive Central Asia Energy-Water Development Program (CAEWDP), which will include the assessment of vulnerability of both energy and water systems to climate change in Central Asia's major river basin (Syr Darya and Amu Darya), with a view to identifying effective basin-wide options for

adaptation and resilience. In April 2009, the mandate that the five Central Asia presidents gave to the International Fund for the Aral Sea (IFAS) under a new leadership, to prepare the third Aral Sea Basin Plan (ASBP-3) that would strongly emphasize measures to adapt to climate change. These changes prompted the need to adjust the implementation of grant activities in order to maximize the impact of the activity and to make it more sustainable. In particular, it was agreed to fully integrate the preparation of the climate change roadmap with the new flagship programs instead of proceeding with a standalone report with little ownership and the risk of the roadmap not being implemented.

71. 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 work has progressed faster than expected, partly because it is being built on initiatives that were started under different funding sources and because of the increased attention given to climate change agenda. Communities of practice and networks have been built among each of the stakeholders (i.e., youth, agriculture-water practitioners, urban managers, decision makers, media and parliamentarians). TFESSD funds supported the review of the e-learning on *“Fundamentals of Climate Change,”* which is helping Bank Staff to have a deeper understanding of how to integrate the issues of climate change in their work. The grant has enabled constituencies mostly affected by the impacts of climate change to share their experiences and thereby build on their policies and strategy changes.

72. 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. Results from the river modeling will help build local capacity. This project is a first of its kind that will try to link a coupled hydro-agricultural and economic modeling with the impact of climate change in a shared water basin. The project will run in parallel with the rest of the Mekong Water Resources Management portfolio, and its main objectives will be integrated in the Mekong Hydro program. The start up of the project implementation has been delayed due to the complexities of reconciling the priorities of the two countries, Lao, PDR and Thailand. Through extensive consultations with both countries this issue has been resolved and a work plan is now in place.

73. 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. Implementation of activities was delayed due to a number of issues, e.g., identification of government counterparts, mobilizing consultants and change in team members). So far, only Yemen and Syria have assigned representatives, the Bank is working with the country offices in Morocco and Tunisia to resolve this issue. The study on assessment of shifts in ecosystems and agro-ecosystems has been initiated and the inception report has been reviewed.

74. **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 grant has been launched with respect to the trans-boundary mangroves of Guinea-Bissau. This grant is currently financing the preparation of a Carbon Finance Document (CFD) followed by a Project Design Document (PDD) with the purpose of validation and registration of carbon intensity of coastal mangroves using the BioCF RED Mosaic Deforestation Methodology. This will facilitate responses to inquiries on the PDD by the various authorities which validate the carbon standards process. The feasibility study and the valuation of the international carbon market with respect to coastal mangroves and coastal wetland mixes have been tested in Guinea-Bissau. The evaluation showed strong potential in Guinea-Bissau becoming the first African country to expand the carbon market beyond inland forest trading. Political instability in Guinea and the lack of suitable in-country partnering organization and the lack of data in Senegal have led to the suspension of project activities in these countries. Given that considerable work has been undertaken in Guinea-Bissau, and the institutional infrastructure is already in place and its significant carbon stocks, the team decided to focus the activity in Guinea-Bissau. It is also more likely that the establishment of carbon market will succeed and allow the market to expand throughout the region. The Guinea-Bissau pilot is on track to set a reliable baseline for carbon credits and making them marketable in voluntary markets, making it one of the few REDD pilots in coastal systems.

75. **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 is expected 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. In partnership with FAO, consultations have been undertaken with most of the region's ministries of agriculture defining the scope of the work based on their countries' needs and existing information. An approach to assess the impacts of climate change on availability of water for irrigation has been tested in Morocco. The pilot work in Morocco is contributing to the integration of climate change in the dialogue between the Bank and the Government on agriculture policies, particularly in the context of broad support that the Bank will provide to the implementation of the Government's new sector strategy.

76. **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. Implementation of activities has been slow. In China, this is due to the several levels of government are involved.

77. **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 development objective of this activity is 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 preliminary water and climate change adaptation plan (WATCAP) for the Sava river basin is being finalized for review by Bank staff and regional counterparts and the team is in the process of identifying a second river basin for a preliminary WATCAP by end of FY2010.

Closed Activities

78. **TF057243 Madagascar: Mainstreaming Hazard Risk Management (FY07, Closed April 30, 2009), \$200,000:** This activity is complete and has achieved its objective to assist the Government of Madagascar and the Bank to mainstream hazard risk management into Madagascar's key economic and social sector with a special focus on prevention and adaptation. TFESSD has provided a major platform for national capacity building in adaptation and hazard risk management in Madagascar and helped catalyzed numerous national initiatives in disaster risk. For example, a US\$1.2 million grant from the Global Facility for Disaster Reduction and Recovery (GFDRR) to strengthen risk assessment, upgrade cyclone norms, and set up a national contingency fund. These efforts are all expected to help Madagascar become more climate resilient in the future. The implementation focused on building the capacity of national champions and linking them with international centers of excellence. TFESSD also helped in the initial stages of formulation of a GEF Special Climate Change Fund for US\$3 million and a US\$150,000 ProVention grant. Sustainability of the interventions is highly likely given the continued Disaster Risk Management program (DRM) under Track II GFDRR and the growing Government and donor interest on the basic pillars that TFESSD helped support. A notable indication of this is Madagascar has now a solidly known DRM program and has attracted South-South collaboration program with Senegal.

79. **TF090528: Institutional Preparedness for Managing Natural Hazards and Environmental Change in Sub-Saharan Africa (FY08, December 31, 2009), \$520,000:** The objective of this activity is to improve the institutional capacity within the World Bank and its client countries by identifying and comprehensively managing the effects of climate change on disaster risk exposure. This project is closed and has successfully achieved its objective. TFESSD played a major role in identifying the synergies between land and climate. A series of tools and guidelines were developed as guidance for TTLs and client countries to better integrate climate change risk management into strategies and national policies and use Sustainable Land Management practices as a tool to adapt mitigate climate change risk. For example, in Niger, the findings from this study will build on the additional analytical work on how SLWM contributes to climate resilience and food security. The study has influenced the "Rural Development Strategy programs, the preparation of the PPCR in Niger, and the preparation of the new agriculture operation in Uganda.

4 Implementation Progress

Summary of Implementation Progress

80. Since inception, TFESSD has funded 163 activities of which 52 are ongoing as of December 31, 2009. During the reporting period, 15 projects closed and 15 more are scheduled to close by June 30, 2010. All the activities approved prior to FY07 are now closed and almost fully disbursed. Table 2.9 shows details of the number of activities approved each year and their status as well as the number of activities allocated to Africa.

Table 2.9: TFESSD Environment Window activities as of December 31, 2009

Call/year	Approved Activities	Ongoing Activities	Closed Activities	Activities in Africa
FY00-02	30	0	30	0
FY03	30	0	30	0
FY04	15	0	15	2
FY05	11	0	11	2
FY06	13	0	13	5
FY07	15	7	8	9
FY08	21	16	5	11
FY09	16	16	0	2
FY10	12 ³	13	0	6
Total	163	52	112	37

Implementation Progress

81. Overall, progress of ongoing activities has been satisfactory in terms of implementation, strategic alignment, and financial performance. All the FY10 approved activities, except for one, have been activated and implementation has started for most of the activities. The slight delay in activating the FY10 approved activities, particularly for the programmatic activities (Africa & South Asia), was mainly due to a recent change in the Bank's trust fund coding system.

82. During the reporting period, 15 projects closed (see list below). The majority of these activities have made significant impacts in the countries/regions that they have worked on as noted in the summaries above.

- TF053902 Environmental Governance in Upstream Environmental Analyses
- TF057150 Land Distribution and Access to Tenure Security in Africa
- TF057155 Strengthening Social Accountability in Vietnam's Hydropower Sector
- TF057243 Madagascar: Mainstreaming Hazard Risk Management
- TF057349 Yemen - Land Tenure for Social and Economic Inclusion
- TF057353 Valuing and Protecting Water Services
- TF057388 Liberia: Using a Sustainable Livelihoods Approach to Define Land Tenure Priorities in a Post-Conflict Environment

³ Two of the FY10 approved activities (Africa & South Asia Region) are programmatic proposals which are composed of several components/activities that will be activated individually. Hence, the number of ongoing activities will exceed the actual approved activities.

- TF057612 Pro-Poor Tourism in Zambia and Ethiopia
- TF090512 Western Indian Ocean Fisheries (WIOFISH)
- TF090528 Institutional Preparedness for Managing Natural Hazards and Environmental Change in Sub-Saharan Africa
- TF090697 Enhance SME Competitiveness in East Africa
- TF090878 India: Community-Managed Approaches to Sustainable Livelihoods
- TF090908 Strengthening Institutions for Better Environmental Outcomes in South Asia
- TF090915 Integrating Ecosystem and Species Data into Disease Forecasting Models
- TF090974 Lead Pollution Abatement in India and Vietnam

Disbursements and commitments

83. The Environment Window portfolio is performing very well. As of December 31, 2009, the Environment Window received \$48 million of which \$45 million (94%) has been committed and disbursed. Of the \$45 million disbursed about \$20 million (44%) was allocated to Africa activities. Although the percentage of Africa activities is still below the 50% target, the total share of Africa is increasing steadily. For example in FY10, the total share of activities in Africa in relation to the total FY10 approved activities is 49% compared to 45% in FY09 (Table 2.10).

Table 2.10: Environment Window 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	0.835					
Prior FY03	13.784	13.784	0.000	100%	6.095	44%
FY03	6.867	6.867	0.000	100%	2.386	35%
FY04	5.958	5.958	0.000	100%	2.906	49%
FY05	2.802	2.802	0.000	100%	0.651	23%
FY06	3.120	3.120	0.000	100%	2.185	70%
FY07	2.368	2.070	0.109	87%	1.205	58%
FY08	10.967	9.380	3.585	86%	3.973	42%
FY09	1.050	0.699	0.467	67%	0.310	44%
	47.751	44.680	4.160	94%	19.711	44%

Actions taken or recommended

Annual strategic review by sector board

84. The Environment Sector Board is scheduled to carry out a thorough strategic portfolio review in mid-June, 2010. During the review issues related to the quality of proposals, the quality and timeliness of reporting and priority areas for the coming fiscal year will be discussed.

Extensions, fund reprogramming and cancelled activities

85. Fifteen projects are expected to close by June 30, 2010 (see list below)

- TF057385 Natural Disasters and Risk Management in Rural Vietnam
- 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
- TF090780 Contractual Arrangements in Forest Management
- 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
- TF092657 Climate Change Adaptation Handbook for Mayors.

III. Governance, Major Events, and Financial Status

1. This chapter provides an overview of TFESSD's governance arrangements, administrative matters, the FY2011 Call, and financial management. Apart from the transfer of the Norwegian TFESSD Secretariat from the University of Oslo to the Norwegian Agency for Development Cooperation (NORAD), no major changes have occurred during the reporting period. The established processes and governance arrangements have served satisfactorily.

Structure of TFESSD

2. The TFESSD is a partnership between Norway, Finland, and four sector boards representing three vice-presidential networks of the World Bank. The Social Development Department administers the TFESSD on behalf of the Vice President for the Sustainable Development Network. The Environment, Social Development, Poverty, and Social Protection Sector Boards in the Bank prioritize areas and proposals for funding every year and monitor the progress of trust fund activities. They ensure that the funds are used for strategic activities in coordination with the Bank's other work and merging priorities. The day-to-day window management and administration is done by four Window Managers. The Trust Fund Coordinator and Program Manager provides oversight of the process. The donors are advised by an independent reference group (RG).

3. Procedures are in place to help clarify the roles of the different trust fund parties. The donors set the strategic direction for the trust fund through early signals on overall priorities for future Calls; they also approve the text of the Call and endorse all funding proposals. The sector boards suggest priority themes to the donors and are responsible for ensuring the strategic fit of funded activities. They also manage ongoing activities and engage in knowledge management of lessons learnt.

4. A Reference Group of Norwegian and Finnish academics and development practitioners advises the Governments of Norway and Finland on TFESSD. The Reference Group (RG) also promotes dialogue between the World Bank and Norwegian and Finnish development practitioners. The RG discusses progress, priorities, and funding levels with the Bank and organizes one or more annual conferences aimed at providing a forum for exchange between the World Bank and the Norwegian and Finnish public. The Reference Group Secretariat, previously located at the [Centre for Development and the Environment \(SUM\), University of Oslo](#), shifted in November, 2009 to Norad. The intention is to promote better integration between TFESSD and Norad. See the website of the Reference Group at <http://www.norad.no/en/Thematic+areas/Macroeconomics+and+public+administration/World+Bank+Trust+Funds/Trust+Fund+for+Environmentally+and+Socially+Sustainable+Development>

5. The Trust Fund Program Manager is responsible for overall coordination of the trust fund and provides technical advice to task teams, Sector Boards, and Bank Managers on all phases of Trust Fund implementation (formulation of priorities, decision-making process, implementation, reporting, monitoring, and knowledge management). With strategic oversight and guidance provided by the Director-in-charge (the Director for Social Development), the roles of the Trust Fund Coordinator include coordination of the calls for proposal and the proposal reviews, preparation of progress reports, serving as focal point, coordination with other trust funds such as the NTF-PSI, and planning meetings and seminars. This year, the program manager also edited a special volume of the Journal for Natural Resources Policy Research which featured research articles emanating mostly from TFESSD-funded activities. The program manager also supports select Bank analytical and operational work and has focused in recent years on pro-poor adaptation to climate change in synergy with trust fund priorities.

The Call for Proposals for fiscal year 2011

6. The Calls for Proposals for fiscal year 2011 (FY11) focused on shocks and vulnerability. It has been managed satisfactorily and is near completion at the time of writing.

Identification of themes

7. The proposed theme was discussed with the donors and the reference group at the spring consultations meetings held in Oslo in 2009. The donors subsequently gave a positive signal to these themes, indicating operational relevance as a core criterion. During September, October, and November 2009, consultations were held with the reference group and sector boards on draft versions of the Call which window managers helped to draft. Substantial feedback was received twice on the draft Call from the RG. Feedback on the draft prompted a consolidation of duplicative bullets and fine-tuning the title of the theme to 'shocks and vulnerability' which better conveyed the original intention. The final Call incorporating the comments was approved by the donors and subsequently launched in November, 2009.

Proposal review

8. The Call attracted strong interest with 118 concept notes received, a record, at least in recent years. As in other years, a two-step review process was adopted, inviting brief concept notes in the first step and 5-page full proposals in the second step. The concept notes were rated and commented upon by a technical panel comprised of four members nominated by the sector boards as well as the program manager and chaired by Cyprian Fisiy as director-in-charge. The reviewers did an excellent job applying the agreed technical criteria, namely strategic fit; quality (including dissemination and innovation); catalytic potential; and cross-sectorality. The panel decisions did not mechanically follow the average scores but were made based on detailed discussions. The panel also recommended a large number of budget reductions in order to ensure a reasonable degree of uniformity in budgets across proposals. The recommendations were shared with the sector boards, some of which appealed certain decisions. After obtaining donor approval and RG feedback, 54 teams were invited to submit full proposals. The technical panel reconvened to rate the received full proposals and made recommendations on their merit. However, at the time of writing (early May, 2010), the full proposal review process was not yet complete.

Substantive issues raised by the Call

9. Again this year, there were discussions about the merits of bundled and strategic proposals versus smaller stand-alone proposals. Large programmatic proposals are favored by many managers because they give flexibility in the work program to respond to emerging client demands; they have been used mostly by the environment and social development families as well as by the WDR. But it is hard for the technical panel to assess the strategic proposals because they package many different activities into one proposal with methodologies and outputs that are more superficially described than in regular stand-alone proposals. The implementation of strategic proposals can also be hard to monitor for window managers and their disbursement record has been mixed.

Semi-annual meetings

Semi-annual meetings and seminar, June 11-12, 2009, Oslo

10. On June, 11, 2009, a seminar was held in Oslo on Development with Responsibility and Accountability: A Dialogue with the World Bank Group. The seminar was arranged jointly by the Norwegian Ministry of Foreign Affairs, TFESSD, and the Norwegian Trust Fund for Private Sector and Infrastructure. The seminar was very well-attended and focused on global crises, social accountability, labor market issues, and corporate social responsibility.

11. Mr. Harboe chaired the consultations which were held June 12, 2009. Norway's government has issued a white paper on development policy which considers climate change, violent conflict and lack of capital (the three Cs) to be the most important challenges in the fight against poverty. The document also contains strong support for multilateral channels of aid. The meeting expressed support for the achievements, shortfalls, and challenges described in the annual TFESSD report for 2008. The RG was pleased to note that the Bank is advancing cross-sectoral work, for example on climate change and social inclusion but also warned of not forgetting traditional environmental issues. Dissemination, moving of the Secretariat from SUM to Norad, and themes for the next Call were also discussed.

Semi-annual meetings and seminar, November 17-19, 2009, Washington, D.C.

12. The seminars were structured around the theme of vulnerability and highlighted the range of work in this area, emerging priorities, and the large challenges to effectively reducing the vulnerability of poor people to economic, social, natural, and climatic shocks and adverse situations. A range of high quality presentations and panel discussions focused on past efforts to reduce social and environmental vulnerability; the Bank's new Environment sector strategy and the Social Development strategy update; vulnerable land rights in the face of large land acquisitions; fragility, conflict, and violence; indigenous peoples poverty; climate change and the WDR; disability; and policy areas where the Bank can get better at addressing vulnerability. The thematic focus of the seminars and the high-quality attention to 'big picture' issues was appreciated by all participants, who found this format a fruitful model of thematic engagement between the Bank, the donors, and the reference group.

13. The November, 19 consultation meeting focused on the links between sector priorities and the focus areas of the trust fund. Managers and Directors from the four Bank sectors discussed how the trust fund helps the sectors respond to emerging priorities and how the challenges they face have evolved in the context of high economic growth followed by sharp crisis. The meeting also discussed expectations for the next Call for proposals and was updated on future funding levels and a new three-year funding framework under consideration that would ensure strategic focus combined with flexibility.

Financial Situation

14. As of end December 2009, cumulative disbursements and commitments reached \$110.4 million (see Figure 3.1 and Table 3.1 below). TFESSD's disbursements and commitments were \$14.8 million over the reporting period, January 1 to December 31, 2009. The level of cumulative commitments and disbursements as a percentage of funds transferred to activities reached 92%.

Figure 3. 1. Cumulative Disbursements and Commitments as of December 31, 2009

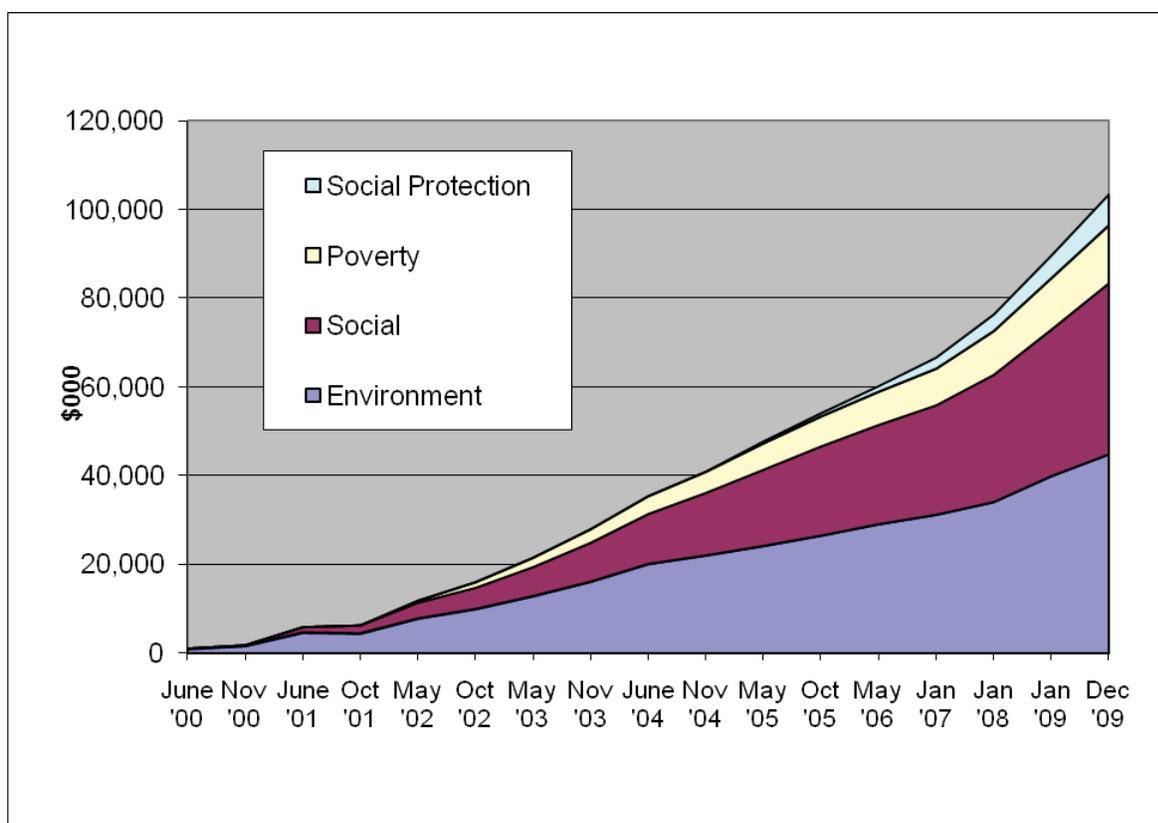


Table 3.1: Receipts, Disbursements and Fund Balance by window						
As of December 31, 2009						
(\$ million)						
Receipts		Cumulative Disbursed and Committed			Difference (01/31/08 to 12/31/09)	Fund Balance
		As of 01/31/2008	As of 12/31/2009	As a % of Allocation		
Windows	Cumulative					
Environment	47.751	39.768	44.680	93.6%	4.912	3.071
Social 1/	41.339	33.155	38.717	93.7%	5.562	2.622
Poverty	13.954	11.596	13.081	93.7%	1.485	0.873
Coordination	2.034	1.607	1.849	90.9%	0.242	0.185
Social Protection	8.930	5.050	6.902	77.3%	1.852	2.028
Parent	9.569	-	-	-		9.569
Other 2/	5.156	4.434	5.156	100.0%	0.722	0.000
Total	128.733	95.610	110.385	85.7%	14.775	18.348

1/ Excludes the West Africa Hub Secondment Account

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

15. The cumulative commitments and disbursements for activities benefiting the Africa region reached \$47.3 million. This represents 46% of the cumulative total disbursements and commitments. Despite attempts at raising the share of resources going to Africa, the number has remained essentially flat in the last few years: it was 47% in 2008 and 45% in 2007. The Poverty and Social Protection Windows have Africa shares of 56% and 50% respectively, while the Environment and Social Windows have 44% and 43%, respectively.

Table 3.2: Disbursements, commitments, and Africa share by window

Window	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 (%)
Environment	47.751	44.680	4.160	94%	19.711	44%
Social ^{1/}	41.339	38.717	2.187	94%	16.715	43%
Poverty	13.954	13.081	0.800	94%	7.376	56%
Social Protection	8.930	6.902	1.171	77%	3.458	50%
	111.974	103.380	8.318	92%	47.259	46%

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

16. Overall, World Bank trust fund disbursements for FY09 exceeded 5.5 billion of which \$460 million represented Bank-executed activities. As shown in Table 3.3., TFESSD's disbursements of \$13.28 million represented 2.9% of all Bank-executed trust fund activities in FY09. This is a decline from 3.3% in FY08. The TFESSD percentage of Bank wide disbursements has been decreasing as the overall size of the Bank's trust fund portfolio has been growing. Nevertheless, TFESSD remains an important source of financing in its focus areas, and sometimes the only source.

Table 3.3: FY09 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	228	6.795	3%
Of which Africa Region	87	2.914	3%
Networks	167	4.224	3%
Research & Training	45	2.143	5%
Others	21	0.121	1%
Total	460	13.283	2.9%

Note: numbers are for disbursements only, excluding commitments.

17. The total uncommitted fund balance as of December 31, 2009 was \$18.3 million. The majority of these funds are already allocated to activities and remain in trust fund accounts at parent, window, or grant level waiting to be committed under ongoing projects. The remainder will be used to fund grants approved under the FY11 Call.

18. There are sometimes questions about budgeting. TFESSD uses a multiple year budget framework. Budgeting is for the lifetime of the projects, typically 2-3 years. In order to manage the trust fund's liquidity situation, approved grants receive the approved funding in tranches, as they disburse. Meanwhile, funds remain in parent and window accounts. TFESSD is a funding facility receiving annual funding, unlike many other trust funds that receive a fixed pledge at the outset. Annual trust fund income has recently been around \$12-13 million from donor receipts allowing for new activities with a lifetime total budget of \$12-13 million to be approved. This way, annual disbursements and commitments are also in the \$12-13 million range. Donors have, however, announced a reduction to around \$10 million annually and TFESSD is therefore faced with the need to reduce the volume of new activities it approves. If the trust fund were to approve too many grants, liquidity would eventually disappear and approved grants would be unable to receive cash replenishments.

19. As of December 31, 2009, cumulative donor contributions to the TFESSD since inception totaled \$123.86 million as shown in Table 3.4.

**Table 3.4: Cumulative Cash Contributions
By Donor and Fiscal Year**

Donor	Contributions Received (US\$)	FY	Posting Date
Norway	3,083,295.71	00	Dec. 99
Norway	2,419,512.00	01	Jul. 00
Norway	4,493,711.00	01	Dec. 00
Norway	5,663,970.24	02	Sept. 01
Norway	292,015.00	02	Feb. 02
Norway	4,762,174.43	02	Mar. 02
Norway	210,493.40	02	Mar. 02
Norway	2,647,889.10	03	Dec.17
Finland	1,321,538.72	03	Jan.7
Norway	8,830,085.99	03	Feb.12
Norway	5,705,238.80	04	Nov.19
Finland	1,615,787.73	04	Dec. 31
Norway	5,762,443.20	04	Apr.29
Finland	1,899,416.67	05	Oct.27
Norway	5,581,473.00	05	Dec. 27
Norway	4,073,482.00	05	Jan. 10
Norway	3,201,614.96	05	Apr.25
Finland	1,757,100.00	06	Nov. 10
Norway	5,636,515.86	06	Dec.19
Norway	4,991,795.09	06	Apr. 20

Finland	1,990,590.00	07	Jan. 5
Norway	6,351,222.61	07	Nov. 29
Norway	4,660,701.04	07	Jan. 19
Norway	1,621,520.29	07	Apr. 11
Finland	2,054,400.00	07	Sept. 11
Norway	10,658,899.53	08	Jan. 28
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	09	Oct 15, '09
Total	123,865,309.88		
Of which:			
Norway	109,063,844.74		
Finland	14,801,465.14		