

**WORLD BANK**  
**SOCIAL DEVELOPMENT STRATEGY**  
**MID-CYCLE IMPLEMENTATION PROGRESS REPORT**  
**(MCIPR)**

*EMPOWERING PEOPLE*  
*BY*  
*TRANSFORMING INSTITUTIONS*

April 25, 2011



# CONTENTS

<b>ABBREVIATIONS.....</b>	<b>iii</b>
<b>SUMMARY.....</b>	<b>V</b>
<b>1. BACKGROUND.....</b>	<b>1</b>
<b>1.1 The 2005 Social Development Strategy .....</b>	<b>1</b>
<b>1.2 Scope of the MCIPR .....</b>	<b>2</b>
<b>2. LOOKING BACK.....</b>	<b>4</b>
<b>2.1 Progress since 2005 – Key Achievements .....</b>	<b>4</b>
2.1.1 Social Development in Country Analysis and Strategy – More Macro .....	4
2.1.2 Social Development in Operations – Better Projects.....	6
2.2.3 Social Development in Research, Knowledge, and Networks - Better Grounding .....	11
<b>2.2 Lessons and Challenges.....</b>	<b>13</b>
<b>3. LOOKING AT TODAY .....</b>	<b>17</b>
<b>3.1 External Drivers of Change .....</b>	<b>17</b>
3.1.1 Crises and Social Impacts.....	17
3.1.2 The Social Dimensions of Climate Change.....	18
3.1.3 Fragility and Violence.....	18
3.1.4 Accelerating Urbanization .....	19
3.1.5 Information and Communication Technology.....	20
<b>3.2 Internal Drivers of Change .....</b>	<b>20</b>
3.2.1 Lending Flows and Composition .....	20
3.2.2 Organizational Changes .....	21
3.2.3 Evolving Policy Context.....	21
<b>4. LOOKING AHEAD .....</b>	<b>23</b>
<b>4.1 Validity of the 2005 Strategy, but with some modifications.....</b>	<b>23</b>
4.1.1 Resilience as the Fourth Principle.....	23
4.1.2 Mainstreaming Social Sustainability – the core thrust moving forward.....	25
<b>4.2 Alignment with other Bank strategies .....</b>	<b>26</b>

<b>4.3 Priorities for 2011-2013.....</b>	<b>28</b>
4.2.1 More Macro .....	28
4.2.2 Better Projects .....	29
4.2.3 Better Grounding .....	31
4.2.4 More Effective Family .....	32
4.2.5 Measuring Progress .....	33
<b>REFERENCES.....</b>	<b>35</b>
<b>ANNEX 1: RESULTS FRAMEWORK – SOCIAL DEVELOPMENT MCIPR, FY 2011-2013 ...</b>	<b>39</b>
<b>ANNEX 2: REVIEW OF PROGRESS UNDER THE 2005 RESULTS FRAMEWORK.....</b>	<b>41</b>
<b>ANNEX 3: STRATEGIC PLANS FOR THE SOCIAL DEVELOPMENT DEPARTMENT AND THE REGIONS 2011-2013 .....</b>	<b>62</b>

## ABBREVIATIONS

AAA	Analytical and Advisory Activities
AFR	Africa Region
APL	Adaptable Program Loan
ARD	Agriculture and Rural Development
CAS	Country Assistance Strategy
CDD	Community Driven Development
CODE	Committee on Development Effectiveness
CPIA	Country Policy and Institutional Assessment
CPS	Country Partnership Strategy
CSA	Country Social Analysis
DAC	Development Assistance Committee
DEC	Development Economics Department
DFGG	Demand for Good Governance
DPL	Development Policy Lending
DPO	Development Policy Operation
EAP	East Asia and the Pacific Region
ECA	Europe and Central Asia
ENV	Environment Department
ESSD	Environmentally and Socially Sustainable Development Network
ETW	Energy, Transport and Water
EXT	External Affairs
FAO	Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FEU	Finance, Economics and Urban Development
FIP	Forest Investment Partnership
GAC	Governance and Anticorruption
HD	Human Development
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communication Technology
IDA	International Development Association
IEG	Independent Evaluation Group
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFPRI	International Food Policy Research Institute
IP	Indigenous Peoples
IPP	Indigenous Peoples Plan
IR	Involuntary resettlement
ISN	Interim Strategy Note
KDP	Kecamatan Development Project
LCR	Latin America and the Caribbean Region
MCIPR	Mid Cycle Implementation Progress Report
MIGA	Multilateral Investment Guarantee Agency
MNA	Middle East and North Africa Region
ODI	Overseas Development Institute
OECD	Organization for Economic Cooperation and Development
OP	Operational Policy

---

OPCFC	Fragile and Conflict-Affected Countries Group
OPCS	Operations Policy and Country Services
PREM	Poverty Reduction and Economic Management Network
PSIA	Poverty and Social Impact Analysis
QAG	Quality Assurance Group
QALP	Quality Assessment of the Lending Portfolio
QEA	Quality at Entry Assessment
QSA	Quality of Supervision Assessment
REDD	Reducing Emissions from Deforestation and Degradations
RF	Results Framework
RPF	Resettlement Policy Framework
SAR	South Asia Region
SDCC	Social Dimensions of Climate Change
SDN	Sustainable Development Network
VPU	Vice Presidency Unit
WBI	World Bank Institute
WDI	World Development Institute
WDR	World Development Report

## SUMMARY

### *Background Context*

In 2005, the World Bank introduced a new strategy to direct, expand, and strengthen its work on social development. It defined social development as **a process of transforming institutions by making them more inclusive, cohesive and accountable**. The 2005 Strategy aimed to strengthen these efforts by moving to a new, more systematic and upstream business model. This involved **three strategic priorities** – (i) moving to **more macro** by better integrating social analysis in country assistance strategies, policy dialogue, and development policy lending; (ii) developing **better projects** by mainstreaming social issues in investment lending and strengthening the social development portfolio; and (iii) ensuring **better grounding** through improved research, capacity building, and partnerships around social development.

The main purpose of this Mid-Cycle Implementation Progress Report (MCIPR) is to review the performance and effectiveness of the 2005 Strategy after five years of implementation using a combination of regional progress reviews, specially commissioned issue papers, literature review, and a series of internal consultations. It further assesses the relevance of the Strategy in light of the changing internal and external context and the strategic priorities outlined by the Bank in its Post-Crisis Directions paper. Based on this analysis, it outlines what the key priorities should be for the Bank's social development program over the next three years.

### *Looking back - reviewing the progress in implementing the 2005 Social Development Strategy*

The implementation of the social development strategy over the past five years has been positive. Yet there is significant scope for improvement given the challenges, particularly of capacity and resources, which have limited its effectiveness.

Looking at the **first strategic priority** – '**more macro**' – the goal of ensuring that social sustainability concerns, analysis, and content are more fully integrated into country strategy and policy dialogue has been realized to a fair extent. A rapid survey of 58 country assistance strategies (CASs) or equivalent documents released in the past five years shows that almost all incorporated social development priorities of inclusion, accountability, and to a lesser extent cohesion among the CAS pillars. About thirty *country social analysis* exercises were undertaken during these five years and at least some of them (such as Colombia, Haiti, Madagascar, Nepal and Vietnam) were highly influential in setting the priorities of their respective CASs. The depth and content across regions, however, is highly variable and circumscribed by the governance environment, country capacity and priorities, civil society strength, and the presence/influence of social development staff on the country team. The translation of content into committed actions in these areas is also highly variable as revealed through the regional progress reviews.

Another instrument for upstream engagement on social sustainability has been Development Policy Lending (DPL) in which an integration of poverty and social impact analysis (PSIA) is required by the Bank's Policy Framework (OP 8.60). Over the past five years, 84 percent of DPLs were rated satisfactory on social analyses and 82 percent in terms of social risk assessments against targets of 80 percent in the 2005 Strategy. An Independent Evaluation Group (IEG) review of PSIA work in FY09 further concluded

that some PSIA (e.g., Yemen Water Reform) have engaged with a range of local stakeholders and international donors, ensuring that the findings feed into national strategies and donor programs.

Notable progress has also been made on the **second strategic priority – ‘better projects’**. The agenda of mainstreaming social sustainability with attention to inclusion, cohesion and accountability throughout the Bank portfolio has shown significant results but also considerable room for improvement, especially during supervision. Quality at Entry (QEA) and Quality of Supervision Assessments (QSA), and the more recent Quality of the Lending Portfolio (QALP) assessments from the past four years reveal that sampled projects consistently show satisfactory attention to social development issues at the design stage in more than 60 percent of cases. Similar attention during supervision was 60 percent in FY07 and FY08, but fell to 36 and 38 percent respectively in FY09 and FY10. Where incorporated, attention to social opportunities, impacts, risks, and has greatly enhanced impact, ownership, and the sustainability of investment projects.

The commitment volume for the portfolio of stand-alone social development projects has increased from \$1.8 billion in 2005 to \$2.72 billion as of January 2011 – higher than the Strategy target of \$1.5 billion. This is comprised predominantly of Community Driven Development (CDD) and post-conflict reconstruction programs that have evolved over time to become powerful mechanisms for participatory local development and poverty reduction, particularly in fragile situations. Innovative stand-alone projects on youth and women’s economic empowerment, indigenous peoples as well as demand for good governance have also emerged, particularly in South and East Asia and Latin America.

In terms of the **third strategic priority– ‘better grounding’** – a wide range of research and knowledge work has been produced over the last five years. A series of high-profile publications under the broad heading of ‘New Frontiers in Social Policy’ were commissioned to orient future analytical work on social development and explore the conceptual foundations of social inclusion, cohesion, and accountability. A series of evaluative efforts were undertaken to gauge the impact trajectory of social development interventions. Gender, conflict, and demand side of governance have also been key themes on which a range of analytical and learning materials were developed across regions.

### ***Looking back - lessons and challenges***

The Bank has, therefore, achieved significant results over the last five years in its strategy to direct its social sustainability work to more macro, better projects, and better analytical grounding. Despite this positive record, the reviews and consultations undertaken as part of this MCIPR suggest that more could have been achieved. Several challenges and limitations still constrain the Bank’s social sustainability work in each of the three priority areas.

In terms of **upstream engagement**, the regional reviews note that with very limited funding, that too mostly from trust funds, the ability to undertake solid upstream social analysis to inform CASs and DPLs remains severely constrained. Moreover, even when social sustainability issues are mentioned in the CAS, they are often not reflected in the forward-looking assistance program.

Quality of content has also been an issue. The 2009 DPL retrospective noted, for instance, that while the use of participatory processes in development policy operations has increased there is significant room for

improvement in documenting the nature, scope and outcomes of these processes. Likewise, the 2009 IEG evaluation of PSIA's suggested that the recommendations of several PSIA's had not been effectively integrated into country assistance programs.

The key challenge at the **project level** has been the limited scope and extent to which social issues have been able to inform the design and implementation of lending operations. Ideally, attention to social sustainability should be better ensured through identification of social opportunities and adequate mitigation of social impacts and risks including but not limited to the appropriate application of the Bank's social safeguard policies. However, as the recently completed IEG Evaluation of Safeguards and Sustainability has underscored, the main entry point for social inputs into project design are the existing two social safeguard policies (involuntary resettlement and indigenous peoples). As these are narrow in scope many Bank investment projects are not informed by a social assessment that systematically identifies the range of social opportunities, impacts, and risks that need to be addressed in design and implementation. Consequently, many risks emerge during implementation that slow down progress, cause stakeholder dissatisfaction, lead to poor targeting and produce poor results. In a rising number of cases they also lead to inspection panel complaints. Even where social assessments are carried out, social development staff can dedicate only limited time to specific operations in the face of the fast increase in lending.

There is also a challenge in terms of skills and capacity. The skills required to address the multiple dimensions of social sustainability (including conflict, gender, demand for good governance, etc.) are rarely found within an individual social specialist. The result has been that different specialists are often involved in retailing separate elements of the social sustainability agenda to interested task teams. Such an approach naturally limits the ability to provide a comprehensive input on the full range of social issues relevant to a particular operation. Better staff deployment, skills-building, as well as the appropriate use of external and in-country resources and systems, therefore, remain key areas for improvement to achieve the comprehensive social inputs required to make 'more socially sustainable projects'.

### ***Looking at today – drivers of change that enhance the business case for social development***

The past five years have witnessed a number of important trends in the global environment that have and will continue to impact the Bank's work on social development. Externally, **global trends** including - (a) the increased **vulnerability of poor people to external shocks** such as the food, fuel and financial 'crisis' events of 2008-10; (b) the increasing global consciousness of the **climate change** challenge and its social dimensions; (c) an increasing focus on the problems of '**fragility**' of countries, states and societies; (d) increasing **urbanization** and its impact on developing societies, and (e) the revolutionary changes in **information and communication technologies (ICTs)** – have all enhanced the need for applied research and the development of tools and methods for understanding the social dimensions of global change. At the same time they have created a need to strengthen our understanding of the ways in which development action can build *social resilience* in the face of the negative impacts of change.

Several **key internal changes** within the World Bank also influence both the nature of and capacity for social development work in the institution. Over the past five years, overall **volumes for both Investment and Development Policy Lending** have more than doubled and the composition has shifted towards infrastructure, correspondingly increasing demands for social development inputs. New strategies

like the 2007 **Governance and Anti-Corruption Strategy**, the 2010 **Access to Information Policy** have created a new space for social development work, particularly for strengthening demand for good governance. The ongoing **investment lending reforms**, which bring an enhanced focus on results and risks in operations, as well as the ongoing **process of updating and consolidating the Bank's safeguards** framework necessitate a much stronger attention to assessing and responding to social opportunities, impacts, and risks in both design and implementation.

Taken together, the lessons of the past five years combined with the internal and external trends that define the world today present a clear picture – the Bank finds itself with an enhanced need to focus on social development in its work. Yet it finds itself constrained in its capacity to do so.

### *Looking ahead – social development over the next three years*

A key conclusion of this MCIPR is that the **vision and framework of the 2005 Strategy remains valid**. However, the review suggests **three key changes**. **First**, that the notion of *social resilience* be included in the conceptual and operational framework for social sustainability, alongside the operational principles of inclusion, cohesion and accountability. This dynamic notion of resilience is critical for reducing vulnerability and enabling communities at different levels to organize and confront a range of negative trends and shocks be they economic, natural, or emanating from conflict. In this way, development is **socially sustainable when it promotes inclusive, cohesive, resilient and accountable institutions**. The principles will also contribute to the implementation of the World Bank's strategic priorities for overcoming poverty, namely targeting the poor and vulnerable, creating opportunities for sustainable growth, strengthening governance and managing risks and preparing for crises, as outlined in the Bank's Post-Crisis Directions paper.

**Secondly**, there is a need to **realign the overall focus of the Strategy in the coming three years around the core goal of mainstreaming social sustainability**. This involves a fundamental shift away from compliance with a narrow range of issues and focusing on a greater and more comprehensive range of social opportunities, risks, and impacts that underlie the social sustainability of the Bank's development assistance.

**Third**, in the context of increasing demands for social development while operating in a constrained and flat budget environment, a **fourth strategic priority has emerged, viz., to develop a “more effective family” for social development**. As elaborated on further below, this priority would allow a more efficient and nimble use of social development expertise across the Bank allowing for more effective engagement at the country, policy, and operational levels.

Achieving the goals of the Strategy with the added pillar on resilience, realigned focus on mainstreaming social sustainability, and creating a more effective social development family will require a number of refinements, modifications, and new action items over the next three years on each of the three strategic priorities of the original Strategy.

Under *strategic priority 1 (“more macro”)* the key refinement will be to complement the reliance on Country Social Analyses as stand-alone pieces of sector work, and replace it with a more nimble, cost-effective, and customized process of providing continual support on social analysis to country teams. This

would ideally link up with any broader country strategic analysis (including political economy and poverty analysis) being undertaken and would enable a much better chance of social opportunities, risks, and impacts being adequately reflected in country programs. An important ingredient in strengthening the macro work on social sustainability will be through the more effective use of PSIA by better linking to country processes and work programs and by linking analytical finding to policy actions. Concurrently, an effort would be made to create upstream awareness in partner governments and Bank country teams of the social sustainability agenda by building on successful pieces of Regional analytical and advisory activities (AAA). For specific topics (such as gender or demand for good governance) a separate business plan for integrating these issues into the work across the Bank and the Sustainable Development Network (SDN) in particular (for gender) will be prepared and implemented. Finally, the social family will likely take the lead in operationalizing the conclusions of the two forthcoming World Development Reports (WDRs) on Fragility (2011) and Gender (2012) in its work at the country level.

Under *strategic priority 2* (“*better projects*”), the main theme of mainstreaming social sustainability across the Bank portfolio, in development policy and investment lending alike, needs to be re-emphasized. Given the lessons and challenges of the past and in the context of the current investment lending reforms there is a clear need to develop a comprehensive framework for identifying upstream and responding to social opportunities, risks and impacts both in investment projects and in the forthcoming Program for Results instruments. This would firstly involve a comprehensive updating and consolidating of the social safeguards policies as highlighted in the Management Response to the IEG’s report on Safeguards and Sustainability Policies; with the evaluation serving as a reference point for the consideration of various issues and options. Secondly, as included in the same Management Response, guidance will be prepared and issued on the scope and coverage of social issues in the context of the preparation and implementation of environmental assessments to ensure a more balanced approach between environmental and social risks and impacts. Thirdly, the quality of inputs of social development specialists on projects would have to be enhanced through better staff deployment, strategic staffing and capacity building. The development of client institutions for social development as well as regional centers of excellence would be a fourth area of focus. Smarter ways to support implementation through the integration of social development elements (such as demand for good governance tools like grievance redress mechanisms and third party monitoring) within projects as well as embedding of social development specialists among client project staff would be the fifth area of concentration. Finally, efforts to build awareness and acceptance of social sustainability principles in other sectors and networks would be undertaken. Apart from this, the Bank would also continue to strengthen the own managed social development portfolio (particularly relating to CDD) with operations tailored to build social inclusion, cohesion, resilience and accountability. The emphasis would, however, be on high-impact, high-priority areas, that either scale-up successful local models, or pilot innovative models that can provide new operational entry points for mainstreaming key agendas in the future.

Under *strategic priority 3* (“*better grounding*”) the Bank will continue to carry out a series of “flagship” analytical pieces exploring key social sustainability challenges around inclusion, cohesion, resilience and accountability. It will also establish country level networks of local social development specialists in priority countries to help in knowledge exchange and social research. Civil society partnerships and networks, such as the Affiliated Networks for Social Accountability (ANSAs) will be strengthened.

Efforts are also being undertaken to establish a set of indices for measuring key social development outcomes at the country level through a premier international research institute.

In addition, as already noted above a *fourth strategic priority* has emerged, viz., to develop a “*more effective family*” for social development. Given the rapidly increasing demand for addressing issues of social sustainability across the Bank, a concentrated effort to improve the recruitment, retention, deployment and development of social development staff needs to be undertaken to make the social family more integrated, flexible, and effective. This aligns well with the ongoing reforms to enhance the Bank’s matrix model and launch of the new Knowledge Strategy over the next three years. The process of cluster recruitment will be continued, and the active role of the Sector Board in facilitating mobility, talent and bottom performance management will be fostered.

The reinvigoration of communities of practice will be a key element in the efforts to strengthen the social development family and also ensure that there is distributed leadership in its management. A framework of core competencies for social development combined with intensified training, mentoring, and accreditation for social development staff will be introduced as part of this process, as well as an emphasis on social sustainability in the operational core course for all task team leaders. Further, specialized competencies related to themes within social development (e.g. demand for good governance, CDD, conflict and violence, social dimensions of climate change) will also be developed in an effort to enable the family to provide technical leadership in the four operational principles of inclusion, cohesion, resilience, and accountability. Increased cross support of highly experienced staff will be sought to improve the fungibility of top notch expertise across regions and an annual assessment of staff skills and capacity will be undertaken to keep abreast of evolving skills mixes and gaps.

Finally, a *revised results framework* that has been developed as part of this MCIPR can then be used to assess the success of the social family in mainstreaming social sustainability across the Bank’s work in the coming years.

In conclusion, the last five years following the 2005 Strategy have shown a consolidation and growth in the Bank’s work and emphasis on social development. Yet, several challenges remain and latent opportunities exist to further strengthen this work. In a changing world and in an evolving Bank, the case for responding to these challenges and opportunities is even greater now. Looking forward, therefore, the Bank will need to take key actions, as noted in this MCIPR and in alignment with the Post-Crisis Directions strategic priorities, to ensure that it can respond effectively to the needs of its client countries to strengthen the social inclusion, cohesion, resilience and accountability of their institutions so that their development can remain socially sustainable.

## 1. BACKGROUND

### 1.1 The 2005 Social Development Strategy

1. In January 2005, the World Bank introduced a new strategy to direct, expand, and strengthen its work on social development. It defined “*transforming institutions<sup>1</sup> to empower people*” as the overarching goal of social development. The Strategy identified three operational principles for institutions to become empowering: (i) **inclusion**, (ii) **cohesion**, and (iii) **accountability**.

2. **Inclusive institutions** empower people by providing equal access to opportunities, and allow everyone to contribute to social and economic progress and share in its rewards.<sup>2</sup> **Cohesive institutions** enable individuals and communities to overcome social and economic divisions and prevent the exposure and exacerbation of fault lines and occurrence of violent conflict. **Accountable institutions** ensure good governance for the public interest in an efficient, effective, and fair manner; and promote bottom-up accountability. The institutional transformation that makes institutions in a society inclusive, cohesive, and accountable is thus crucial for empowering poor, disadvantaged, and marginalized women and men to share equally in the benefits of economic growth and prosperity. Only through such a people-centered empowerment process can development be *socially sustainable*.

3. The 2005 Strategy introduced a new business model to mainstream these principles in the Bank’s work. This new business model proposed a shift away from the previous de facto ‘downstream, project-by-project’ method of engagement to a systematic and upstream (early) approach to social development issues. It therefore identified *three strategic priorities* to improve the social sustainability of World Bank projects:

- **Strategic Priority 1 – More Macro.** Improve macro-level processes, analysis and content by better supporting countries to incorporate social development into their poverty reduction and development strategies. Enhance policy dialogue, country assistance strategies and policy lending by building on these country-led strategies.
- **Strategic Priority 2 – Better Projects.** Improve development effectiveness of investment lending through more comprehensive and efficient mainstreaming of social development into project-level processes and analyses as well as strengthening the social development thematic portfolio.
- **Strategic Priority 3 – Better Grounding.** Improve research, capacity building and partnerships to solidify the knowledge base on social development for better operations.

---

<sup>1</sup> Institutions were defined to refer to the broad set of formal and informal rules, norms, and values that operate within society.

<sup>2</sup> The notion of ‘inclusion’ goes beyond the economic idea of ‘inequality’ in that it captures other dimensions of inequity (such as gender, age, ethnicity, or caste based exclusion) beyond just the distribution of wealth and assets.

4. The 2005 Strategy contained action plans for FY05-FY07 for each of the Bank's Regions, Social Development, WBI and the Development Economics Department (DEC). It also outlined a Results Framework to assess strategy implementation during FY05-07.

5. In practical terms, social development's work program has evolved around the following business lines (i) social sustainability of the Bank's portfolio including attention to safeguards, (ii) poverty and social analysis to ensure inclusion (including gender, indigenous peoples and youth), (iii) response to fragile and conflict or violence affected situations, (iv) social dimensions of Climate Change, (v) demand for good governance<sup>3</sup>, and (vi) an important portfolio of CDD projects.

## 1.2 Scope of the MCIPR

6. Five years since its introduction, the purpose of this Mid-Cycle Implementation Progress Report (MCIPR) is to 'look back' and reflect on experience in implementing the 2005 Strategy, highlight key achievements and identify lessons learned and challenges faced. It goes further to 'look at today', and consider the implications of external and internal drivers of change that affect the Bank's work in social development and to assess whether the strategic framework responds to these changes while remaining in line with corporate goals and the strategic priorities laid out in the Post-Crisis Directions paper<sup>4</sup>. Finally, the MCIPR 'looks forward' to outline a new three year (FY11-13) program for social development in the World Bank that provides clear direction for this work and presents a new and refined results framework with which to assess its performance.<sup>5</sup>

7. The key features of the process for preparing the MCIPR have been as follows:

- **Regional Background Papers.** Background papers by the Bank's six regional social development units and the World Bank Institute (WBI) to (a) review progress against the Strategy Framework and action plans, (b) consider the drivers of change in the external and internal environment and their implications, and (c) outline priorities for social development in regional programs over the next three years.
- **Issues Papers.** Thematic papers by the Social Development Department on social dimensions of sustainable development; social safeguards; gender; youth; fragility, conflict, and violence; social dimensions of climate change; demand-side governance; forest peoples and CDD.

---

<sup>3</sup> Demand for good governance refers to a range of actions and mechanisms that enable citizens to hold state institutions accountable and make them responsive to their needs. This includes tools such as disclosure campaigns, third part monitoring, grievance redress mechanisms, and participatory monitoring through community scorecards and social audits.

<sup>4</sup> World Bank (2010b): *New World, New World Bank Group: (I) Post Crisis Directions*, April 2010. The paper that was prepared for the 2010 Annual Meetings underscores *five strategic directions* for the World Bank in the coming years. These are (a) targeting the poor and the vulnerable, (b) creating opportunities for growth, (c) providing cooperative models for Global collective action, (d) strengthening governance, and (e) managing risk and preparing for crisis.

<sup>5</sup> These objectives are in accordance with CODE (Committee on Development Effectiveness) guidance on the Approach Paper, *Revamping the Sector Strategy Implementation Update Report*, June 13<sup>th</sup> 2008 (CODE 2008-0059). In July 2009, CODE approved the Concept Note for the Social Development MCIPR including the rationale not to go ahead with a new strategy at this time as well as a broad approach for the MCIPR and its three year timeframe.

- **Review of the Results Framework.** A comprehensive review of the 2005 Social Development Strategy Results Framework to assess progress against the indicators and the suitability of the framework for tracking progress on social development within the Bank from this point forward.
- **Consultations.** Internal consultations with a wide range of relevant stakeholders within the Sustainable Development Vice-Presidency, in other relevant policy units, and in country teams.<sup>6</sup> Informal external consultations were carried out with a few key partners.<sup>7</sup>

8. The remainder of this MCIPR is divided into three sections – looking back, looking at today, and looking forward – in accordance with the objectives of the report described above.

---

<sup>6</sup> The approach and content of the MCIPR was discussed at the Social Development Sector Board, the Sustainable Development Network Council and with regional social development staff. Individual consultations have been carried out with three country directors, IFC senior management, and senior management from the PREM Poverty Reduction, PREM Public Sector, PREM Gender and Human Development (HD) Social Protection Departments.

<sup>7</sup> In line with corporate guidance, external consultations were limited to informal contacts and arenas. The key elements and future strategy of the social development program of the World Bank were discussed in New York with the multi-agency Social Development Advisers Network (SDAN) involving representatives from Finland, Germany, UNICEF, ILO and UNDP. The MCIPR was also presented and discussed with the Steering Group of the Norwegian and Finnish supported Trust Fund for Environmentally and Socially Sustainable Development (TFESSD) and with AFD staff in Paris, GTZ staff in Germany, and DFID staff in London.

## 2. LOOKING BACK

### 2.1 Progress since 2005 – Key Achievements

#### 2.1.1 Social Development in Country Analysis and Strategy – More Macro

9. The 2005 Strategy aimed to increase support for country teams to bring social development processes, analysis and content into their overall development assistance strategies.<sup>8</sup> This goal has been realized to a fair extent.

10. A rapid survey of 58 country assistance strategies (CASs) or equivalent documents released in the past five years shows that almost all incorporated social development priorities of inclusion, cohesion, and accountability among the CAS pillars. The depth and content across regions, however, is highly variable and circumscribed by the governance environment, country priorities and capacities, strength of civil society and/or the presence and influence of social development staff. Moreover, when it came to inclusion, the interpretation and discussion was often limited to distributional equity issues. Further, relative to the other principles, cohesion was not touched upon much.

11. In terms of prominent examples, social inclusion with particular emphasis on gender issues, ethnic communities are featured in the Nepal, Pakistan and Afghanistan strategies, and strong and explicit attention to social inclusion and empowerment in the Vietnam and Philippines strategies. A good example of a social cohesion pillar is reflected in the Colombia Country Partnership Strategy (CPS) which has a “Peace Pillar” and includes a Peace and Development Adaptable Program Loan (APL) as detailed in Box 1. Actions to promote governance with a particular emphasis on demand for good governance are included in the Bangladesh, India, Cambodia and Indonesia strategies.

#### **Box 1: The Colombia Country Partnership Strategy and Social Cohesion**

The LAC Region’s engagement on the peace-building agenda in Colombia has been multi-faceted, spanning operational, analytical, policy-dialogue and knowledge-related initiatives. ‘Peace’ constitutes one of the five “pillars” of the CPS for Colombia. The operational part of this engagement comprised the first phase of the Peace and Development APL (\$30 million) which was completed in FY 09, and an Additional Financing for \$ 8 million approved in FY 10. The Peace and Development APL has helped create a model program for community-based conflict prevention and local development which is supported by a large number of donors with funding that is significantly higher than the resources provided by the Bank. In addition, the Bank has drawn on Post-Conflict Fund resources to support the government, in partnership with several donors, on the protection of patrimonial assets of the internally displaced population.

*Source: Latin America and the Caribbean Region Background Paper for the MCIPR*

<sup>8</sup> Development assistance strategies include Country Assistance Strategies (CAS), Country Partnership Strategies (CPS), and Interim Strategy Notes informed by products such as country social assessments and analysis.

12. Upstream analytical work (often conducted in partnership with other donors) has influenced the pillars and platforms in several CASs. Over the last five years some thirty country level exercises in social analysis have been carried out. These have focused on a range of issues from poverty and inclusion (Ghana and Nepal ) to issues of political economy dynamics (Madagascar), governance and the enabling environment for civil society (Cambodia and Mongolia), state fragility (Haiti), conflict analysis (Somalia) and the dynamics of violence and social change (Kenya). These have had varying influences on country level policy dialogue and the development of CASs, but in some cases (such as Nepal described in Box 2 below) the influence has been significant.

**Box 2: Country social and political analysis in Nepal - policy dialogue to promote social inclusion**

The country social and political analysis in Nepal focused on social exclusion of women and ethnic minorities. Developed and financed in cooperation with the UK Department for International Development, this joint analytical product facilitated the alignment of the World Bank Country Assistance Strategy (CAS) and the UK's Country Assistance Plan (CAP) behind the social inclusion 'pillar' of the Nepal poverty reduction strategy.

The World Bank CAS proposes key action points to address the impacts that gender, caste and ethnicity have on individual and group access to assets, capabilities and voice. As a result of the analysis and policy dialogue, it recommends to *"incorporate an inclusion lens into the government planning, budget allocation and monitoring process to ensure full access of women, Dalits and Janjatis in all government services and development programs"*. DFID has endorsed a Social Exclusion Action Program and committed to monitor all its projects based on social inclusion indicators developed by the study.

The recommendations to promote social inclusion have been further developed into specific actions including building *"a pipeline of qualified women, Dalits and Janjatis by establishing a fast-track scholarship program for the most promising..."*. Both the World Bank and DFID have supported different affirmative action measures through programs, like the World Bank's PRSC and DFID's Enabling State Program.

Source: *Unequal Citizens. Gender, Caste and ethnic Exclusion in Nepal. Summary.* (Department for International Development and the World Bank, 2006)

13. Another instrument for upstream engagement on social sustainability has been Development Policy Lending (DPL) in which an integration of poverty and social impact analysis (PSIA) is required by the Bank's Policy Framework (OP 8.60). Social Development's engagement in DPL through co-leading the PSIA agenda (with PREM Poverty Reduction), has shown some notable successes. Further, social development supports country-level participation, context-specific analysis, capacity building and partnerships in DPLs.<sup>9</sup>

14. The DPL Retrospectives carried out by the Operations Strategy and Country Services Unit (OPCS) in 2006 and 2009 show that the percentage of DPLs which were prepared with some form of

<sup>9</sup> Operational Manual, OP 8.60, <http://go.worldbank.org/LYUIMDY6X0>, requires the Bank to advise borrowing countries to consult with and engage key stakeholders in formulating the country's development strategy and when preparing, implementing, monitoring and evaluating a development policy operation (DPO). OP 8.60 also stipulates that Bank teams should analyze the likely significant poverty and social impacts of the policy reforms that are supported by the DPL.

participation and consultation increased from 72 to 86 percent.<sup>10</sup> Over the past five years, 84 percent of DPLs were satisfactory on social analyses and 82 percent in terms of social risk assessments against targets of 80 percent in the 2005 Strategy. An Independent Evaluation Group (IEG) review of PSIA work in FY09 further concluded that some PSIA (e.g., Yemen Water Reform) have engaged with a range of local stakeholders and international donors, ensuring that the findings feed into national strategies and donor programs.

15. Equally importantly, PSIA have made a difference in the design of DPLs. A review of PSIA<sup>11</sup> shows that 51 percent of prior actions<sup>12</sup> with potentially adverse impacts were informed by some form of ex ante poverty, social and distributional analysis. The DPL Retrospective of 2009 shows a similar figure, with 58 percent derived from some PSIA-type analysis.

**Box 3: PSIA Support for Pro-poor Water Reform in Yemen (US\$60,000)**

In Yemen, a PSIA was carried out in 2007 to analyze the impact and implementation constraints of the government's 2005 water sector reform strategy in the groundwater, irrigation, and rural water supply and sanitation sub-sectors. This study addressed the equity and political economy constraints of the National Water Sector Strategy and Investment Program (NWSSIP) by analyzing the program's reforms in (i) water resources and irrigated agriculture, and (ii) rural water supply and sanitation. The PSIA took a multi-sectoral and spatial perspective, and used a participatory and incremental approach. The study made use of survey information, key informant interviews, focus group discussion, and political economy analysis. Findings suggested a need for institutional reforms in water resource management and irrigated agriculture, promoting water productivity particularly for poorer farmers, and correcting the sequence of reforms. The PSIA also underscored a need to mobilize all stakeholders and strengthen ownership of NWSSIP. Government, donors and stakeholders agreed to revise the reform strategy and implement priority PSIA recommendations through a multi-donor Water Sector Support Program.

*Source: Middle East and North Africa Region Background Paper for the MCIPR*

16. However, as noted later under the lessons and challenges section, there remain a number of issues in terms of implementation and operationalization of PSIA. A 2009 review of PSIA conducted by the Overseas Development Institute (ODI) in collaboration with Social Development Department<sup>13</sup> found that the effectiveness of PSIA at the country level is influenced by: (a) timeliness, usability and accessibility of analytical results; (b) alignment of the PSIA process and results with the development of national and sector strategies; and (c) the importance of possible behavioral responses to policy change.

### 2.1.2 Social Development in Operations – Better Projects

17. The Social Development Strategy envisioned enhancing the quality of investment lending through two broad approaches. Firstly, given the compelling evidence<sup>14</sup> that attention to social

<sup>10</sup> *Development Policy Lending Retrospective 2006*, <http://go.worldbank.org/RW8S14JHJ0>; *Development Policy Lending Retrospective 2009: Flexibility, Customization, and Results*, <http://go.worldbank.org/0QM8M8S6P0>.

<sup>11</sup> *Assessing the Use of Poverty and Social Impact Analysis in World Bank Development Policy Loans*, April 2009, [http://siteresources.worldbank.org/INTPSIA/Resources/PSIA\\_Review\\_April2009.pdf](http://siteresources.worldbank.org/INTPSIA/Resources/PSIA_Review_April2009.pdf).

<sup>12</sup> Policy actions that a country agrees to take before the Board approves a loan; they are legal conditions for disbursement.

<sup>13</sup> *PSIA Synthesis Report: Reviewing the Link with In-Country Policy and Planning Processes*, May 2009, [http://siteresources.worldbank.org/INTPSIA/Resources/PSIA\\_SynthesisReport.pdf](http://siteresources.worldbank.org/INTPSIA/Resources/PSIA_SynthesisReport.pdf).

<sup>14</sup> *OED Review of Social Development in Bank Activities*, Operations Evaluation Department, February 2004.

development themes improves project ratings by three to four percent on outcome, sustainability, and institutional development impact, the major emphasis has been on *effectively mainstreaming social opportunities, and addressing risks and impacts across the Bank portfolio*. Secondly, building in particular on the successes of several CDD operations, the Strategy also aimed at *enhancing the proportion of the Bank operational portfolio that focuses directly on social development themes*. The achievements with respect to each of these approaches are discussed below.

### ***Mainstreaming social development across operations***

18. The last five years saw notable success in terms of mainstreaming social development across the Bank portfolio, though as noted in a later section, it also exposed several challenges in this regard. The process of mainstreaming involves several elements. Social analysis and assessments usually conducted as part of the requirements of the Bank's safeguards policies are often the key entry point during project design to identify the social opportunities, impacts, and risks involved in a particular operation. These elements are periodically supervised during implementation. Separate inputs on specific social themes (like gender, conflict, community development, or demand for good governance) can also be brought in either during project preparation or supervision as per the need and demands of project teams. Where incorporated, attention to these social opportunities, impacts, and risks have greatly enhanced impact, ownership, and the sustainability of investment projects, as demonstrated in the case of the Tashkent Solid Waste Management Project (see Box 4).

#### **Box 4: Tashkent Solid Waste Management Project (IDA \$24 million)**

The use of social assessments (SAs) and beneficiary assessments (BAs) significantly improved the design of the Tashkent Solid Waste Management Project and facilitated monitoring and implementation support. The inclusion of a social development specialist as a core team member ensured that the main findings of these assessments were taken into account, and that important social development issues associated with the city's municipal solid waste management system were addressed early to avoid potential social risk.

The initial SA carried out during project preparation revealed that the majority of the population viewed their solid waste services as a priority and were willing to pay four times more than what they were already paying for sub-standard service. This finding convinced the local government that mobilizing additional funding from the beneficiaries services was feasible and the mayor agreed to raise the tariff. The findings also persuaded the authorities to close an in-city landfill and to build waste collection points that were more accessible to children and the elderly.

BAs conducted during project implementation allowed the task team to track changes in user satisfaction with solid waste services and to adjust the project design to better meet expectations. These assessments were also used for informing technical decisions. When the household surveys showed that secure collection points were most popular with residents, project managers agreed to finance additional rolling bins to service them. During project implementation, the social development specialist focused attention on the increasing number of waste pickers operating in the city since preparation. This led to improvements in their working conditions and attention by the city to identifying alternative opportunities to generate income if landfill improvements limited their access.

*Source: Europe and Central Asia Region Background Paper for the MCIPR.*

19. The Quality Assurance Group (QAG) assessments of the Bank-wide **portfolio quality in terms of attention to social development issues** have been positive on a consistent basis over the past four years, although they have fallen in recent years. Quality at Entry Assessments (QEA) and Quality of the Lending Portfolio (QALP)<sup>15</sup> assessments of attention given to social development issues during project design were rated satisfactory or higher in 71 percent of projects in FY07 and FY08, 68 percent in FY09, and 63 percent in FY10. Quality of Supervision Assessments (QSA) for attention given to social development by projects under implementation during the same period rated satisfactory or greater in 60 percent of projects in FY07 and FY08, but then dipped to 36 percent in FY09, and 38 percent in FY10.

20. While these numbers remain positive, they indicate a declining trend. This indicates several issues and challenges that are outlined in the next subsection and which have been substantiated by the qualitative and regional backgrounds reports for the MCIPR.<sup>16</sup> The qualitative assessment included in the latest QALP (FY10) for instance recommended closer attention to client motivation, commitment, capacity, and political economy considerations and an effective dialogue to improve implementation of social issues and components in projects. Both the 2009 and 2010 QALPs also found that attention to social development issues was stronger during project design than implementation and supervision. Attention to risks in project design was confined to safeguards. The assessment recommended that an analytically informed understanding of social opportunities impacts, and risks would be necessary for addressing social sustainability of operations. Effective supervision, systematic documentation, and good monitoring mechanisms for social issues including safeguards, were seen as critical to ensuring social outcomes of projects.

21. Efforts at mainstreaming social development by directly providing **inputs on specific social themes** showed some improvement during the last five years largely driven by efforts of the communities of practice on these themes. A recent QAG assessment on the responsiveness to governance and anticorruption issues of a random sample of over 150 Bank operations found that demand-side governance elements (such as disclosure, grievance redress, or third party monitoring) have been incorporated in approximately 43 percent of them. Only 18 per cent, however, were ‘highly responsive’ on demand side elements. Mainstreaming of gender has been another important area of focus over the past five years. In 2008, a cross-VPU work program aimed at promoting stronger approaches to gender integration – particularly in the infrastructure sectors was launched and has begun to yield some positive results.<sup>17</sup> Box 6 provides a good example of gender mainstreaming in the transport sector in Peru.

22. In terms specifically of **social safeguards**, which are often the key entry point for mainstreaming social development issues into operations, the record is also mixed. The last five years saw a tremendous increase in safeguards work as the Bank portfolio expanded and shifted more towards infrastructure. As

---

<sup>15</sup> QALP introduced in FY09 with the objective to assess the Likelihood of Achieving Development Objectives by assessing Quality of Design, Quality of Implementation and Quality of Bank Supervision.

<sup>16</sup> This is partly also because the methodology for the QALP is somewhat liberal and combines poverty with social development issues.

<sup>17</sup> The recent IEG evaluation of the World Bank Group’s performance on gender integration (IEG 2010) highlighted the infrastructure sectors as lagging behind others (e.g. rural development, health and population) in taking on gender issues in project design and implementation.

of September 2010, there were 794 active projects that triggered the involuntary resettlement (IR) policy and 457 that triggered the indigenous peoples (IP) policy across the Bank portfolio. Safeguards ratings declined significantly from 50 per cent satisfactory in QALP 2009 compared to 39 per cent in QALP 2010, especially on indigenous people (from 54 per cent in 2009 to 32 per cent in 2010). The assessment found that attention to safeguards remains very much focused on mitigating adverse impacts and policy compliance rather than a broader perspective on social opportunities and risks that considers how to improve benefits to project affected groups. As the regional reviews demonstrated, the complexity of safeguards work is also increasing. For instance, there is increasing interest in knowledge of local institutions, governance, conflict and post-conflict contexts in safeguards work; new approaches to deal with land acquisition and resource losses as a consequence of climate change; policies that marginalize indigenous peoples due to political and historical contexts; and a large number of legacy projects with serious historical resettlement problems.

#### **Box 6: Empowering Women in the Peruvian Transport Sector**

**Challenges:** Though transport projects typically employ local workers, women are often excluded from participating in maintenance work. For example, from 1995-1999, women represented only four percent of the workers involved in the micro-enterprises of road maintenance in the country.

**Gender Assessment and Community Empowerment:** To develop ways to correct this inequity, the Bank initiated a study on gender relations in rural Peru. The gender assessment showed that women had a strong interest in participating in road maintenance work. Accordingly, the Bank worked with local stakeholders to implement an affirmative action program, training both men and women on what gender inclusion is and how to integrate it into the transport sector, while empowering women to shape transportation decisions to meet their needs. By implementing these measures, the project succeeded in enhancing women's social inclusion and civic engagement in the sector. Women's participation increased the quality of the road rehabilitation and the transparency of the handling of funds. Moreover, this project was the first to promote the maintenance of rural roads through micro enterprises. The model has achieved good results, linking women and men to markets and health services, improving the living conditions of communities, decreasing the cost of road maintenance, and extending the lifetime of the investments. As a result of its successes, the project is being replicated throughout several countries in Latin America and the micro-enterprise approach is being adapted for use in China.

Source: *Latin America and Caribbean Region Background Paper for the MCIPR*

23. Finally, in terms of innovations, there have been efforts to address safeguard issues through **piloting country systems** (notably in the Philippines) and programs for client agencies to enhance implementation capabilities on safeguards. Client governments in East Asia have acknowledged the importance of safeguards and in some cases developed their own social policies in response to World Bank-financed projects. The Nam Theun 2 (NT2) project in Lao PDR, for example, led to the strengthening of policies and tools to sustainably manage Lao PDR's natural resources, promote biodiversity conservation, and protect ethnic minorities. The integration of sound social safeguards in this project demonstrates the relevance of social development in building sustainable livelihoods. The training course on "Management of Land Acquisition, Resettlement and Rehabilitation (MLARR)" developed as a collaborative effort by the World Bank Dhaka Office and the BRAC Development Institute (BDI), BRAC University (Box 5) is another innovation.

**Box 5: Training Course on “Management of land acquisition, resettlement and rehabilitation (MLARR)”, Bangladesh**

Land acquisition and resettlement are a key challenge that public and private institutions face in executing development projects. In collaboration with the World Bank Dhaka Office and the BRAC Development Institute (BDI), BRAC University, is offering a training course on “Management of Land Acquisition, Resettlement and Rehabilitation (MLARR)”. The 5-day intensive program provides an opportunity for professionals to get a full-immersion in the concepts and practice of land acquisition and resettlement programs by focusing on all phases of the project cycle. The primary goal of the MLARR is to equip course participants with a set of tools, instruments and methodologies to manage complex land acquisition and resettlement programs, and allow them to better handle these issues that are part of their professional responsibilities in delivering public infrastructure projects.

In this 5-day intensive course, participants engage in class discussions, hands-on exercises, analysis of case studies and direct linkages with expert practitioners. The focus of the course is on building skills to find concrete solutions in real-world projects. World-class experts bring their extensive experience and know-how in the practice of land acquisition and resettlement to the course.

*Source: South Asia Region Background Paper for the MCIPR.*

***Strengthening the portfolio of stand-alone social development projects***

24. The social development portfolio has grown in volume from \$1.9 billion in FY 05 to \$2.72 billion as of January 2011 and includes some very successful and innovative projects. As of January 2011, the portfolio included 33 projects mapped to the Social Development Sector Board. There are 383 projects, amounting to \$29.14 billion, mapped to Social Development themes. These have been key in providing the operational lessons for mainstreaming social development issues across the rest of the portfolio.

25. CDD projects account for the majority of the stand-alone social development portfolio. During FY00-09, IDA had a total of 538 projects that adopted a CDD approach either for the project as a whole or for specific components. The total lending for these projects was \$29.35 billion of which \$13.85 billion was directly managed and controlled by communities and local governments. CDD operations have proven very successful at reaching and empowering communities, delivering cost-effective infrastructure, enhancing livelihoods, and improving community dynamics. Box 7 below summarizes the Indonesia Kecamatan Development Program (KDP), which is one of the key large-scale CDD projects in EAP (and possibly the world) that addresses a large range of social development themes and innovations. CDD projects have also been key instruments for post-conflict reconstruction and local peace building as demonstrated by the National Solidarity Program (NSP) in Afghanistan, modeled along the lines of the KDP. As of August 8, 2009 the NSP had helped establish 22,000 elected community development councils and over 20,000 had received grants for over 50,000 community projects, of which over 30,000 are complete. Social mobilization under NSP has increased trust in government, empowered people and especially women, strengthened democratic culture at the community level, built social cohesion and promoted conflict resolution. The NSP’s track record is impressive in a context where top-down initiatives have largely failed to deliver.

26. Despite the successes of CDD operations, challenges remain in scaling-up to national levels, reaching the most vulnerable within communities, ensuring sustainability and links with decentralization reforms, integrating effective local peace-building tools in situations of fragility or violent conflict, and adding to the existing knowledge on impacts from CDD programs.

**Box 7: Community Driven Development at a National Scale in Indonesia**

Begun in 1998 as the Kecamatan Development Project, the National Program for Community Empowerment (PNPM-Rural) is a simple mechanism for addressing Indonesia's highly diverse rural development needs. Using a CDD model, the program disburses resources to communities which identify their own development priorities from an open menu of activities using a facilitated planning and decision-making process. Communities receive block grants ranging from US\$90,000-450,000.

Evaluations of KDP/PNPM-Rural demonstrate the program's positive impact on the poor and potential to help poor communities and households prevent and mitigate risks. In KDP/PNPM-Rural villages, poor households show clear gains in per capita consumption and higher rates of households moving out of poverty. In addition, vulnerable households are less likely to fall into poverty. Communities have used KDP/PNPM-Rural funds to make investments in their communities that directly promote growth. New infrastructure has led to increased market access, economic opportunities and public sector social services. KDP/PNPM-Rural has also proven to be a robust tool for addressing post-conflict and post-disaster needs. This is very evident in Aceh after the 2004 Indian Ocean tsunami and the subsequent memorandum of understanding between the government and the rebels that ended thirty years of conflict, and more recently in Central Java and West Sumatra.

In 2007, KDP became PNPM-Rural after the Government of Indonesia created the PNPM as its premier community-based poverty alleviation vehicle. In 2009, PNPM was scaled up to cover the entire country. PNPM-Rural presently covers more than 59,000 rural villages or 85 percent of Indonesia's villages. In 2009, national and local governments funded 75 percent of PNPM's \$1.2 billion budget. Through the PNPM Support Facility, the program has received substantial support from 16 donors. The budget for 2010 exceeds \$1.75 billion plus significant community contributions (averaging more than 15 percent).

*Source: East Asia and the Pacific Region Background Paper for the MCIPR.*

**2.2.3 Social Development in Research, Knowledge, and Networks - Better Grounding**

27. A wide range of high-quality and original research and knowledge has been produced by social development specialists in the Bank over the last five years, thus fulfilling to a large extent the objective of achieving better grounding. This is also highly valued by social development practitioners outside the Bank. A large part of this work has attempted to understand the impacts of various social development approaches in different environments by examining the nature of the development process in complex institution-building interventions at the community level.<sup>18</sup> The KDP project in Indonesia outlined in Box 7 above is notable for having used a detailed understanding of the social context to guide its development and growth to a national program. A key theme emerging from this work is that the 'impact trajectory' of projects which seek to create social transformations is unlikely to be linear or easy to measure over the

<sup>18</sup> See for example Scott Guggenheim (2006), "Crises and Contradictions: Explaining a Community Development Project in Indonesia", in Anthony Bebbington et. al. (eds.), *The Search for Empowerment: Social Capital as Idea and Practice at the World Bank*. West Hartford, CT: Kumarian Press, 111-144.

short term.<sup>19</sup> One of the other important areas of intellectual innovation has been participatory research that emphasizes the perspectives of poor people and their views on effective solutions to development problems.<sup>20</sup> The centrality of the cultural dimension to effective development is another area.<sup>21</sup>

28. Since 2005, a series of high-profile publications were also produced under the rubric of “New Frontiers in Social Policy” that began with the Arusha conference of December 2005, “New Frontiers of Social Policy: Development in a Globalizing World”. These include *Assets, Livelihoods and Social Policy; Building Equality and Opportunity through Social Guarantees; Inclusive States – Social Policy and Structural Inequalities; Delivering Services in Multicultural Societies; Institutional Pathways to Equity; and Social Dimensions of Climate Change – Equity and Vulnerability in a Warming World*.<sup>22</sup>

29. Some of these fed into the *2005 World Development Report on Equity and Development* and provided the conceptual foundation and analytical underpinnings for the 2005 Social Development Strategy and the key operational principles of social inclusion, cohesion and accountability.<sup>23</sup> Similarly, work done for the March 2008 Social Dimensions of Climate Change Workshop contributed a social perspective to the Bank’s landmark Strategic Framework on Climate Change. This was also reflected in the *WDR 2010 on Development and Climate Change* which noted the differentiated vulnerabilities to climate change impacts, and the need to develop resilient land-use strategies for the poor.

30. A series of ‘Flagship’ analytical pieces were also launched in 2009. The first of these is the flagship on *Engaging Societies in Responding to Fragility*, which aims to provide an understanding of societal dynamics that support or weaken state capacity and to identify ways to address the underlying determinants of fragility. This report will be a key complement to the *2011 WDR on Conflict, Security and Development*. Specific inputs on gender based and urban violence are also being provided to the 2011 WDR. Future flagships will center around *Voice and Accountability* and *Social Inclusion*.

31. Building knowledge for social development has been a major area of work for many of the regional social development units within the Bank as well. Much of this work is embedded in country level social analysis – an example of which is provided in Box 8 below from Madagascar.

<sup>19</sup> Michael Woolcock (2009) “Toward a plurality of methods in project evaluation: a contextualized approach to understanding impact trajectories and efficacy.” *Journal of Development Effectiveness*, Vol. 1, No. 1, March 2009, 1-14.

<sup>20</sup> See for example Narayan and Patesch’s work on poverty dynamics: Deepa Narayan and Patty Patesch, (eds.) 2007. *Moving Out of Poverty: Cross-Disciplinary Perspectives on Mobility*. New York: Palgrave Macmillan; Washington, DC: World Bank.

<sup>21</sup> See for example Vijayendra Rao and Michael Walton (2004), *Culture and Public Action*. Palo Alto: Stanford University Press and Marc, A. (2009): ‘*Delivering Services in Multicultural Societies*’, World Bank, Washington, D.C.

<sup>22</sup> Caroline Moser and Anis Dani 2008; Estanislao Gacitua-Mario, Andrew Norton and Sophia Georgieva 2009; Alexandre Marc 2010; Anis Dani and Arjan de Haan 2008; Anthony Bebbington, Anis Dani, Arjan de Haan and Michael Walton 2008; and Robin Mearns and Andrew Norton 2009.

<sup>23</sup> <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/0,,contentMDK:20692493~pagePK:210058~piPK:210062~theSitePK:244363.00.html> This work, as with much other key knowledge and strategic work on social and environmental issues within the World Bank over the last five years, has been supported by the Trust Fund for Environmentally and Socially Sustainable Development (TFESSD). Since its inception in 2000, the TFESSD has provided \$128 million and currently funds 150 activities.

**Box 8: Madagascar: Technical Assistance for Integrating Voice and Accountability**

A Technical Assistance (TA) program was established in Madagascar to integrate demand for good governance (DFGG) across the Bank's portfolio. The initial effort involved capacity building for civil society actors and government agencies as well as analytical work on the enabling environment for civil society, which, in turn, led to the integration of DFGG activities or components in three projects and four sectors: a dedicated \$4 million component of the Governance and Institutional Development II Project, Private Sector Growth Poles, Mining and Minerals Governance, and the health sector. Results to date have included: (a) a high level of ownership and willingness of the client to borrow for DFGG; (b) quantified improvements on health outcomes; (c) models for scaling up scorecards; (d) initial improvements in civic engagement in local government budgeting; (e) models and manuals for replicating and scaling up DFGG; and (f) in some communes, reported increased revenues due to greater civic confidence in the use of budgetary resources. This Madagascar case provides an example of how to use strategic analytical work to integrate DFGG and social accountability across a country portfolio.

Source: *Africa Region Case Study for MCIPR*

32. The development of country and regional networks to support social development is another area that was highlighted in the 2005 Strategy. Perhaps the strongest example of this over the last five years has been WBI's work on social accountability. WBI's program of regionally-based Affiliated Networks for Social Accountability (ANSA) was launched in 2006. ANSAs have been developed in Africa, East Asia and the Pacific, South Asia and most recently in the Middle East and North Africa. The ANSA model is a new mechanism for supporting demand-side governance. It focuses on building regional networks to support civil society and government in improving government accountability to its citizens. These networks are based around a regional hub and are designed to foster networks of practitioners and peer-to-peer learning among a variety of audiences. The ANSA network in Africa, for example, is headquartered at the Institute for Democracy in South Africa (IDASA) in Pretoria. Since its first conference in 2006, the ANSA Africa network now includes 2,300 members from 39 countries.

## 2.2 Lessons and Challenges

33. As the above description suggests, the Bank has achieved significant results over the last five years in implementing its social development strategy. The strategic priorities of moving guidance on social issues more upstream to influence country and policy priorities, of mainstreaming social development to achieve better projects and to back the work on social sustainability with better analytical grounding have all been achieved to a considerable extent. Despite this positive record, however, the reviews and consultations undertaken during this MCIPR suggest that more could have been achieved. Several challenges and limitations still constrain the Bank's work in each of these priority areas.

34. In terms of **upstream engagement**, a persistent and clear issue across all regions is that the bulk of the resources which have supported this work have been supplied by trust funds and support from the Social Development anchor. Country teams have very limited budgets for analytical work (particularly in Africa) and models of engagement need to be realistic in this context to gain widespread currency. A more nimble and integrated approach to dealing with country level social analysis, that links with other

pieces of political economy, macroeconomic, or sector work, is a more effective strategy to ensure upstream influence moving forward.

35. Perhaps a bigger challenge has been that even when social sustainability issues are mentioned in the CAS, they are often not reflected in the forward-looking assistance program. Part of this is because the engagement which country social development specialists have been able to establish to convert the analysis into action in the country program has been limited. But it is also because the social family in the Bank is still in the process of fully developing its own repertoire of tools and instruments (e.g. demand for good governance tools, conflict filters, community climate mitigation initiatives, etc.) to operationalize social sustainability dimensions, in particular those for strengthening social cohesion. As these develop and mature, the ability to translate analysis to action will increase.

36. Quality of content has also been an issue. The 2009 DPL Retrospective by OPCS noted, for instance, that while the use of participatory processes in preparing development policy operations has increased there is significant room for improvement in documenting the nature, scope and outcomes of these processes. Likewise, the 2010 IEG review of PSIA concluded that despite some highly effective PSIAs, overall implementation suffered from lack of clarity of operational objectives and inherent tensions between objectives, poor integration of PSIAs into country assistance programs, and insufficient quality assurance, monitoring and evaluation of PSIAs.<sup>24</sup>

37. If one looks at the second priority, **better projects**, there remain several challenges to mainstreaming social development across the Bank portfolio. The key issue as voiced through regional reviews is the limited scope and extent to which social issues have been able to inform the design and implementation of lending operations. Ideally, attention to social sustainability should be better ensured through identification of social opportunities and adequate mitigation of social impacts and risks including but not limited to the appropriate application of the Bank's social safeguard policies. However, as the recently completed IEG Evaluation of Safeguards and Sustainability has underscored, the main entry point for social inputs into project design are the existing two social safeguard policies (involuntary resettlement and indigenous peoples). As these are narrow in scope many Bank investment projects are not informed by an upstream social assessment that systematically identifies the range of social impacts, risks, and opportunities that need to be addressed in design and implementation. Consequently, many risks emerge during implementation that slowdown progress, cause stakeholder dissatisfaction, lead to poor targeting and produce poor results.

38. Even where social assessments are carried out, social development staff can dedicate only limited time to specific operations in the face of the fast increase in lending and are often engaged too downstream for them to meaningfully influence project design to take into account social opportunities, impacts, and risks within operations. With current staffing, each social development staff skilled in involuntary resettlement issues covers on average 13 projects triggering the policy. For indigenous peoples' issues, the regional average ratio is 1:11. In this context, the ability to comprehensively

---

<sup>24</sup> *Analyzing the Effects of Policy Reform on the Poor: An Evaluation of the Effectiveness of World Bank Poverty and Social Impact Analysis*, February 2010, [http://siteresources.worldbank.org/PSIAEXT/Resources/psia\\_full.pdf](http://siteresources.worldbank.org/PSIAEXT/Resources/psia_full.pdf).

mainstream inclusion, cohesion, and accountability within the Bank investment lending portfolio beyond the narrow scope of the safeguards policies, has been constrained.

39. Apart from time, there is also a challenge in terms of skills and capacity. The skills required to address the multiple dimensions of social sustainability (including conflict, gender, demand for good governance, etc.) are rarely found within an individual social specialist. The result has been that different specialists are often involved in retailing separate elements of the social sustainability agenda to interested task teams. Such an approach naturally limits the ability to provide a comprehensive input on the full range of social issues relevant to a particular operation.

40. The above conclusions are also supported by the findings of the Inspection Panel. The last five years saw a significant increase in the number of Inspection Panel cases, both overall and in cases that reflect social issues, particularly resettlement.<sup>25</sup> Lessons from Inspection Panel investigations point to the need to (i) pay careful attention to the policy provisions for involuntary resettlement and indigenous peoples during design and implementation; (ii) make space for a broader consideration of social impacts and opportunities beyond issues related to resettlement and indigenous peoples, both in design and implementation; (iii) strengthen consultation and communication during design and implementation; and (iv) involve social development specialists upstream and proactively in the design and implementation of projects.

41. Taking all the above points into consideration, a broadening of the scope of social assessments, more upstream engagement by social development staff, better staff deployment, skills-building, as well as the appropriate use of external and in-country resources and systems are key to achieve the comprehensive social inputs required to make 'more socially sustainable projects'. The openness and appreciation of other sectors to taking up and effectively integrating social concerns in their work is also a critical success factor.

42. In terms of the own managed portfolio of social development projects, the key lesson, especially considering the staff capacity constraints noted above and the current budget environment of the Bank, is to focus more on high impact or innovative projects that can either scale-up successful past operations or try new models for social development that can inform future mainstreaming efforts.

43. On Strategic Priority 3, **better grounding**, the key lesson has been the importance of making social analysis operationally relevant and ensuring that knowledge exchange among the communities of practice of social development specialists inside and outside the Bank is strengthened. The methods used for integrating social analysis into the development of operations piloted in the Indonesia country program remains perhaps the best example of the grounding of a major operation in a detailed understanding of the social context. When this model was applied to the development of the similar National Solidarity Program in the highly challenging environment of Afghanistan, the results were

---

<sup>25</sup> During the 17 years of the Panel's existence (1993-2010), 58 of the 64 requests for investigation received were accepted by the Inspection Panel, of which 21 were in the last 4 years. Social development issues figure prominently in Inspection Panel cases and those raised most often are involuntary resettlement (32 cases), Indigenous Peoples (24 cases), poverty reduction (19 cases), and consultation and information disclosure (23 cases).

equally impressive. Therefore, maintaining a space for development research which builds on social research methods and social theory is extremely important. The building of communities of practice among applied social analysts in partner countries also needs renewed attention.

44. Last but not least, both a challenge and a lesson from past experience has been with regards to the **difficulty of developing an appropriate results framework** to capture the performance of the Bank in the area of social development. As part of the MCIPR, progress on the original results framework of the Strategy was reviewed and is summarized in Annex 2.<sup>26</sup> This exercise set out to compile data for all 41 process and outcome indicators. While results on the majority of process indicators were available and could be tracked, very few of the intermediate and final indicators proved measurable over the time frame of the Strategy as they were not available for most countries on a regular basis. The review made evident the fact that a new results framework needs to be developed with more feasible indicators and baselines to enable monitoring of progress of the Social Development Strategy.

45. The above lessons and challenges indicate a clear potential to further refine and improve the Bank's work on social development. When also considering the changes in the internal and external environment that are discussed in the next section, they provide pointers for how the Bank's work on social development should adapt in the next three years.

---

<sup>26</sup> Veronika Huebner, Carolyn Turk and Varalakshmi Vemuru. (2010). "Review of the Results Framework of the 2005 Social Development Strategy." Social Development Department. Washington D.C.: World Bank. See also Annex 3.

### 3. LOOKING AT TODAY

46. The past 5 years have witnessed a number of important changes globally and in the Bank that have and will continue to impact its work on social development. Therefore, it is important to look at today and consider how the principles of inclusion, cohesion, and accountability apply and retain relevance in the context of both external and internal drivers of change.

#### 3.1 External Drivers of Change

47. Since 2005, the global development agenda has evolved in several important ways as was highlighted in the Post-Crisis Directions paper presented at the 2010 Annual Meetings. Five of these changes have specific relevance to social development as discussed below.

##### 3.1.1 Crises and Social Impacts

48. The last few years have seen exceptional volatility in markets important to the poor. The succession of food price, fuel price and financial crises has created a series of fluctuations in prices, growth rates, financial flows, employment and exports.<sup>27</sup> Vulnerable individuals, households and communities have suffered profound material and non-material impacts.<sup>28</sup>

49. The social development family has monitored vulnerable households in twelve countries and compiled a detailed account of poor people's experience of the recent economic crises.<sup>29</sup> This research indicates that the impacts of global shocks do not stop with the workers employed in export-oriented sectors, but that impacts quickly affect people dependent on domestic demand for goods and services. Therefore, arguments suggesting that the poor are relatively immune from shocks originating in the global economy because they operate at its margins are not supported by the evidence. Those experiencing second level impacts are often poor and the impacts can be intense, as evidenced in Cambodia.<sup>30</sup>

50. Current thinking suggests that uncertainty in key markets will persist and, in a globalized world, movements in global markets will quickly translate into impacts on poor people and communities. Exposure to such shocks, which are inevitable in an increasingly globalizing world, means that beyond inclusion, cohesion, and accountability, *a better understanding and investment in the resilience of social institutions becomes imperative*. Only then can poor and vulnerable groups be in a position to cope with, and respond to crises.<sup>31</sup>

<sup>27</sup> World Bank (2010a). *Global Economic Prospects 2010: Crisis, Finance, and Growth*. Washington, D.C.

<sup>28</sup> For instance, it is estimated that the current downturn has resulted in 30,000 to 50,000 additional infant deaths in Sub-Saharan Africa in 2009, with more girls than boys dying in all regions. See Post-Crisis Directions paper (World Bank 2010b).

<sup>29</sup> Carolyn Turk and Andrew Mason (2009). *Impacts of the Economic Crisis in East Asia: Findings from Qualitative Monitoring in Five Countries*, for a summary of findings in East Asia.

<sup>30</sup> Cambodia Development Research Institute (2010). *Rapid Assessment of the Impacts of the Economic Crisis on Cambodian Households and Vulnerable Workers: Road to Recovery*. Phnom Penh.

<sup>31</sup> CDD approaches could for instance be used as a channel for rapidly and effectively delivering stimulus finance to affected poor communities in the wake of crisis events.

### 3.1.2 The Social Dimensions of Climate Change

51. Climate change is widely acknowledged as among the foremost challenges for global public action. Human-induced climate change threatens the long-term resilience of societies and communities. The 2005 Strategy did not consider the challenge of responding to the social dimensions of climate change. In March 2008, a major international conference was organized to consider and debate the social dimensions of climate change.<sup>32</sup>

52. A number of key social issues emerge from the climate change agenda. Firstly, *climate change is associated with complex social responses*. Migration, conflict and human security are all potentially affected by climate change. Anticipating the impacts and analyzing the potential transmission channels is important for thinking about the ways in which social policy and development action will need to adapt. Secondly, is the area of *pro-poor climate change adaptation*. Much of the planning for climate change adaptation focuses on infrastructure and economic systems without taking into account the human dimension. It needs to understand social differences (including gender and generational issues) and the influence of climate change on the most vulnerable. Planners need to ensure inclusion of vulnerable social groups and build on the substantial resources of communities and their local institutions for resilience and adaptation. Communities cannot do everything for themselves, but it is important to recognize which activities are best organized and done at the local level. Finally, the *social dimensions of mitigation* is another key area. The growing importance of reducing emissions through preventing deforestation and degradation has become a major element in planning the global response to climate change. The World Bank is engaging in this area through new financing instruments such as the Forest Carbon Partnership Facility (FCPF) and through a dedicated Climate Investment Fund (CIF), the Forest Investment Program (FIP). As carbon assets become increasingly significant income streams, this will pose considerable risks and opportunities for many poor and vulnerable populations, particularly forest-dependent indigenous peoples.

53. The Bank has therefore initiated a work program that focuses on the social dimensions of climate change and disaster risk management.

### 3.1.3 Fragility and Violence

54. Fragility has become one of the key development challenges facing the world today. The OECD estimates that roughly one third of the global poor live in fragile states<sup>33</sup> where limited state capacity severely constrains growth and threatens overall stability. High levels of violence generally accompany fragility. Evidence also shows that patterns of violence have changed dramatically over the last 20 years. Civil wars now account for only a small portion of violent fatalities. Interpersonal violence outside of political conflict has become the main cause of violent deaths in the world. In addition to the high costs to individual countries, the spillover effects of fragility and violence—including population displacement, human trafficking, corruption, and drug and arms trafficking—compromise the stability of neighboring

<sup>32</sup> The conference led to an edited volume bringing together leading social researchers and analysts to consider key social processes and impacts. See Robin Mearns and Andrew Norton (2009), *Social Dimensions of Climate Change: Equity and Vulnerability in a Warming World*, Washington, D.C.: World Bank.

<sup>33</sup> Different organizations identify 30-50 fragile states.

countries and regions. It is further increasingly recognized that fragility is a continuum and that many countries face situations of fragility at sub-national levels or in large slum areas.

55. Support to fragile states was recognized in 2007 as one of the six strategic priorities for the Bank.<sup>34</sup> This issue is the focus of the 2011 World Development Report – “*Conflict, Security and Development*”. Responses to fragility have focused primarily on state-building interventions at the national level to strengthen capacity for service delivery, or community level programs to fill gaps in core state functions at the local level. Other interventions have focused on preventing or mitigating violence through state institutions. This state-centric framework has achieved some progress in detecting fragility and ameliorating its impacts by restoring core state functions and reducing violence. There is, however, a need to understand social cohesion more comprehensively, including the social dynamics that underpin these situations, with an eye to design operations that strengthen the resilience to violent conflict at the local level and work to build the trust between the state and communities. Understanding and responding to fragility will therefore become a key analytical and operational priority for the Bank’s work on social development and a focus for a lot of interventions, in particular within the CDD portfolio, that emphasizes social cohesion and bottom-up state building.

### 3.1.4 Accelerating Urbanization

56. Many policy makers recognize that urbanization is not only inevitable – it is also a powerful force for economic growth, social transformation and poverty reduction.<sup>35</sup> Poverty is increasingly an urban phenomenon across the developing world. Rapid migration and low earnings, combined with inadequately defined property rights and relatively low public investment in infrastructure, have contributed to burgeoning slum areas where violence is often rife. Rapid urbanization has increased marginalization of the poorest due to poorly defined land tenure leading to their easy dispossession of land as well as poor service delivery, opaque systems of governance, eroded institutional structures for conflict resolution, and lack of social capital which increases vulnerability of the poor. At the same time urbanization can profoundly impact values and ambitions for social mobility as groups in urban areas develop ‘the capacity to aspire.’<sup>36</sup>

57. Pro-poor urban development through large-scale slum upgrading and service provision for the poor therefore requires an increasingly *socially-sensitive* approach. This includes better social and political analysis, a focus on land policy and regulatory reform, an emphasis on mitigating and preventing violence, disaster risk management and climate change; and instruments to build local governance systems and bottom up accountability.

---

<sup>34</sup> See January 8, 2009 President Zoellick’s speech on Security, Governance and Development,” at <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0..contentMDK:22029440~pagePK:64257043~piPK:437376~theSitePK:4607,00.html>

<sup>35</sup> *System of Cities – Harnessing Urbanization for Growth and Poverty Alleviation: The World Bank Urban and Local Government Strategy* (2009). World Bank.

<sup>36</sup> Arjun Appadurai (2004) “The Capacity to Aspire: Culture and the Terms of Recognition” in Vijayendra Rao and Michael Walton, *Culture and Public Action*. Stanford, CA: Stanford University Press, 59-84. The capacity to aspire is described as a ‘navigational capability’ which enables individuals to imagine and practice ways of improving their situation.

### 3.1.5 Information and Communication Technology

58. The revolutionary changes in **information and communication technologies (ICT)** over the past decade have been the other key external trend that will influence the work on social development. Mobile phones in developing countries have leapt from 200 million in 2000 to over 3.7 billion in 2011 while Internet access grew ten-fold. The spread of ICTs as well as the increasing use of social media have changed the way people create, share, and apply data, knowledge, and ideas. The use of geo-mapping tools combined with increased citizen participation through mobile phones and social media have also made it easier for citizens to provide feedback on service delivery, and to create performance and accountability pressure points. As a consequence, definitions of ‘community’ and expectations regarding transparency and access to information have changed as new constituencies for reform have emerged. ICTs have also enhanced economic opportunity and empowerment through the creation of jobs and sustainable enterprises especially at the small and medium level (e.g. call centers, mobile servicing units, data entry services, hardware manufacturing, etc.).

59. The combined role of traditional ICTs (such as radio, television, and print media) and new ICTs has therefore created new opportunities and imperatives for influencing the Bank’s work on participation and fostering social change and enabling social interventions, particularly in the area of demand for good governance.

## 3.2 Internal Drivers of Change

60. Apart from the external trends noted above, there have also been a number of key internal changes within the World Bank that influence its work on social development. Three key changes that are of particular importance to Social Development are described below.

### 3.2.1 Lending Flows and Composition

61. There has been a rapid increase in both investment and development policy lending, particularly in the last two years. Over the strategy period, overall World Bank lending doubled from US\$ 22.3 billion in FY05 to \$44.2 billion in FY10, and investment lending increased by 53 percent from \$15 billion in FY05 to \$23 billion in FY10. Development Policy Lending saw a sharp increase during FY08-10, increasing from \$6.4 billion to \$20.58 billion as a direct response to the global food, fuel and financial crises. There has also been a dramatic increase in lending for infrastructure, from \$5.4 billion in 2003 to \$18.4 billion in FY09 and \$ 24.6 billion in FY 10. By its nature, the infrastructure portfolio requires much more intensive social safeguards support. Both the increased volumes and changed composition of lending flows has significantly increased the demand for operational support from social development staff leading to several of the capacity issues already noted.

62. While lending volumes are likely to return to pre-crisis levels, the implementation support required from social development staff to address the spike in the portfolio will remain high over the medium term.

### 3.2.2 Organizational Changes

63. At the beginning of the strategy period, Social Development was located within the Environmentally and Socially Sustainable Development Network (ESSD) with two other departments – environment and rural development. In 2006, the Sustainable Development Network (SDN) was formed through the integration of two former networks, ESSD and Infrastructure (INF). This integration has provided opportunities for improved communication; sharing of staff and collaboration between units working on environment, social and rural development topics, formerly in ESSD, and units working on energy, water, urban development and transport, formerly in INF. In this way, it has provided an excellent opportunity to address the ‘triple bottom line’ of sustainability – economic, environmental, and social – across a broad range of programming. While variations exist across regions on the specific approaches taken to foster integration of work programs in the recently formed SDN units, the ability of the Bank to mainstream key social development themes (such as gender, demand for good governance, violence prevention, or the social dimensions of climate change) has been greatly enhanced through this change.

### 3.2.3 Evolving Policy Context

64. Since 2005, a range of policy changes have occurred that are significant for the practice of social development within the World Bank. Most importantly, the *ongoing investment lending reforms*, introducing an enhanced results and risk based approach to operations, will provide an opportunity to address social sustainability more comprehensively. Already the Operational Risk Assessment Framework (ORAF) has heightened the attention to social risks in investment lending. The new results based lending instrument can help strengthen client capacity for addressing social sustainability. A comprehensive process of updating and consolidation of the Bank’s safeguards framework has also been initiated as part of the reform process, based on the findings of the IEG Evaluation of Safeguards and Sustainability.

65. In 2007, the *Governance and Anticorruption (GAC) Implementation Plan* was launched. This has provided a powerful arena to promote accountability principle of the Social Development Strategy. This has further strengthened social development’s work on the demand for good governance, which refers to a broad range of actions and mechanisms that enable citizens, civil society organizations and other non executive actors to hold the state accountable and make it responsive to their needs.

66. The new *Access to Information Policy*, effective July 1, 2010, grants public access to all information in the Bank’s possession but for a narrowly defined list of exceptions. Consultation is the primary tool to promote participation of stakeholders in project design and implementation, and disclosure of information is a prerequisite for ensuring effective consultation. While three of the World Bank’s social and environmental operational policies directly address consultation, participation and disclosure, these tools could be used more widely to ensure the social sustainability of operations.<sup>37</sup> The adoption of the *Access to Information Policy* will reinforce the Bank’s commitment to transparency and

---

<sup>37</sup> Maninder Gill and Alberto Ninio (2010). “Draft Guidance Note for Consultation in Investment Lending.”

accountability, while improving the platform for civil society groups to engage in dialogue on Bank policies, strategies and operations at all levels.

## 4. LOOKING AHEAD

67. The process of looking back and looking at today undertaken in this MCIPR provides the basis for looking ahead – that is, to define the social development agenda for the Bank for the coming three years. Taken together, the lessons of the past five years and the internal and external trends that define the context of the Bank and the world today present a clear picture – the Bank finds itself with an enhanced need to focus on social sustainability in its work. Yet, the Bank is constrained in its capacity to do so. Therefore, some basic changes in conceptual underpinnings, operational approaches, and strategic priorities are required to make the implementation for the Social Development Strategy more effective in the next three years. These are the focus of this section.

### 4.1 Validity of the 2005 Strategy, but with some modifications

68. The first key conclusion of this MCIPR is to confirm the validity of the 2005 Strategy’s overall vision of *Empowering People by Transforming Institutions*. The 2005 Strategy operational principles of inclusion, cohesion and accountability remain relevant, even more so in the current reality of significant global challenges with devastating local impacts. Yet three key modifications are required. The first is to include the notion of ‘*resilience*’ to the conceptual understanding of social development. The second is to re-align the overall focus of the Strategy around the core goal of *mainstreaming social sustainability*. The third, which is the key to making this goal happen in a constrained and flat budget environment, is to include a *fourth strategic priority*, viz., to develop a “*more effective family*” for social development. These are detailed below along with a discussion of how the strategy will align with other sector strategies and work programs and what new actions will be required in the next three years under each of the strategic priorities.

#### 4.1.1 Resilience as the Fourth Principle

69. With respect to the conceptual principles that define social development, the review suggests that the concept of *social resilience* be included in the conceptual and operational framework for social sustainability, alongside inclusion, cohesion and accountability. **Resilient institutions** reduce vulnerability and enable communities to organize and confront a range of negative trends and shocks whether economic, political, or environmental. Therefore, in an increasingly globalized world that is subject to repeated shocks (be they from extreme volatility in global economic relations, climate change and natural disasters, or conflict and violence<sup>38</sup>), this dynamic notion of resilience is critical for ensuring the social sustainability of development. While it was implicitly related in the other three principles, the severity of recent global shocks and crises require this fourth principle to be given special emphasis. It is also directly linked to the Bank’s overall strategic priority of managing risks and preparing for crises<sup>39</sup>.

---

<sup>38</sup> The importance of resilience for sustained poverty reduction is particularly evident in panel studies that trace changes in poor people’s status over time. Across diverse contexts, these studies often find very high rates of falling back into poverty, and more people going in and out of poverty than remaining trapped in poverty. For the broader literature on the fluid nature of poverty, see Narayan and Petch (2007), *Moving out of Poverty: Cross-Disciplinary Perspectives on Poverty*, chapters 1, 3, 4 and 5; and Narayan, Pritchett and Kapoor, *Moving Out of Poverty: Success from the Bottom Up* (2009a), chapter 3.

<sup>39</sup> Post-Crisis Directions paper. World Bank (2010b).

70. Operationally, the addition of this fourth principle of social development implies the need to invest in analysis on understanding the social fabric that holds communities and societies together, and better understanding the cultural and political factors that influence social resilience. Such analysis would then inform operational work on disaster risk management and response, conflict prevention and post-conflict, community and local development, as well as rural and urban livelihoods and infrastructure development to ensure that these strengthen the capacity of communities and their institutions to realize collective action and to effectively engage with the State apparatus at different levels. Efforts in this regard have already begun in some regions as shown through the examples in Box 9 below.

**Box 9: Strengthening Social Resilience to Climate Risk – the cases of Mexico and Philippines**

Climate change and climate variability compound the existing vulnerabilities of the poor, pushing those living on the margins closer to the edge. Poor communities are already implementing adaptation that can be an effective part of long term investments for building climate resilience.

The Mexico DPO Strengthening Social Resilience currently under preparation exemplifies how these strategies can be integrated into an approach to strengthening resilience of the poor. It supports:

- financial and policy incentives for reducing disaster risk through sustainable territorial planning;
- post-disaster response and insurance mechanisms to better protect the assets of the poor;
- national frameworks and funding mechanisms that foster engagement of local communities in the development of socially inclusive and pro-poor adaptation policy and programs, especially for forest communities.

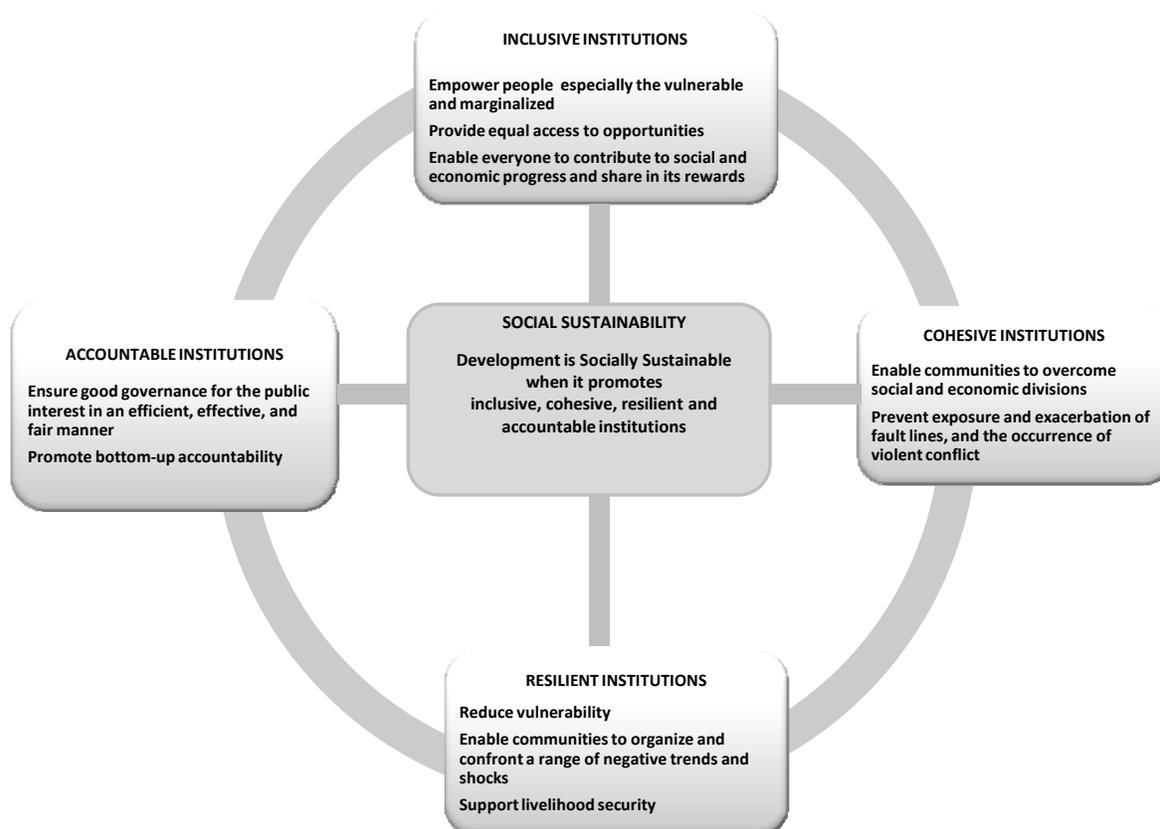
In the Philippines, which has one of the highest exposures to natural hazards (including typhoons, floods, landslides, droughts, volcanic eruptions, earthquakes, and tsunamis) of any country in the world, the efforts to build social resilience to climate risk are being piloted through the Philippines Climate Change Adaptation Project. The development objective of this pilot is to develop and demonstrate approaches that would enable communities to adapt to the potential impacts of climate variability and change. The project supports poor rural communities, which are most at risk of climate change impacts, to adapt to the effects of climate change through specific activities including (i) climate-proofing irrigation infrastructures, (ii) enhancing delivery and effectiveness of extension services for farm-level climate risk management, (iii) pilot-testing the feasibility of weather index-based crop insurance, and (iv) strengthening climate change resilience through improved management of Protected Areas.

Source: *Social Dimensions of Climate Change Cluster, Social Development Department*

#### 4.1.2 Mainstreaming Social Sustainability – the core thrust moving forward

71. Given the above addition, the four operational principles of *inclusion*, *cohesion*, *resilience* and *accountability* provide the conceptual framework for the notion of socially sustainable development as depicted in Figure 1 below.

**Figure 1: Socially Sustainable Development**



72. The key change in thrust for the Bank's work on social development will now be to undertake a fundamental shift of moving away from compliance across a narrow range of issues to focusing more upstream on a greater and more comprehensive range of *social opportunities, risks, and impacts* that underlie the social sustainability of the Bank's development assistance. These **social opportunities** involve identifying interventions that can strengthen inclusion, cohesion, resilience and/or accountability. Active participation is critical for embracing social opportunities but needs to take into account the multiple levels involved (such as individual, household, community and institutional) and the dynamic nature of social policy objectives. This requires capacity building of institutions to act collectively to overcome challenges. Likewise, **social impacts** include negative and positive direct and indirect impacts on different groups (such as women and men, wage laborers and migrant workers, the disabled and other stakeholders). These include impacts on health and safety, income, employment, quality of life, traditional

culture, customs and religious beliefs, as well as access to public and social services. Finally, **social risk** includes both ‘risks from’ the operation (including those covered by social safeguards policies such as involuntary resettlement) and ‘risks to’ the operation. The latter requires assessing the exogenous social dynamics that could derail development initiatives, for example, fragility, violence and conflict.

73. A rigorous approach to mainstreaming social sustainability therefore requires that all operations, strategic analysis and policy dialogue at the World Bank take advantage of social opportunities, and address social risks and impacts, in order to enhance quality and effectiveness of development assistance. Achieving this shift will require a number of refinements, modifications, and new action items for each of the three strategic priorities of the original Strategy. These define the priority areas for the next three years discussed below.

## 4.2 Alignment with other Bank strategies

74. The core emphasis on mainstreaming social sustainability through strengthening social cohesion, inclusion, resilience and accountability is well aligned with other regional and sectoral strategies of the Bank. In a recent review of the regional strategy updates undertaken by the Regional and Network Chief Economists’ Offices, four common themes were identified as cutting across each of the six regions of the Bank, and hence core priorities for the work of the institution going forward. These four themes were – (a) growth, competitiveness and employment; (b) inclusion, inequality and vulnerability, (c) governance; and (d) global public goods and climate change. As can be seen, three of these themes clearly overlap with the operational dimensions of social inclusion, cohesion, resilience and accountability.

75. Mainstreaming social sustainability will contribute to the implementation of the strategic priorities outlined in the Post Crisis Directions that will guide the World Bank’s Groups efforts to achieve its overarching goal of overcoming poverty through an inclusive and sustainable globalization. Some key areas for this contribution include: (i) better targeting of the poor and vulnerable for more effective service delivery and social safety nets, and reducing risk and vulnerability of communities; (ii) expanding opportunities for women and girls in growth, (iii) strengthening governance, particularly in fragile and conflict-affected situations, with a particular focus on strengthened voice and demand for good governance; and (iv) putting people in the centre of crisis preparedness and post-disaster risk management strategies, planning and programs. These areas also overlap heavily with the special themes of crisis response, gender, fragile states, and climate resilient development that have been identified for the IDA-16 replenishment.

76. A range of social development issues are also closely linked with several **sector strategies** and programs as outlined below<sup>40</sup>:

- In *Agriculture and Rural Development* effective targeting of poor people and areas, work on rural CDD and livelihoods, local governance and decentralization, and social dimensions of natural resource management are all common areas of work;

---

<sup>40</sup> The social development family is working closely with several of these sectors in development of their strategies (e.g. Environment, Social Protection, ICT) and also on joint programs of interest on the themes mentioned.

- In *Education*, gender issues and inclusion of minorities and indigenous groups (e.g. multilingual education), political economy of education reforms, strengthening of demand-side governance in education service delivery through bottom-up accountability mechanisms would be important areas for collaboration;
- In *Energy*, political economy analysis and poverty and social impact assessment of energy sector reform, affordability/access for poor and marginalized groups, and community engagement/sharing of benefits across the energy value chain have been identified as the key social issues;
- The new *Environment* strategy notes the social dimensions of climate change, the strengthening of environmental governance institutions and bottom-up accountability in environment, consultation with and participation of stakeholders including indigenous peoples and forest communities, and collaboration on the updating and consolidation of the safeguards policies as areas of alignment with social development;
- In *Finance and Private Sector Development*, the transformative effect of financial access and inclusion of the poor, economic empowerment of youth and women, as well as the social effects of a strong sustainable private sector are areas of convergence;
- The forthcoming *Information, Communication and Technology (ICT)* strategy has highlighted issues of gender equality, equalizing opportunities for all social groups to use ICTs (poor people, youth, people with disability, minorities), and use ICT to enhance governance and opportunities for marginalized groups as important areas of focus that are common to the social development strategy;
- The forthcoming *Social Protection* strategy has at its core the issues of resilience and social inclusion, which being two common pillars with the social development strategy, allow for a wide range of convergence and alignment around several issues. These include vulnerability, gender, youth, climate adaptation and disaster response, emphasis on fragile and lagging states, and community driven development;
- In *Trade*, the gender dimensions of trade, and the challenge of promoting trade in conflict and fragile environments are areas where social development will focus;
- For *Transport* the themes of inclusive transport development with a focus on gender, and demand side governance will be key areas for collaboration;
- In *Urban development*, as already noted in the previous section issues of slum upgrading, urban land resettlement, tenure rights, consultations, and monitoring/accountability of basic services for the poor are joint priorities;
- Finally, as outlined in the *Water* strategy, the political economy of reform in the water sector; governance and social organization for the use of water resources (e.g. through water user associations), CDD and promoting a demand-driven approach to rural water supply; equitable use of water subsidies, and capturing social issues in water operations through Strategic Environmental Assessments are important themes overlapping with the social development priorities outlined below.

### 4.3 Priorities for 2011-2013

77. The key focus areas for the next three years can continue to be classified around the three strategic priorities from the 2005 Strategy (more macro, better projects and better grounding). However, in addition, a fourth strategic priority of a “more effective family” has emerged as noted earlier.

78. Given the current constrained budget environment in the Bank a degree of selectivity and prioritization has been used in choosing the key actions to be undertaken under these priorities. These rely on exploiting existing resources, building partnerships across sectors and institutions, and drawing on synergies and economies of scale wherever possible. Further, each region has undertaken its own prioritization of its social development work based on the key needs that are relevant in their context. For example while addressing fragility and conflict are priorities in Africa, South Asia and ECA regions, enhancing social accountability cuts across all regions. What are presented below are the core actions to be undertaken for the Social Development Family as a whole.

79. By 2013, it is expected that through these efforts the social dimensions of development will be better integrated across development practices, through more macro social analysis, improved socially sustainable investments, innovative knowledge products and a more effective family. The detailed plans of the regional and anchor social development units are contained in Annex 3.

#### 4.2.1 More Macro

80. The review undertaken in this MCIPR reveals that the changing external context over the last five years suggests the increasing relevance of this strategic priority. The human and social impacts of climate change, the ways in which market volatility has affected poor and vulnerable groups, the growing interest in bottom-up accountability as a means of improving governance, and the growing understanding of the impacts of fragility and violence on development all point towards the importance that social development should play in determining policy and strategic choices at the country level by both the Bank and its client countries. However, a review of the key challenges and lessons, especially the lack of funding for analytical work, as well constraints to staff time and capacity reflects an obvious challenge for social development staff in seeking to be proactive in the formulation of country strategy and policy dialogue, particularly in the context of fragile states.

81. Moving forward, therefore, the key refinement will be to complement the reliance on Country Social Analyses as stand-alone pieces of sector work, and replace it with a more nimble, cost-effective, and customized process of providing continual support on social analysis to country teams. As the Bank is reducing ‘big book’ style core diagnostic work in many country programs, the aim would be to link up with any broader strategic analysis (including political economy and poverty analysis) being undertaken and would enable a much better chance of social opportunities, impacts, and risks being adequately reflected in country and policy programs. In this regard, a process of deploying *Country Social*

*Development Specialists* to work alongside Country Economists will be undertaken along the lines of what has been rolled out in certain regions.<sup>41</sup>

82. An important ingredient in strengthening the macro work on social sustainability will be through the more effective use of PSIA by better linking to country processes and work programs and by linking analytical finding to policy actions. The resurgence of interest in distributional and social analysis for policy reform is driven by the recognition that PSIA can be a powerful basis for understanding the political economy of reform. A number of recommendations that emerged from the PREM, IEG and ODI reviews, which have shaped the design of a new Multi-Donor Trust Fund (MDTF)<sup>42</sup> on PSIA, will guide the mainstreaming of this tool in the Bank in the next three years. These recommendations include an emphasis on (a) increasing flexibility, (b) tailoring the PSIA approach to the country and policy context, (c) strengthening awareness, skills and resources for PSIA, (d) better integrating PSIA into country work programs, and (e) improving the effectiveness of PSIA in informing country policy by developing better links with country processes and linking analytical findings to policy actions. Following an innovative setup and management structure, most of the funding will go directly to the Bank's six regional Vice Presidential Units (VPUs) to fund Bank-led and country-led poverty, social and distributional analysis and capacity building.

83. For two topics a specific strategic exercise will be undertaken. First, in collaboration with all other SDN Departments social development will prepare and help implement a business plan for mainstreaming gender issues throughout the SDN portfolio. Second, for GAC II social development will prepare and help implement a Demand for Good Governance companion piece that will be implemented in partnership with several departments (including PRMPS, EXT and WBI).

84. Finally, the social family will take the lead in operationalizing the conclusions of the two forthcoming World Development Reports (WDRs) on Fragility (2011) and Gender (2012) in its work at the country level.

#### **4.2.2 Better Projects**

85. Under *strategic priority 2* (“*better projects*”), the next three years will involve a much stronger emphasis on the main theme of mainstreaming social sustainability concerns across the Bank portfolio. Given the lessons and challenges of the past and in the context of the current investment lending reforms there is a clear need to develop a comprehensive framework for identifying and responding to social opportunities, risks, and impacts both in investment projects and in the proposed Program for Results lending instruments.

---

<sup>41</sup> This approach has proven quite effective in the ECA and MENA region, for instance, in terms of ensuring that social analysis and inputs get integrated into broader country dialogue as well as the design of development policy operations.

<sup>42</sup> The MDTF is supported by the UK, Norway, Germany and the Netherlands with funding of \$17 million.

86. This will essentially require an overhaul in the way social development inputs are provided into Bank operations. As the safeguards policies are the key entry point for this, the first area of focus in the next three years would be to *update and consolidate the policy framework for social sustainability and safeguards* under the guidance of OPCS and in collaboration with LEGEN, drawing on the recommendations of the recent IEG evaluation, as reflected in the Management response to the IEG report. This will include a rigorous consideration of those aspects of the IFC Performance Standards (PS) for the private sector that represents a modernization in approach toward environmental and social standards possibly lacking in parts of the World Bank's current suite of safeguard policies. A joint team led by the SDN, OPCS and the Legal Vice Presidency (LEG) will engage during the next 24 months in a dialogue with a diversity of shareholders and stakeholders on global good practice and integrate this dialogue into an update of the Bank's approach to safeguard policies and approaches in its projects. The review process will focus on developments that allow the Bank to achieve outcomes with greater environmental and social sustainability, and on helping clients build institutions that can effectively pursue such outcomes.

87. Secondly, while the process of updating and consolidating the safeguard policies is underway and as highlighted in the same Management response, social development in collaboration with OPCS and LEGEN will prepare and issue guidance on the scope and coverage of social issues in the context of the preparation and implementation of environmental assessments. This will help ensure a more balanced approach between environmental and social risks and impacts as well as the identification of actions to support more sustainable social benefits from Bank supported projects. This guidance will build on the range of sector and issue specific guides on social analysis which have been produced since the 2005 strategy<sup>43</sup> for mainstreaming social concerns into investment projects.<sup>44</sup>

88. Thirdly, both in the context of updating and consolidation of the safeguards policies, as well as more immediately, *emphasis will be placed on building client institutions for social sustainability*. The former is expected to lead to a revision of OP 4.00 on the use of country systems. As argued in the Management Response to the IEG Safeguards report, there is now sufficient experience to begin a mainstreamed program with a revised version of OP 4.00 that moves beyond the pilot stage and takes Bank practice closer to the vision of the Accra Agenda for Action, in which use of Country Systems increasingly becomes the default approach. Bank Management is therefore currently reviewing the implementation of OP 4.00 and plans to expand this work in the context of the global good practice review in order to develop proposed revisions to the policy that scale up, broaden and mainstream its use. More immediately, in collaboration with WBI, emphasis will be placed on supporting *regional centers of excellence for social development*, such as BRAC University in Bangladesh, through partnership

---

<sup>43</sup> These include the following SDV products: Gender Responsive Social Analysis: A Guidance Note - Incorporating Social Dimensions into Bank-Supported Projects (2005); Social Analysis Guidelines in Natural Resource Management: Incorporating Social Dimensions into Bank-Supported Projects (2005); Social Analysis in Transport Projects: Guidelines for Incorporating Social Dimensions into Bank-Supported Projects (2006); Youth Responsive Social Analysis: A Guidance Note (2006); Social Analysis and Disability : A Guidance Note - Incorporating Disability-Inclusive Development into Bank-Supported Projects (2007); Social Analysis in the Urban Sector: A Guidance Note (2008).

<sup>44</sup> Some regions (namely ECA and EAP) have already piloted a process of comprehensive social reviews during project design to incorporate broader issues of social risk management and sustainability.

agreements, capacity building, and joint programs. This focus on strengthening client capacity for social development would not only develop greater ownership, but also ensure greater sustainability. It would also address part of the constraints to social development staff time and capacity within the Bank.

89. Fourthly, *the quality of inputs to projects provided by social development staff will be made more efficient and systematic as well as more upstream*. Efforts to bridge the divide between social development specialists who work on social safeguards and those who work on other elements of the social development agenda will be made through strategic staffing and capacity building. In several regions (for example, the Middle East and North Africa, South Asia, and Latin America), all social development staff are expected to engage in both social safeguards work and other parts of the social development work program. Staff will also be assigned more deliberately on the basis of the complexity of the social content of operations and their inherent risk. The timing of inputs would also be done early enough to ensure that the identified social opportunities, impacts, and risks can be used to guide design.

90. Fifth, attention will be paid to *develop smarter ways for social development staff to support project implementation*. This may include a more systematic reliance on *third party monitoring*, the embedding of *social development specialists among client project staff*, and the integration of *grievance redress mechanisms* in project design. In addition, economies of scale at the country and/or sector levels in terms of preparation of social assessments and support for safeguards during implementation will be pursued.

91. Finally, the social development family will *work more effectively with other sectors and networks to ensure that there is both greater awareness and acceptance of social issues* so that these can be mainstreamed within their sectoral portfolios. Work in this area has already begun through some established communities of practice (such as on demand for good governance, CDD, and social dimensions of climate change) through development of joint learning programs, research products, and cross-support on operations. Social development is also working with OPCS to highlight social sustainability issues along the project cycle in the operational core course for task team leaders.

92. Apart from the mainstreaming across all operations, the Bank will also continue to strengthen the own managed social development portfolio (particularly those relating to community driven development) with operations tailored to build social inclusion, cohesion, resilience and accountability. The emphasis would, however, be on high-impact, high-priority areas, that either scale-up successful local models, or which pilot innovative models that can provide new operational entry points for mainstreaming key social development agendas in the future. A special emphasis will be placed on improving knowledge sharing across the institution on CDD operations and on further developing tailored CDD approaches for fragile and conflict or violence affected situations, and for disaster risk management.

### **4.2.3 Better Grounding**

93. The changing world that emerges from the current review reaffirms the importance of understanding social and political change and its implications for the World Bank. Over the next three

years, the Bank will seek to produce innovative analytical pieces that not only better capture the impacts of various social development approaches in different social environments, but also bring to the fore the societal and institutional dynamics related to inclusion, cohesion, resilience and accountability with respect to the marginalized and poor. This will include the next round of “flagship” analytical pieces exploring key social sustainability challenges around inclusion, cohesion, resilience and accountability that will be developed by the social development anchor in partnership with the regions.

94. Social development will also proactively reach out to professionals and centers of excellence in priority countries to build networks of specialists to help in knowledge exchange and social research. In this context, civil society partnerships and networks, such as the ANSAs will be strengthened and an effort to create such networks across all regions will be undertaken. It will also be increasingly important for the social development agenda in the Bank to build knowledge partnerships across traditional boundaries within the Bank. To enhance knowledge sharing within social development, a family-wide program of anchor and regional AAA and knowledge products will be developed, closely aligned with this MCIPR and regional priorities. One of the key areas of focus will be on documenting good practices and lessons in operationalizing the principles of inclusion, cohesion, resilience, and accountability across different contexts.

95. Finally, a set of indices for measuring key social development outcomes at the country level have been established through a partnership with the Institute of Social Studies, The Hague, Netherlands. In parallel, increased initiatives to monitor the impacts of different social development interventions (such as CDD, gender inclusion, and demand for good governance) will be introduced in partnership with the Bank’s Development Research Group.

#### **4.2.4 More Effective Family**

96. As mentioned earlier, in addition to the original three strategic priorities, a fourth priority of developing a “more effective family” for social development has emerged based on the needs and constraints identified in Section 2 of this MCIPR. Given the rapidly increasing demand for addressing issues of social sustainability across the Bank within the context of a flat budget environment, a concerted effort to improve the recruitment, retention, deployment and development of social development staff will be undertaken to make the social development family more integrated, flexible, and effective. The program of *cluster recruitment*, which has already been introduced over the FY10 will be extended to ensure consistency and coherence on staffing and facilitate deliberate engagement across the Social Development Sector Board on recruitment.<sup>45</sup> The active engagement of the Sector Board on staffing issues across the family will strengthen mobility, talent, and bottom performance management.

97. A key element of the effort to build a more effective family will also be to strengthen and reinvigorate the *Communities of Practice* around inclusion (including gender and youth); fragility,

---

<sup>45</sup> The cluster recruitment process is different from a ‘batch’ recruitment in that it does not involve the hiring of several specialists against a specific TOR, but instead involves separate job announcements but advertised and closed at the same time with a uniform shortlist panel review and harmonized interview process. In this way it caters to both regional and corporate staffing needs on the sector.

conflict and violence; community driven development; the social dimensions of climate change; social analysis; and social sustainability and safeguards. In certain cases (such as the Social Sustainability and Safeguards practice) a rotating regional sector manager chair will head these practices to put into effect a distributed leadership model. A knowledge and advisory services helpdesk<sup>46</sup> on social development will also be established to provide operational support from and to each of these communities of practice.

98. A framework of core competencies for social development will be introduced around one single job profile for the family, that of a social development specialist. The competencies will focus on core analytical skills; the ability to support consultations and participatory approaches; the ability to deploy the latter two to policy, institutions and operations; and the mastery of the Bank's social safeguard policies. Further specialized competencies will highlight skills related to demand for good governance; community driven development; inclusion of vulnerable and marginalized groups (including gender and youth); fragility, conflict and violence; and the social dimensions of climate change and disaster risk management. This is geared towards enabling the social development family to provide technical leadership on the four operational principles of inclusion, cohesion, resilience and accountability.

99. In line with these competencies and in close collaboration with the OPCS Knowledge and Learning team, a core learning/mentoring and accreditation program will be launched as well as annual learning platforms around one of the specialized skills. These will rely on core curricula already being developed for specific social development themes such as social safeguards, demand for good governance, CDD, social dimensions of climate change, that include both online toolkits and workshop templates. Increased cross support of highly experienced staff will also be sought to improve the fungibility of top notch expertise across the regions. An annual assessment of staffing capacity in social development will be undertaken and presented to the SDN Council so as to keep abreast of evolving skills mixes and gaps to be filled.

100. Through these efforts the Bank can develop a much more effective family for social development that can work across the full range of social sustainability issues, and contains a depth of staff talent and expertise to lead the social development dialogue.

#### **4.2.5 Measuring Progress**

101. Last, but not least, a revised Results Framework has been developed for FY11-13 and is attached as Annex 1. As already noted, the Results Framework of the 2005 Strategy contained many indicators that were impossible to use for practical results monitoring. All of the indicators in the revised framework can be monitored over a one or two year time frame and are aligned with the proposed 'core sector indicators' being developed for social development.

102. Every year an assessment will be made based on the available data at the time. In this way a much more regular process of measuring the progress of the Bank in moving forward on its Social Development Strategy and each of the specific priority areas outlined above can be initiated.

---

<sup>46</sup> The helpdesk has tentatively been titled "AskSocial" along the lines of "AskGov" in the Public Sector Governance anchor.

.....

103. **In conclusion**, the last five years following the 2005 Strategy have shown a consolidation and growth in the Bank's work and emphasis on social development. Yet, several challenges remain and latent opportunities exist to further strengthen this work. In a changing world and in an evolving Bank, the case for responding to these challenges and opportunities is even greater now. Looking forward, therefore, the Bank will need to take key actions, as noted in this MCIPR and in alignment with the Post-Crisis Directions strategic priorities, to ensure that it can respond effectively to the needs of its client countries to strengthen the inclusion, cohesion, resilience and accountability of their institutions so that their development can remain socially sustainable.

## References

- Africa Region. 2010. "AFR Background Paper for the MCIPR." Washington, D.C.: World Bank.
- Appadurai, Arjun. 2004. "The capacity to aspire: culture and the terms of recognition" in Vijayendra Rao and Michael Walton, *Culture and Public Action*. Stanford, CA: Stanford University Press, 59-84.
- Cambodia Development Research Institute. 2010. "Rapid Assessment of the Impacts of the Economic crisis on Cambodian Households and Vulnerable Workers: Road to Recovery". Phnom Penh.
- Department for International Development and The World Bank. 2006. *Unequal Citizens. Gender, Caste and Ethnic Exclusion in Nepal. Summary Report*. Department for International Development and The World Bank, Kathmandu, Nepal.
- East Asia and Pacific Region. 2010. "EAP Background Paper for the MCIPR." Washington, D.C.: World Bank.
- Europe and Central Asia Region. 2010. "ECA Background Paper for the MCIPR." Washington, D.C.: World Bank.
- Guggenheim, Scott. 2006. "Crises and Contradictions: explaining a community development project in Indonesia", in Anthony Bebbington et. al. (eds.). *The Search for Empowerment: Social Capital as Idea and Practice at the World Bank*. West Hartford, CT: Kumarian Press, 111-144.
- Independent Evaluation Group. 2006. *Hazards of Nature, Risks to Development: An Evaluation of World Bank Assistance for Natural Disasters*. Washington, D.C.: World Bank.
- Independent Evaluation Group. 2009. *Annual Review of Development Effectiveness 2009 – Achieving Sustainable Development*. Washington, D.C.: World Bank.
- Independent Evaluation Group. 2010. *Analyzing the Effects of Policy Reform on the Poor: An Evaluation of the Effectiveness of World Bank Poverty and Social Impact Analysis*. Washington, D.C.: World Bank.
- Independent Evaluation Group, 2010. *Gender and Development, An Evaluation of World Bank Support, 2002-08*. Washington, D.C.: World Bank.
- Latin America and the Caribbean Region. 2010. "LCR Background Paper for the MCIPR." Washington, D.C.: World Bank.
- Leturque, Henri and Steve Wiggins 2009 "Biofuels: Could the South Benefit?" *ODI Briefing Paper 48*, March 2009. London: Overseas Development Institute.
- Mearns, Robin and Andrew Norton. 2010. *Social Dimensions of Climate Change: Equity and vulnerability in a Warming World*. Washington, D.C.: World Bank.
- Narayan, Deepa and Patti Petesch (eds). 2007. *Moving Out of Poverty: Cross-Disciplinary Perspectives on Mobility*. New York: Palgrave Macmillan, and Washington, D.C.: World Bank.

- Operations Evaluation Department. 2006. *Development Policy Lending Retrospective 2006*. Washington, D.C.: World Bank.
- Operations Evaluation Department. 2009. *Development Policy Lending Retrospective 2009: Flexibility, Customization, and Results*. Washington, D.C.: World Bank.
- Operational Manual, OP 8.60, <http://go.worldbank.org/LYUIMDY6X0>.
- Operations Evaluation Department. 2004. *Review of Social Development in Bank Activities*. Washington, D.C.: World Bank.
- Operations Evaluation Department. 2005. *Putting Social Development to Work for the Poor – an OED Review of the World Bank Activities*. Washington, D.C.: World Bank.
- Operations Policy and Country Services. 2009. *Country Assistance Strategies: Retrospective and Future Directions*. Washington, D.C.: World Bank.
- Overseas Development Institute and Social Development Department. 2009. “PSIA Synthesis Report: Reviewing the Link with In-Country Policy and Planning Processes.” Washington, D.C.: World Bank.
- PREM. 2009. “Assessing the use of Poverty and Social Impact Analysis in World Bank Development Policy Loans”. Washington, D.C.: World Bank.
- Quality Assurance Group. “Quality at Entry, Quality of Supervision, and Quality Assessment of Lending Portfolio Reports at <http://intranet.worldbank.org/WBSITE/INTRANET/OPERATIONS/INTQAGNEW/>”. Washington, D.C.: World Bank.
- Quality Assurance Group. 2009. *Quality Assessment of Lending Portfolio - Main Report, Appendices and Annexes*. Washington, D.C.: World Bank.
- Rao, Vijayendra and Michael Walton. 2004. *Culture and Public Action*. Palo Alto, CA: Stanford University Press.
- SAP from 1992- August 2009, Business Warehouse, Safeguards Search Tool.
- Social Development Department. 2010. *Making Infrastructure Work for Women and Men: A Fifteen-year Portfolio Review of World Bank Infrastructure Projects*. Washington, D.C.: World Bank.
- Social Development Department. 2010. “MCIPR Issues Paper on Social Dimensions of Climate Change.” Washington, D.C.: World Bank.
- Social Development Department. 2010. “MCIPR Issues Paper on Youth”. Washington, D.C.: World Bank.
- Social Development Department. 2010. “MCIPR Issues Paper on Demand for Good Governance”. Washington, D.C.: World Bank.

Social Development Department. 2010. "MCIPR Issues Paper on Conflict and Violence." Washington, D.C.: World Bank.

Social Development Department. 2010. "MCIPR Issues Paper on Gender Mainstreaming". Washington, D.C.: World Bank.

Social Development Department. 2010. "MCIPR Issues Paper on Community Driven Development." Washington, D.C.: World Bank.

Social Development Department. 2010. "MCIPR Issues Paper on Social Sustainability and Safeguards." Washington, D.C.: World Bank.

Social Development Department. 2010. "MCIPR Issues Paper on Forest Peoples and Indigenous Peoples." Washington, D.C.: World Bank.

Social Development Department. 2010. "Review of the Results Framework of the 2005 Social Development Strategy." Washington, D.C.: World Bank.

South Asia Region . 2010. "SAR Background Paper for the MCIPR." Washington, D.C.: World Bank.

Turk, Carolyn and Andrew Mason. 2009. "Impacts of the Economic Crisis in East Asia: Findings from Qualitative Monitoring in Five Countries." Washington, D.C.: World Bank.

Urban Development. 2009. "System of cities – Harnessing urbanization for growth and poverty alleviation: The World Bank Urban and Local Government Strategy." Washington, D.C.: World Bank.

Woolcock, M . 2009. "Toward a plurality of methods in project evaluation: a contextualized approach to understanding impact trajectories and efficacy." *Journal of Development Effectiveness*, Vol. 1. No. 1, March 2009, 1-14.

World Bank. 2005. *Empowering People by Transforming Institutions – Social Development Operations in the World Bank*. Washington, D.C.: World Bank.

World Bank. 2006. "Social Resilience and State Fragility in Haiti: A Country Social Analysis". Washington, D.C.: World Bank.

World Bank. 2008. *The Growth Report – Strategies for Sustained Growth and Inclusive Development*. Washington, D.C.: World Bank.

World Bank. 2008. "World Bank Group Sustainable Infrastructure Action Plan FY09-11." Washington, D.C.: World Bank.

World Bank 2008. "Social Dimensions of Climate Change: Workshop Report 2008." Washington, D.C.: World Bank.

World Bank. 2009. *Global Economic Prospects: Commodities and the Crossroads*. Washington, D.C.: World Bank.

World Bank. 2009. *Annual Report*. Washington, D.C.: World Bank.

World Bank. 2009. "The World Bank: The Inspection Panel at 15 Years". Washington, D.C.: World Bank.

World Bank. 2010a. "Global Economic Prospects: Crisis Finance and Growth". Washington, D.C.: World Bank.

World Bank. 2010b. "New World, New World Bank Group: (I) Post-Crisis Directions". Washington, D.C.: World Bank.

World Bank Institute 2010. "Background Paper for the MCIPR." Washington, D.C.: World Bank.

## Annex 1: Results Framework – Social Development MCIPR, FY 2011-2013

Topic	Indicator Description	Timing	Data Sources
<b>Global Social Context</b>			
<i>Country level outcomes</i>			
Trends in social inclusion, cohesion, resilience, and accountability	Trends derived for these 4 pillars as part of the Indices of Social Development. Changes in scores for the index for all countries for which scores are available, summarized by region (with attention to obvious outliers within each region).	2010 and end of strategy period	Indices for Social Development, CPIA
<b>Strategic Priority 1: “More Macro”: Social sustainability concerns and analysis are more fully integrated into country strategy and policy dialogue</b>			
<i>Country level</i>			
<i>Country Strategy:</i> Incorporation of key social themes (social inclusion, cohesion, resilience, and accountability) into CAS/CPS/ISNs	Number of new country level strategy documents that have a distinct pillar on one of the key social development themes	Biennial	Social Development assessment of CAS/CPS/ISNs
<i>Agency Effectiveness</i>			
Quality of attention to Social Development themes (PSIA, participation) in DPLs	Percentage of prior actions with significant negative poverty and social impacts underpinned by some form of PSIA, across all DPLs (% figure plus year-on-year trend)	Biennial	OPCS DPL retrospective results for attention to Poverty and Social Impact Analysis
	Percentage of DPL Program Documents that explicitly refer to Government’s consultations and participation process with key stakeholders that underpin the formulation of the country’s national or sectoral development strategies. (% figure plus year-on-year trend)	Biennial	OPCS DPL retrospective results for attention to Government’s own consultation and participatory process.
Quality of gender integration in SDN projects	Percentage of SDN projects rated as being gender informed (% figure plus year-on-year trend). Using IDA 16 gender integration indicators for SDN performance.	Annual	Gender report
GACII and DFGG work	GAC II Companion Piece on DFGG positively received and informing core text of GAC Update	By FY12	GAC II Companion Piece, GAC update

Topic	Indicator Description	Timing	Data Sources
<b>Strategic Priority 2: “Better Projects”: Mainstreaming social sustainability issues, with attention to inclusion, cohesion, and accountability throughout the Bank lending portfolio</b>			
<i>Project Level</i>			
Grievance redress mechanisms incorporated into projects	Core Sector indicator. Number and percentage of projects with grievance redress mechanisms; Percentage of grievances registered related to delivery of project benefits that are actually addressed (# and % figure plus year-on-year trend).	Biennial	ISRs, Social Development reviews
Participation of vulnerable and marginalized groups	Core Sector indicator. Percentage of vulnerable and marginalized beneficiaries of the total project beneficiaries (% figure plus year-on-year trend)	Biennial	ISRs, Social Development reviews
Independent monitoring mechanisms	Percentage of projects that have introduced independent monitoring mechanisms (by CSOs, research orgs, etc.) (% figure plus year-on-year trend.)	Biennial	GAC/DFGG review, ISRs
<i>Agency Effectiveness</i>			
Quality of social development in overall IL portfolio	Percentage of projects with satisfactory or better rating on social development in design (baseline in FY11 – on FY 10 data, trend analysis)	Biennial	Quality assessment scores for Social Development inputs into design of all projects (including social safeguards)
CDD operations approved	Number of CDD operations approved each FY	Biennial	Social Development progress reports
Policy framework for social sustainability and safeguards	Policy framework for social sustainability and safeguards updated and consolidated	By end of FY13	Policies updated, Board reports
Guidelines on monitoring and evaluating safeguard performance issued	Guidelines issued. Assessment reporting on safeguard performance in IDA/IBRD projects during the FY	By end of FY11	Social Development progress reports
<b>Strategic Priority 3: “Better Grounding”: Knowledge Generation/Intellectual Leadership</b>			
<i>Agency Effectiveness</i>			
Satisfaction with the number of key pieces of Social Development analytical work among key internal clients	Satisfaction rates among key clients related to Social Development-produced analytical work.	Biennial	SDV surveys
Flagship analytical pieces completed (including 1 on the societal dynamics of fragility)	Two flagship pieces	By end of FY13	Flagship reports, Social Development progress reports
<b>Strategic Priority 4: “A More Effective Family”: Staff Skills Enhancement</b>			
<i>Agency Effectiveness</i>			
Core competencies for Social Development Specialist are adopted and implemented	Review of skill and competency areas of members in the Social Development family.	Annual	Social Development Board reports - Review of staff competency areas
A core learning/accreditation program for social staff is launched to improve the basic skills of staff.	Learning program launched.	Annual	Social Development progress reports

## Annex 2: Review of Progress under the 2005 Results Framework

As part of the implementation review of the Social Development Strategy, the Social Development Department commissioned a paper that examines performance against the indicators set out in the original results framework. The team working on the results framework was given three tasks:

- Review the 2005 Strategy results framework and comment on its usefulness and fit for purpose, identifying what works and what does not.
- Document, insofar as possible, progress against the results framework using all available information.
- Make recommendations for adapting the results framework/general monitoring of Social Development trends and performance going forward.

The annex is structured as follows. The first section describes the results framework attached to the Social Development Strategy. The second section discusses measures and performance related to the process indicators and the third section concentrates on country-level intermediate and final indicators. The final section reflects on possible adaptations to the framework over the next phase of implementation of the Social Development Strategy.

### Overview of the Results Framework

The Social Development Strategy 2005 set out a results framework, which was intended to serve as a basis for measuring success of strategy implementation and is attached at the end of this annex. The results framework is structured according to three strategic priorities.

- Strategic Priority 1: Increase attention to Social Development in Bank's policy dialogue and development policy lending (DPL).
- Strategic Priority 2: Increase attention to Social Development in Bank's investment lending.
- Strategic Priority 3: Improve Social Development in operational research, and capacity building, and partnerships.

Under each of these three strategic priorities, indicators are divided into two sets. The first set is termed *process indicators* in the results framework and includes indicators chosen to reflect Bank and country activities and efforts towards meeting the strategic priorities. The process indicators are further subdivided into *country indicators* and *Bank indicators*, reflecting the division of roles between the World Bank and client Governments. There are 24 Bank process indicators across the three strategic priorities, including all sub-indicators.

The second set of indicators is termed *Country Outcome Indicators* and is subdivided between *intermediate indicators*, which can be measured over shorter timeframes and are linked in the results framework to intermediate outcomes, and *final indicators* that capture changes in country-level measurements of social and governance outcomes. While the intermediate outcomes differ for each

strategic priority, the final indicators are linked to a single final outcome that is repeated for each strategic priority. Across the three strategic priorities, there are seven intermediate indicators and ten final indicators. The same nine final indicators are used to measure progress against the first and second strategic priorities. Five final indicators are identified to measure progress against the third strategic priority, of which four overlap with those indicators measuring progress for the first two strategic areas. This repetition in the use of indicators reflects repetition in final outcomes.

The results framework therefore contains a total of 41 indicators. Ten of these indicators are measures derived from internationally-comparable national datasets collected and compiled outside the World Bank. Four indicators are derived from the Country Policy and Institutional Assessments (CPIA), which are produced by the staff of the World Bank. Seven indicators are products of the World Bank's quality assessment processes. The remaining indicators are dependent on internal reviews of varying degrees of regularity or from project databases.

In attempting to apply the results framework in a practical exercise of measuring progress, the team encountered a number of issues relating to design of the results framework. These issues are discussed in the final section of the annex, along with suggestions for improvements. At a general level, however, it was found that the choice of indicators did not provide a satisfactory basis for the practical measurement of progress in strategy implementation.

### **Assessing the performance of process indicators**

The process indicators presented in the 2005 Results Framework are summarized in Box 1. The team was able to gather information that allowed an assessment of progress against 12 of these 24 indicators and sub-indicators, those in italics in Box 1. All these indicators relate to the first two strategic priorities. Process indicators for the third strategic priority were less clearly defined and, in some instances, it was difficult to assess exactly what measurements were required to monitor progress. This report provides some summary information on activities associated with operational research, capacity-building and partnerships (the third strategic priority), but this information does not relate exactly to the indicators in the results framework.

**Box 1. Process Indicators presented in the 2005 Results Framework**

The process indicators in the 2005 results framework were organised around the three strategic priorities. Those in italics were measured for this performance review.

**Strategic Priority 1: Increase attention to SD in Bank's policy dialogue and development policy lending****1.1 Number and percent of Bank programs and DPLs applying participatory approaches:**

- 42 CASs demonstrate responsiveness to stakeholder concerns and country ownership in SDSB Review
- *DPLs reviewed rated 80% satisfactory on participation (QAG)*

**1.2 Number and allocation of completed and planned diagnostics:**

- *Up to 40 new country level social analyses including, includes (sub-indicator) 2 Country Systems Analyses for Social Safeguards*
- *80 % of DPLs satisfactory on social analyses (QAG)*

**1.3 Number and allocation of completed and planned country diagnostics:**

- Share of DPLs with SD themes among top three to be at 6% or more
- *CAS review shows increase in SD components of country programs*

**Strategic Priority 2: Increase attention to SD in Bank's investment lending****2.1. Quality assessment of Participatory approaches in Bank assisted projects:**

- *quality at entry results on stakeholder participation remain above 90% satisfactory ratings*
- *quality at supervision results on stakeholder participation remain above 75% satisfactory ratings*
- participatory M&E developed in [15] projects

**2.2. Number and quality of completed social analyses:**

- *[6] sector level social analysis*
- *quality at entry results on social and poverty considerations above 90% satisfactory ratings*
- *quality at supervision results on social and poverty considerations above 80% satisfactory ratings*

**2.3 Number and percent of projects mapped to SD themes:**

- *Increased to 9% (from 7%) in FY02*
- *Maintain or increase SDSB portfolio currently (\$1.5 billion)*
- Invest at least in 6 projects with explicit development objectives promoting inclusion, cohesion, and accountability

**Strategic Priority 3: Improve SD in operational research, and capacity building, and partnerships****3.1 Types and number of research and knowledge management:**

- WDR on equity
- Pro-poor growth and land inequality studies
- Conflict management
- Empowerment studies (social exclusion; governance, culture, gender, CDD, ethnic diversity, etc)
- Policy analysis (survey research, project evaluation, qualitative research, etc)

**3.2 Number and allocation of capacity building programs (as per SDSB review) such as:**

- 2 networks of SD practitioners established
- 2 networks strengthened
- Capacity building programs enhanced (per SDSB review) such as: CDD and natural resource management program in Nigeria; Social auditing capacity building in Bolivia; Social accountability, participatory budgeting, and performance monitoring programs (e.g., Bosnia-Herzegovina, Sri Lanka, Peru, Philippines, etc)

**3.3 Number and allocation to support partnerships:**

- Country, regional, global SD partnerships for knowledge sharing, operations and research
- DGF programs enhanced and sustained
- Knowledge partnerships with Norway, Finland and Japan sustained
- Donor safeguards harmonization expanded to include social safeguard
- Community Foundations pilot successfully mainstreamed (FY08)

The review of the performance of process indicators drew on a number of sources. These included:

- outputs from the Quality Assurance Group (QAG) that review the quality at entry (QEA 2008), the quality of supervision (QSA 2007) and the quality at entry and during implementation (QALP);
- data presented in the Annual Review of Development Effectiveness 2009, produced by the World Bank's Independent Evaluation Group (IEG);
- the Development Policy Lending Retrospective, carried out by OPCS during 2009;
- the retrospective review of Country Assistance Strategies, carried out by OPCS during 2009;
- the Business Warehouse database, which compiles project level information;
- data gathered by Social Development researchers through a review of two CAS's/CPS's from each of the five largest clients (in terms of volume of lending in 2008-09, including IBRD and IDA only countries as well as "blends") in each region.

The discussion below suggests that, for the limited number of indicators that were analyzed for the strategy implementation review, there were successes in terms of mainstreaming a social development agenda across the investment and policy lending portfolios. This was more notable at design stages than during implementation. There was less success in terms of building up a social development portfolio per se. Details of the indicators measured are set out below.

*Process indicators for strategic priority 1: Increase attention to Social Development in Bank's policy dialogue and development policy lending*

Five indicators (including sub-indicators) relating to the quality of social development inputs into development policy loans (DPLs) were reviewed under the first strategic priority. These indicators were:

- DPLs reviewed rated 80 percent satisfactory on participation
- 80 percent of DPLs satisfactory on social analyses
- Up to 40 new country level social analyses including, includes (sub-indicator) 2 Country Systems Analyses for Social Safeguards
- CAS review shows increase in Social Development components of country programs

Data from QAG suggests that performance against the first two of these indicators was better than expected, with 86 percent of DPLs being rated as satisfactory for participation and consultation, 84 percent satisfactory with respect to the assessment of poverty and social impacts and 82 percent satisfactory in terms of social risk assessment.

The Social Development Department has maintained a work stream of country-level social analyses. In 2004-2009, 27 country level social analyses were carried out. Of these, 23 were standalone, commissioned reports, two were background reports for specific strategy documents and two were more process-driven. This is likely to be an understatement of social policy analysis actually carried out. Some

pieces of analytical work may well have covered the same issues as a country social analysis, but be called something different. Country systems analyses were carried out in Colombia and Brazil.

The team was also aiming to capture the intensity of social development content in CASs. Two indicators under the first strategic priority referred to the quality of CASs with respect to social development content. The first of these indicators refers to a Sector Board review of CASs, which has not taken place. The second indicator refers loosely to an increase in the “social development component” of CASs, without any clear indication of which criteria would indicate progress. The team undertook a very rapid survey of 58 CASs (or similar documents) that had been prepared over the strategy period. The sample was not random, drawing from the two largest client countries in each region.

In the absence of definition in the results framework, the review adopted a broad view of what might constitute “social development components” in these documents. Documents were scanned for the existence of strategic themes or pillars that addressed Social Development Strategy priorities of inclusion, accountability and cohesion<sup>47</sup>. At this broad level, results were encouraging. All documents reviewed included elements that could be ascribed to one or more of the social development strategy priorities. Documents prepared at different points in time were reviewed to investigate whether the social development content was strengthening over time. No discernible trends were found at the regional level.

While it remains important to track the degree to which Bank country strategies are incorporating social development issues, a more considered approach to monitoring will be needed. Broader Bank review processes demand that Bank strategies have elements that address country-level poverty and governance challenges and the existence of these themes in CASs cannot be attributed to the Social Development Strategy. If reviews of CASs are to remain part of the methodology for assessing progress in implementing the Social Development Strategy, then more specific criteria will be needed to differentiate between CASs. A critical reflection on what a strong social content really means in the context of country level Bank strategies should underpin the identification of these criteria.

#### *Process indicators for strategic priority 2: Increase attention to Social Development in Bank's investment lending*

The team was able to measure a number of process indicators proposed in the 2005 results framework as benchmarks for progress against strategic priority 2. These indicators fall into two categories. The first set describes progress in keeping social issues on the agenda during project design and implementation for all projects, as measured through the QEA and QSA scores for commitment to stakeholder participation and incorporation of social and poverty considerations. The second set of indicators reflects the degree to

---

<sup>47</sup> The team considered the following emphases to be evidence of “social development content”: attention to and/or targeting of poor, vulnerable, and marginalized groups in improved service delivery and quality of life ; reducing vulnerability and reducing regional imbalances; strengthening safety nets; existence of pro-poor and pro-gender policies; supporting good governance and improving the investment climate. For strategies prepared in post-conflict environments, the team looked for evidence that issues of social cohesion were addressed.

which Social Development is developing maintaining an analytical and lending portfolio of its own. The indicators tracked as part of the performance monitoring exercise include:

- quality at entry results on stakeholder participation remain above 90 percent satisfactory ratings
- quality at supervision results on stakeholder participation remain above 75 percent satisfactory ratings
- quality at entry results on social and poverty considerations above 90 percent satisfactory ratings
- quality at supervision results on social and poverty considerations above 80 percent satisfactory ratings
- [6] sector level social analysis
- Number and percent of projects mapped to Social Development themes increased to 9 percent (from 7 percent) in FY02
- Maintain or increase SDSB portfolio currently (\$1.5 billion)

Actual performance has exceeded targets set in terms of incorporating a social agenda across the Bank portfolio of investment loans, but performance is better at design than during implementation. Levels of stakeholder participations were judged to be satisfactory in 91 percent of projects at the design stage and in 88 percent of projects during supervision. Incorporation of social and poverty dimensions was judged to be satisfactory in 94 percent of projects at entry and in 80 percent of projects during implementation. It is possible that this success can be attributed in part to a Bank-wide emphasis on integrating poverty diagnosis into project design.

There is a more mixed picture with regards to the development of a social development portfolio. The percentage of projects mapped to social development themes dropped from 6.1 percent in 2004, to 1.7 percent in FY09 and 1.0 percent in FY10. The number of projects mapped to the Social Development sector board stood at 24 in FY10, unchanged from FY09. In FY10, these projects represented commitments of \$2,036.9 million, slightly less than the value of commitments in FY09. This figure was higher than projected at the time the results framework was prepared, however.

Information on sector-level social analysis is maintained by the Social Development Department. 4 sector level social analyses pertaining to gender, disability, transport and gender were carried out over the strategy timeframe to date.

*Process indicators for strategic priority 3: Improve Social Development in operational research, and capacity building, and partnerships*

Process indicators referring to the third strategic priority were less clearly defined and, in many cases, it is not obvious what should be measured. This review has compiled information on the research output of the social development department over the strategy period. Using definitions and data from departmental systems, the social development department published 12 pieces of Economic and Sector Work (ESW), 17 working papers, 24 notes and 6 guidance notes or guidelines over the strategy timeframe.

There has been no independent review of the impact of these knowledge products and it is therefore not evident how this simple count of outputs may be used to indicate whether work has improved (as the strategic priority suggests). Monitoring in the coming period might investigate stakeholder perceptions on the usefulness of social development products rather than focusing on outputs.

### **Assessing the progress of country intermediate and final indicators**

The 2005 results framework presents seven intermediate indicators and ten final indicators of country-level change, which together measure progress against four intermediate outcomes. The intention of this section of the results framework is to go beyond describing what the World Bank is supporting (which is captured in the process indicators) to measure improvements in the country-level institutional and policy environments and changes in inequality measures. A footnote caveats this section of the results framework, highlighting the limited coverage of the outcome indicators and the difficulties in attributing change in these indicators to WB-supported activities. The structure of the results framework, however, does suggest a connection between Bank activities and these country-level indicators, setting outcome indicators alongside components of the Bank strategy.

The logic underpinning the division of indicators between “intermediate” and “final” indicators is not always clear. The CPIA scores are proposed as intermediate indicators, but they attempt to measure similar developmental outcomes as other indicators that are proposed as final indicators. There is no obvious reason why the CPIA score measuring the existence of rule-based governance would be considered an intermediate indicator while the Rule of Law Index is proposed as a final indicator. It may be that the CPIA was considered a more useful intermediate indicator because it is available annually. But this should not necessarily exclude the possibility of using the CPIA as a final indicator, too, as long as it measures outcomes adequately.

### **Intermediate Indicators**

Of the seven intermediate indicators, four relate to scores from the World Bank CPIA, two involve reviews of Bank products and one requires a review of country development programs. The four CPIA indicators are selected to measure progress against the first intermediate outcome, expressed as the existence of “country policies and strategies [that] enable inclusive, cohesive and accountable institutions”. Movements in CPIA scores are relatively easy to track. These scores, estimated by Bank country teams, are compiled on an annual basis and are made publicly available for all IDA countries. A review of the performance of CPIA components relevant to the social development strategy was undertaken as part of this review of the results framework and the findings are reported below.

A fifth indicator involves a review of Governments’ investment programs to assess the intensity of social development input and is linked to a second intermediate outcome referring to the inclusion, cohesion and accountability dimensions of countries own development programs. This review has not take place and, indeed, would be extremely challenging to carry out given the current formulation of the indicator. As currently phrased, the indicator suggests that a review of all government investments in a representative

sample of countries would be carried out which would scrutinize the social development input into public investments based on (a) relevance to needs of poor and marginalized groups, (b) increasing the voice of poor and marginalized groups, and (c) provision of social accountability. This would require extensive resources.

Two further intermediate outcomes, referring to the strengthening of “global knowledge and capacities” and “global, regional and in-country partnerships” are measured by two additional indicators. These indicators involve a review of WBI capacity assessments and a review, by the Social Development sector board, of research and knowledge products in FY08. Neither of these reviews has taken place.

The team reviewed CPIA scores for six indicators of relevance to social development outcomes. These included those foreseen in the original results framework (gender equality, equity in public resources use, building human resources, and property rights and rule-based governance) plus two additional indicators that cover areas of interest to the Social Development Strategy (social protection and labor and accountability and corruption). The team analyzed data for the years 2005 and 2008 for 74 IDA countries for which CPIA scores exist in both years. The 74 countries consist of 37 in Africa, 10 in EAP, 9 in ECA, 9 in LAC, 7 in South Asia and 2 in MENA.

Detailed results for each indicator the 74 countries are attached in a fuller version of this annex, published as a separate background paper. At more aggregate levels, it is hard to identify clear trends. Table 1 summarizes the number of countries in each region that exhibited mainly positive trends, mainly negative trends and no clear trends at all. In Africa, ECA and EAP, there were more countries with positive trends than negative trends, though in Africa there were still a large number of countries that saw an overall reduction in Social Development-related scores. The very small sample of MENA IDA countries recorded negative changes, while in both South Asia and LAC there were similar numbers of countries with improved scores as with deteriorating scores.

**Table 1: Trends in changes in scores for six CPIA indicators, 2005-2008**

Region	IDA countries with mainly CPIA Increases	IDA countries with mainly CPIA Decreases	IDA countries without trend
South Asia	3	3	1
Africa	15	13	9
Middle East/North Africa	0	2	0
East Asia/Pacific	7	2	1
Europe/Central Asia	7	2	0
Latin America/Caribbean	3	5	1

Source: calculated from the disclosed CPIA scores in 2005 and 2008 (<http://intranet.worldbank.org/WBSITE/INTRANET/UNITS/INTOPCS/0,,contentMDK:21712087~menuPK:4714253~pagePK:51455324~piPK:3763353~theSitePK:380832,00.html>).

The positive trend in the **EAP region** is chiefly driven by positive changes in the ‘gender equality’ component (where four countries have improved scores) and the ‘Social Protection and Labor’ component (where three countries have improved). There is one outlier in the region, the Solomon

Islands, with CPIA improvements in five categories. The positive trend in the **ECA region** is mainly driven by positive changes in the ‘gender equality’ category (where four countries have improved), but also by improvements in ‘Equity of Public Resource Use’ (where three countries have improved), and in ‘Building Human Resources’ (where three countries have improved). There are two positive outliers, Tajikistan and Georgia, both with CPIA improvements in 4 categories and one negative outlier, Serbia and Montenegro with deteriorations in 5 categories. The slightly positive trend in the **Africa region** is strongly driven by improvements in the ‘Social Protection and Labor’ category (14 countries have improved), but also by improvements in the ‘Building Human Resources’ category (eight countries have improved). There is one positive outlier, Sudan with improvements in 4 categories and two negative outliers, Zimbabwe and Tanzania with deteriorations in 4 and 5 categories respectively.

Deteriorations in the scores for ‘Transparency, Accountability, and Corruption in the Public Sector’ lie behind the slightly negative trend in the **LAC region** (three countries have worsened). There is one outlier, St. Vincent and the Grenadines with deteriorations in 5 categories. The slightly negative trend in the very small sample of IDA countries in the **MENA region** is entirely driven by deteriorations in ‘Gender Equality’ (both countries in a sample of two have worsened).

## Final indicators

The results framework presents one “final outcome” for the Social Development strategy, which refers to the “empowerment of poor and marginalized people through inclusive, cohesive and accountable institutions”. Ten final indicators are proposed as measures of progress towards this final outcome. These indicators include two measures of equality as a proxy for inclusion (Gini Index and the share of the poorest quintile in total consumption or income), two indicators intended to measure cohesion (country political risk rating and the percent of GDP spent on health and education), and six indicators designed to capture progress in promoting accountability (scores on a number of indices, including: the civil liberties index, the democratic accountability rating, the index of law and order, corruption perception index, the legislative index of electoral competitiveness and the civil society index).

As part of this review, the team attempted to assess performance against these indicators. This was more problematic than expected. For several indicators, no data are available after 2005, when implementation of the strategy began. For other indicators, data are only available for a small number of countries for a variable range of dates. Results from available data are summarized below, organized by indicator. However, due to data limitations, a comparative analysis has only been possible for indicators relating to the promotion of accountability. No data were available for either the ‘Democratic accountability rating’ or the ‘Index of Law and Order’. Similar indices - the ‘Voice and Accountability Index’ and the ‘Rule of Law Index’ – were examined as an alternative.

- **Gini Index (source: WDI):** Comparisons over time are not possible for the period of strategy implementation to date for the vast majority of countries. Only in LAC are two data points available for a small number of countries. In EAP, data are available for six countries for one year only since 2005. In ECA, data are available for eight countries, but only for 2005. In South Asia,

estimates for the Gini Index are available for only three countries, and only for 2005. Estimates are available for 14 countries in Africa and five countries in MENA, but again for only one year.

- **Share of poorest quintile in total income/consumption (source: WDI):** As with the Gini Index, comparisons over time are not possible for the period of strategy implementation to date for the vast majority of countries. Again, there are a handful of countries in LAC where two data points are available within the period of strategy implementation to date. Outside this small sample, data are available for six EAP countries and five MENA countries for one year only, and for ten ECA countries and three south Asia countries for 2005 only.
- **Percent of GDP on Health and Education (source: WDI):** The WDI has information on the percentage of GDP spent on health and education for nearly all countries, but the most recent estimates are for 2005. It is not possible to measure change over the timeframe of the strategy.
- **Country Political Risk Rating:** This was not pursued. Background research for this review was limited to datasets that are available free of charge.
- **Civil Liberties Index: (source: <http://earthtrends.wri.org>):** This index covers 70 IDA countries and estimates are available for 68 of these countries for both 2005 and 2008. Over the three years of strategy implementation, however, there has been little shift in scores for most countries. Of the 68 countries for which two data points exist, 59 countries show no clear trend (neither positive nor negative), six countries show positive trends and three countries demonstrate negative changes. In Africa, four of 32 countries showed positive trends, one saw a negative change and 27 indicated no change at all. The countries sampled in both EAP and MENA showed no changes. Eight of the nine LAC countries showed no change, with one indicating a negative change, and six of the seven ECA showed no change (with the remaining country indicating a positive change).
- **Voice and Accountability Index (source: <http://earthtrends.wri.org>):** This index also covers 70 IDA countries, with estimates available for 2005 and 2008 for all countries. Of the 70 countries, 24 countries indicated positive changes while nearly double this number (45 countries) demonstrated negative changes. One country remained unchanged. Overall, the picture from movements in this index is one of a negative trend. At a regional level, both ECA and MENA indicated positive trends (six out of eight ECA countries increased their scores, and two out of two MENA countries improved their scores). LAC demonstrated the strongest negative trend, with eight out of nine countries showing negative changes, but scores in EAP were nearly as low (with eight out of ten countries in the sample showing negative changes). Africa and South Asia regions both indicate negative trends, with more countries showing negative changes than positive changes.

- **Rule of Law Index** (source: <http://earthtrends.wri.org>): This index provides estimates for 70 IDA countries for 2005 and 2008, 40 of which show positive trends and 30 of which show negative trends. Trends are strongly positive in Africa (21 positive, 12 negative), ECA (6 positive, 2 negative) and MENA (both countries positive). Trends in South Asia were dominantly negative (2 positive, 6 negative) while approximately equal numbers of countries showed positive and negative trends in both LAC and EAP.
- **Corruption Perception Index** (source: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi](http://www.transparency.org/policy_research/surveys_indices/cpi)): The Corruption Perceptions Index covers 32 IDA countries and data are available for these countries during the period of strategy implementation. Transparency International, who prepares the index, specifically recommends against using the index as an instrument for measuring change over time<sup>48</sup>. However, the team was asked to provide evidence for all indicators included in the original results framework and trends from the Corruption Perceptions Index are included for this reason. Of the 32 countries covered by the index, 19 exhibited a positive change in scores, 11 countries showed a negative change in scores and 2 countries had no change at all. Of all regions, the Africa region showed the strongest positive improvements in scores. There was no discernible trend in other regions, where there were either even numbers of positive changes and negative changes, or the sample was restricted to only one country.
- **Civil Society Index**: This index was not found in the form described in the original Results Framework. An alternative measure of Civil Society activity was considered ([www.civius.org](http://www.civius.org)), but only one observation was available from this index for 2006.

At this mid-point in the implementation of the strategy, it is difficult to draw meaningful information from this “final indicators” segment of the results framework. The final indicators are dominated by governance-related indicators and this imbalance is intensified by the non-availability of data points for the few chosen indicators that might measure progress in other elements of the strategy, such as promoting inclusion or social cohesion. Although data are available for many of the governance-related outcomes, it is hard to discern trends from purely descriptive data aggregated at regional levels. In most regions there is a mix of positive and negative performance for each of the indicators. These data are arguably more useful in applied analysis rather than basic tracking over time.

Another initiative may provide a useful complement to this results framework over the coming period of strategy implementation. Over the past two years, the Social Development Department has compiled a large database of social development indicators from a wide range of sources. These indicators are now aggregated into five composite indices of social development (ISD). There have been two motivations for

<sup>48</sup> “The CPI is not intended to measure a country's progress over time. It is a snapshot of perceptions of corruption, using data published in the past two years.” (Source: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009/methodology](http://www.transparency.org/policy_research/surveys_indices/cpi/2009/methodology)).

this work: firstly, the research is seeking to fill a knowledge gap by providing better aggregate measures of social development than are currently available. The intention is that this work will generate debate and discussion about the measurement of social development outcomes. Secondly, the generation of these composite indices allows the estimation of levels of social development for a large range of countries, which will broaden the scope for cross-country analytical work on social development. The indices are now in the final stages of testing and are considered robust enough to serve as a resource for the research and development communities.

The work carried out by the social development department over the past two years has attempted to overcome data constraints by producing aggregate measures of social development for 192 countries. The work consists of five composite indices that measure progress in the following dimensions: civic engagement; local community; inter-group cohesion; interpersonal safety and trust; and, gender equity. These indices are based on over 200 measures from 25 reputable data sources. In total, 75 percent of the measures are actionable indicators, either proxy variables based on the measurable outcomes of institutions or estimates based on reported behaviors from national surveys. The remainder comprises indicators based on perceptions, either public opinions or expert assessments. Not all data sources provide observations for indicators in each country, but together these data sources allow for comprehensive estimates of the nature of social behavior and norms of interaction across a broad range of societies.

The research comes with some caveats that relate to both concepts and results. At a conceptual level, as measures of social development these indices are still partial. The indices are currently dominated by measures of civic institutions, with information on social inclusion and discrimination being largely limited to measures of gender equity. Considerable efforts have been made to develop an index that reflects a more comprehensive description of social inclusion, but diagnostic tests found the index that was constructed to be unreliable. Social Development believes that expanding the ISD to capture better other dimensions of inclusion should form part of a future research agenda. It is hoped that an institutional partnership would result in the release of the papers that will generate ideas and discussion that will advance this part of this agenda. In regards to the results, we emphasize that the research is not intended to produce ranked lists that suggest one country performs better than another. In particular, ranked lists will be misleading if presented without error margins that indicate the probability of scores falling within a certain range. Scores from these indices for the period 2005-2008 are presented in a fuller version of this annex, published as a separate background paper.

## Conclusions

The design of the results framework does not allow easy tracking of measures that are relevant to the social development strategy. During the implementation of this review, the team noted several issues that limited the usefulness of the results framework as a meaningful tool to measure progress. These issues include:

- The structure of the results framework generates repetition, particularly with respect to the identification of final outcomes and final indicators. Since all three strategic priorities are

measured by the same final indicators, it is not clear where the value added lies in analyzing performance priority by priority (as suggested by the structure). The value-added of the country process indicator column is unclear.

- With 41 indicators, the work involved in reporting against all indicators is considerable. The process of reviewing performance against the results framework suggests that a number of these indicators could be dropped without significant loss of information.
- The results framework was developed ahead of the corporate efforts to define “core indicators” for all thematic codes. In the last year core indicators have been developed for two social development thematic codes and have now been approved by the sector board. Project team leaders will be offered the opportunity to choose one or more of the indicators when they trigger these codes. They will then be required to monitor these indicators as part of the project reporting system (ISR).
- A number of indicators are vaguely defined and it is not clear exactly what is to be measured. For the outcome indicators, it is unclear whether indicators should be captured by regional or global averages or whether indicators should be reported for a large number of individual countries and whether this should include all countries or just IDA countries. No baseline values are given for indicators at the outset of the strategy timeframe, complicating the analysis of progress.
- Many of the indicators are not available with the frequency necessary to report against the strategy and some of the indicators are inappropriate for measuring change over time. In general, information that was most available and usable was from internal Bank review process (such as QAG, Business Warehouse) and from internally-generated measures (such as the CPIA).
- At the level of final outcomes, there is a very strong bias towards measurement of governance outcomes with almost no information on other elements of the strategy. It is also very hard to assert that changes in any of the outcome indicators are associated with Bank activities.

These limitations restrict the conclusions on findings. On the process side, it is possible to conclude that there has been some progress in mainstreaming social development issues in Bank investment and policy lending, though this has been more successful at design stages than during supervision. It is also possible to conclude that CASs and similar country-level strategy documents are covering social development themes to some extent, but there is little obvious change over time. On the outcome side, the chosen indicators deliver a mixed picture of some progress and some deterioration.

Looking forwards, there is a basis for arguing that a new results framework be developed. The review team suggests that a new results framework might require the following characteristics in order to function as a useful instrument in measuring progress:

- **A simpler structure, presented in fewer rows and columns.** The review team spent a considerable amount of time trying to understand the logic of the framework. It would be easier and more accessible for a wider audience if the country-level process column were dropped and the division of indicators between strategic priorities were lifted. Analytically, these divisions do not add much to an assessment of progress.

- **Fewer, well-chosen indicators that are more closely linked to Bank work and that are frequently and freely available.** This review found indicators drawn from the QAG and Business Warehouse systems to be easy to locate and analytically useful and recommends that these be maintained. Several indicators (such as those reflecting the number of reports or studies produced) were less useful and surprisingly hard to collate. Chosen indicators should be presented with their baseline values and be clearly defined to avoid later confusion.

**Rethinking the approach to outcome measurement.** The dependence on a range of governance indices is an unsatisfactory approach to measuring country level change. Some stipulate that they are unsuitable for this purpose. Measurement of country level change is a complex task and the strategy team may want to consider whether they are interested in measuring change for a large number of individual countries (which is difficult to present) or aggregated regional trends (which are not very revealing). It might be more useful to commission a thoughtful review of social development over the lifespan of the strategy, which could replace simple tracking over time with more applied analysis.

## Social Development Results Framework – Progress Assessment

Country Outcomes						Bank Strategy	Process Indicators		
Final Outcomes	Final Indicators	Progress Assessment	Intermediate Outcomes	Measurement: Intermediate Indicators	Progress Assessment		Country	Bank	Progress Assessment
Country outcomes: Results on-the-ground						Strategic Priority 1: Increase attention to Social Development in Bank s policy dialogue and development policy lending (DPL)			
Empowerment of poor and marginalized people through inclusive, cohesive, and accountable institutions	<p><i>Inclusion:</i></p> <p>1. Indicator: Gini index</p> <p>2. Indicator: Share of richest/poorest quintiles in total income/consumption</p>	<p><i>Inclusion:</i></p> <p><b>1. Indicator: NO comparative analysis possible,</b> data are only available for a small number of countries and for a variable range of dates (WDI)</p> <p><b>2. Indicator: NO comparative analysis possible,</b> data are only available for a small number of countries and for a variable range of dates (WDI)</p>	Country policies and strategies enable inclusive, cohesive, and accountable institutions	1. Indicator: Review by the SD Sector Board (SB) of Country Policy and Institutional Assessment (CPIA) show improvement in gender equality, equity in public resource use, building human resources, and property rights and rule-based governance	<b>1. Indicator:</b> Of the 74 countries reviewed, <b>ratings increased for 35, decreased for 27, and remained unchanged for 12.</b>	1.1 Support multi-stakeholder participation in PRSP, CAS and DPL (e.g., multi-stakeholder dialogue; policy workshops, etc)	1.1 Countries to support policies and strategies enabling multi-stakeholder participation	1.1 No. & % of Bank programs and DPLs applying participatory approaches : 1. Indicator: 42 CASs demonstrate responsiveness to stakeholder concerns and country ownership in SDSB Review 2. Indicator: DPLs reviewed rated 80% satisfactory on participation (QAG)	1.1 No. & % of Bank programs and DPLs applying participatory approaches : <b>1. Indicator: NO information available,</b> indicator refers to a Sector Board review of CASs, which has not taken place <b>2. Indicator: 85% DPLs</b> rated satisfactory on participation

Country Outcomes						Bank Strategy	Process Indicators		
Final Outcomes	Final Indicators	Progress Assessment	Intermediate Outcomes	Measurement: Intermediate Indicators	Progress Assessment		Country	Bank	Progress Assessment
	<p><i>Cohesion:</i></p> <p>1. Indicator: Country political risk rating</p> <p>2. Indicator: % GDP on health and education</p>	<p><i>Cohesion:</i></p> <p>1. <b>Indicator:</b> NOT pursued, review was limited to datasets that are available free of charge</p> <p>2. Indicator: NO comparative analysis possible as no data available after 2005 (WDI)</p>				1.2 Improve understanding of social context <sup>49</sup> in CAS and DPL (e.g., country social analysis; country systems; etc.)	1.2 Countries to strengthen capacities for social analyses in strategies and policies.	1.2. No. & allocation of completed and planned diagnostics: 1. Indicator: Up to 40 new country level social analyses including, includes: [2] Country Systems Analyses for Social Safeguards 2. Indicator: 80 % of DPLs satisfactory on social analyses (QAG)	1.2. No. & allocation of completed and planned diagnostics: <b>1. Indicator: completed 27</b> Country level Social Analyses  <b>2. Indicator: 86% rated satisfactory</b>
	<p><i>Accountability</i></p> <p>1. Indicator: Civil liberties index</p> <p>2. Indicator: Democratic accountability rating</p> <p>3. Indicator: Index of law and order</p>	<p><i>Accountability</i></p> <p>1. <b>Indicator:</b> Of the <b>68 countries for which data exists, 59 show no clear trend, 6 show positive and 3 negative trends.</b></p> <p>2. <b>Indicator:</b> data available but NOT free of charge; instead <b>Voice and Accountability Index (WRI) examined for 70 countries of which 24 showed positive and 48 negative trends and 1 unchanged.</b></p> <p>3. <b>Indicator:</b> <b>NO data available, instead Rule of Law Index (WRI) examined</b></p>				1.3 Ensure CAS, programs and DPL components promote inclusion, cohesion, and accountability (e.g., core diagnostic or technical inputs to ESWs; etc.)	1.3 Countries to improve policies and strategies to reflect social dimension; 50 % of PRSPs refer to inclusion, cohesion and accountability	1.3 No. & allocation of completed and planned country diagnostics: 1. Indicator: Share of DPLs with SD themes among top three to be at 6% or more 2. Indicator: CAS review shows increase in SD components of country programs	1.3 No. & allocation of completed and planned country diagnostics: <b>1. Indicator: NO information available</b>  <b>2. Indicator: of the 58 CASs rapidly reviewed over 90% with SD content in terms of CAS pillars incorporating atleast one of the SD pillars of inclusion, cohesion and accountability.</b>

Country Outcomes						Bank Strategy	Process Indicators		
Final Outcomes	Final Indicators	Progress Assessment	Intermediate Outcomes	Measurement: Intermediate Indicators	Progress Assessment		Country	Bank	Progress Assessment
	4. Indicator: Corruption perception index (CPI)  5. Indicator: Legislative index of electoral competitiveness	<i>wherein 40 countries showed positive and 30 negative trends.</i> <b>4. Indicator: data available for 32 IDA countries wherein 19 showed positive, and 11 negative trends with 2 countries with no change.</b> CPI not to compare over time (Transparency International) <b>5. Indicator: NO data available</b>							
<b>Country outcomes: Results on-the-ground</b>						<b>Strategic Priority 2: Increase attention to SD in Bank's investment lending</b>			
Empowerment of poor and marginalized people through inclusive, cohesive and accountable institutions	<i>Inclusion:</i> 1. Indicator: Gini index  2. Indicator: Share of richest/poorest quintiles in total income/consumption	<i>Inclusion:</i> <b>1. Indicator: NO comparative analysis possible,</b> data are only available for a small number of countries and for a variable range of dates (WDI) <b>2. Indicator: NO comparative analysis possible,</b> data are only available for a small number of countries and for a variable	Country development programs enable inclusion, cohesion, accountability	1. Indicator: Review of Government's investment programs shows that SD issues are increasingly addressed (e.g., government ownership and project/program effectiveness improves by addressing needs and increasing voice of poor and marginalized people; providing social accountability	<b>1. Indicator: Review NOT done</b> as it is extremely challenging to carry out given the current formulation of the indicator	2.1 Encourage multi-stakeholder participation throughout the project cycle	2.1 Countries to support and expand stakeholder participation in projects and promote enabling conditions for stakeholder participation	2.1. Quality assessment of Participatory approaches in Bank assisted projects: 1. Indicator: quality at entry results on stakeholder participation remain above 90% satisfactory ratings 2. Indicator: quality at supervision results on stakeholder participation remain above 75% satisfactory ratings 3. Indicator: participatory M&E developed in [15] projects	2.1. Quality assessment of Participatory approaches in Bank assisted projects: <b>1. Indicator: Stakeholder participation at 93% at entry</b>  <b>2. Indicator: Stakeholder participation supervision at 83%.</b>  <b>3. Indicator: NO information available</b>

Country Outcomes						Bank Strategy	Process Indicators		
Final Outcomes	Final Indicators	Progress Assessment	Intermediate Outcomes	Measurement: Intermediate Indicators	Progress Assessment		Country	Bank	Progress Assessment
		range of dates (WDI)							
	<p><i>Cohesion:</i></p> <p>1. Indicator: Country political risk rating</p> <p>2. Indicator: % GDP on health and education</p>	<p><i>Cohesion:</i></p> <p><b>1. Indicator: NOT pursued, review was limited to datasets that are available free of charge</b></p> <p><b>2. Indicator: NO comparative analysis possible</b> as no data available after 2005 (WDI)</p>				2.2.Improve understanding of social context at project level	2.2 Countries to improve capacities in applying social analyses tools	<p>2.2. No. and quality of completed social analyses:</p> <p>1. Indicator: [6] sector level social analysis</p> <p>2. Indicator: quality at entry results on social and poverty considerations above 90% satisfactory ratings</p> <p>3. Indicator: quality at supervision results on social and poverty considerations above 80% satisfactory ratings</p>	<p>2.2. No. and quality of completed social analyses:</p> <p><b>1. Indicator: 4 sector level social analysis completed</b></p> <p><b>2. Indicator: 94% satisfactory rating</b></p> <p><b>3. Indicator: 80% satisfactory rating</b></p>
	<p><i>Accountability</i></p> <p>1. Indicator: Civil liberties index</p> <p>2. Indicator:</p>	<p><i>Accountability</i></p> <p><b>1. Indicator: Of the 68 countries for which data exists, 59 show no clear trend, 6 show positive and 3 negative trends (WRI)</b></p> <p><b>2. Indicator:</b></p>				2.3. Strengthen social development portfolio	2.3 Countries to strengthen capacities for social development through learning-by-doing in projects with SD themes	<p>2.3 No. &amp; % of projects mapped to SD themes:</p> <p>1. Indicator: Increased to 9% (from 7%) in FY02</p> <p>2. Indicator: Maintain or increase SDSB portfolio currently (\$1.5 billion)</p> <p>3. Indicator: Invest at least in 6 projects with explicit development</p>	<p>2.3 No. &amp; % of projects mapped to SD themes:</p> <p><b>1. Indicator: dropped to 1.0% in FY10.</b></p> <p><b>2. Indicator: SD portfolio increased to \$ 2.03 billion.</b></p> <p><b>3. Indicator: NO information available</b></p>

Country Outcomes						Bank Strategy	Process Indicators		
Final Outcomes	Final Indicators	Progress Assessment	Intermediate Outcomes	Measurement: Intermediate Indicators	Progress Assessment		Country	Bank	Progress Assessment
	Democratic accountability rating  3. Indicator: Index of law and order  4. Indicator: Corruption perception index (CPI)  5. Indicator: Legislative index of electoral competitiveness	<i>data available but NOT free of charge; instead Voice and Accountability Index (WRI) examined for 70 countries of which 24 showed positive and 48 negative trends and 1 unchanged.</i> 3. Indicator: NO data available, instead Rule of Law Index (WRI) examined wherein 40 countries showed positive and 30 negative trends. 4. Indicator: data available for 32 IDA countries wherein 19 showed positive, and 11 negative trends with 2 countries with no change. CPI not to compare over time (Transparency International) 5. Indicator: NO data available						objectives (DO) promoting inclusion, cohesion, and accountability	
Country outcomes: Results on-the-ground						Strategic Priority 3: Improve SD in operational research, and capacity building, and partnerships			

Country Outcomes						Bank Strategy	Process Indicators		
Final Outcomes	Final Indicators	Progress Assessment	Intermediate Outcomes	Measurement: Intermediate Indicators	Progress Assessment		Country	Bank	Progress Assessment
Empowerment of poor and marginalized people through inclusive, cohesive and accountable institutions	1. Indicator: Civil society index	<b>1. Indicator: Of the 68 countries for which data exists, 59 show no clear trend, 6 show positive and 3 negative trends (WRI)</b>		1. Indicator: WBI country capacity assessments show improvements.	<b>1. Indicator: review has not taken place</b>	3.1 <i>Operational Research and Knowledge:</i> Improve knowledge on how institutions can promote empowerment and improvement in living standards of poor marginalised groups	3.1 Government strategies reflect best practices on dealing with SD issues	3.1 Types and no. of research and knowledge management: 1. Indicator: WDR on equity 2. Indicator: Pro-poor growth and land inequality studies 3. Indicator: Conflict management Empowerment studies (social exclusion; governance, culture, gender, CDD, ethnic diversity, etc) 4. Indicator: Policy analysis (survey research, project evaluation, qualitative research, etc)	3.1 Types and no. of research and knowledge management: <b>1. – 4. Indicator: NO information available,</b> the indicators are less clearly defined and it is not obvious what should be measured
	2. Indicator: Civil liberties index	<b>2. Indicator: data available but NOT free of charge; instead Voice and Accountability Index (WRI) examined for 70 countries of which 24 showed positive and 48 negative trends and 1 unchanged.</b>		2. Indicator: Sector Board Review of research and Knowledge products (FY08)	<b>2. Indicator: review has not taken place</b>				
	3. Indicator: Democratic accountability rating	<b>3. Indicator: NO data available, instead Rule of Law Index (WRI) examined wherein 40 countries showed positive and 30 negative trends.</b>				3.2 <i>Capacity Building:</i> Strengthen capacities of countries for dealing with issues of inclusion, cohesion, and accountability (e.g., tools for participatory budgeting, conflict analysis; poverty and social impacts; etc)	3.2 Countries to facilitate capacity building programs to better address issues of inclusion, cohesion, and accountability	3.2 No. & allocation of capacity building programs (as per SDSB review ) such as: 1. Indicator: 2 networks of SD practitioners established 2. Indicator: 2 network strengthened 3. Indicator: Capacity building programs enhanced (per SDSB review) such as: CDD and natural resource management program in Nigeria; Social auditing capacity building in Bolivia; Social accountability, participatory budgeting, and performance monitoring programs (e.g., Bosnia-Herzegovina, Sri Lanka,	3.2 No. & allocation of capacity building programs (as per SDSB review ) such as: <b>1. – 3. Indicator: NO information available,</b> the indicators are less clearly defined and it is not obvious what should be measured
	4. Indicator: Index of law and order	<b>4. Indicator: data available for 32 IDA countries wherein 19 showed positive, and 11 negative trends with 2 countries with no change. CPI not to compare over time</b>							

Country Outcomes						Bank Strategy	Process Indicators		
Final Outcomes	Final Indicators	Progress Assessment	Intermediate Outcomes	Measurement: Intermediate Indicators	Progress Assessment		Country	Bank	Progress Assessment
	5. Indicator: Corruption perception index	(Transparency International) 5. <b>Indicator: NO data available</b>						Peru, Philippines, etc)	
						3..3 <i>Partnerships</i> : More partners pursuing coherent approaches to Social Development issues	3.3 Country Governments s to strengthen partnerships with non-governmental institutions, media, local groups and private sector and development partners	3.3 No & allocation to support partnerships: 1. Indicator: Country, regional, global SD partnerships for knowledge sharing, operations and research 2. Indicator: DGF programs enhanced and sustained 3. Indicator: Knowledge partnerships with Norway, Finland and Japan sustained 4. Indicator: Donor safeguards harmonization expanded to include social safeguard 5. Indicator: Community Foundations pilot successfully mainstreamed (FY08)	3.3 No & allocation to support partnerships: <b>1. – 5. Indicator: NO information available,</b> the indicators are less clearly defined and it is not obvious what should be measured

## **Annex 3: Strategic Plans for the Social Development Department and the Regions 2011-2013**

### **Social Development Department - Strategic Priorities 2011-2013**

#### *More Macro*

- A more nimble, cost-effective, and customized process of providing continual support on **social analysis to country teams** complement the reliance on Country Social Analyses.
- More **effective use of PSIA** by better linking to country processes and work programs and by linking analytical finding to policy actions.
- Prepare and help implement a **business plan for mainstreaming gender** issues throughout the SDN portfolio, in collaboration with all other SDN Departments.
- Prepare and help implement a **Demand for Good Governance companion piece** for GAC II.
- Take the lead in **operationalizing the conclusions of the two forthcoming World Development Reports** (WDRs) on Fragility (2011) and Gender (2012) in its work at the country level.

#### *Better Projects*

- **Update and consolidate the policy framework for social sustainability and safeguards** under the guidance of OPCS and in collaboration with LEGEN.
- **Prepare and issue guidance** on the scope and coverage of social issues in the context of the preparation and implementation of environmental assessments to ensure a more balanced approach between environmental and social risks and impacts.
- Support the development of **regional centers of excellence for social development**, such as BRAC University in Bangladesh, in collaboration with WBI.
- **Enhance the quantity and quality of inputs** to projects provided by social development staff and make it more efficient and systematic i.e. assign staff more deliberately on the basis of the complexity of the social content of operations and their inherent risk.
- Develop **smarter ways for social development staff to support project implementation** to include more systematic reliance on third party monitoring, the embedding of social development specialists among project staff, and the integration of grievance redress mechanisms in project design.
- Strengthen **own managed social development portfolio** (particularly those relating to community driven development) with operations tailored to build social inclusion, cohesion, resilience and accountability; and with an emphasis on high-impact, high-priority areas, that either scale-up successful local models, or which pilot innovative models that can provide new operational entry points for mainstreaming key social development agendas in the future.

### *Better Grounding*

- **Produce innovative analytical pieces** that bring to the fore the societal and institutional dynamics related to inclusion, cohesion, resilience and accountability with respect to the marginalized and poor. This will include the next round of “flagship” analytical pieces exploring key social sustainability challenges around inclusion, cohesion, resilience and accountability. **Build networks of specialists in priority countries** to help in knowledge exchange and social research. Communities of Practice around inclusion (including gender and youth); fragility, conflict and violence; community driven development; the social dimensions of climate change; social analysis; and social sustainability and safeguards; will be strengthened by providing leadership at the management level.
- Establish a **set of indices for measuring key social development** outcomes at the country level in partnership with the Institute of Social Studies, The Hague, Netherlands, and increase initiatives to monitor the impacts of different social development interventions (such as CDD, gender inclusion, and demand for good governance) in partnership with the Bank’s Development Research Group.

### *More Effective Family*

- Continue process of cluster recruitment and active involvement of Sector Board on mobility, talent, and bottom performance management of staff.
- Ensure greater awareness and acceptance of social issues across the sectors and networks through some established **communities of practice** (such as on demand for good governance, CDD, and social dimensions of climate change) through development of joint learning programs, research products, and cross-support on operations.
- Introduce a **framework of core competencies** for social development around one single job profile for the family, that of a social development specialist. This will also enable the social development family provide technical leadership on the four operational principles of inclusion, cohesion, resilience and accountability.
- Launch a **core learning/mentoring and accreditation program** as well as annual learning platforms around one of the specialized skills. An annual assessment of staffing capacity in social development will be undertaken and presented to the SDN Council so as to keep abreast of evolving skills mixes and gaps to be filled.

## **Africa Region – Strategic Priorities 2011-2013**

### ***Priorities***

- Address fragile states and conflict through advisory and analytic services, operational support, and the creation of a Fragility and Conflict Hub in Nairobi jointly with OPCFC.
- Work on demand side governance using upstream analytics to support CAS preparation, operational support, pilots on social accountability measures, training and capacity building.
- Enhance the impact of social sustainability and safeguards via capacity development, maximizing the contribution of in-country specialists and systems through an accreditation program, and seeking efficiencies through upstream assessment of safeguards issues.

### ***Challenges***

- Coverage of 47 countries with the worse economic and human development indicators in the world.
- Selectivity and focus, rather than spreading the SD group too far and trying to cover all the SD corporate agendas.

### ***Opportunities***

- The SD Team in AFR has forged effective partnerships in the Bank and externally.
- The SD Team will continue to establish partnerships with donors and propose the use of multi-donor trust funds to leverage financing with a focus on furthering the demand side of governance.
- SD in AFR will partner with the PREM and OPCFC on the demand for good governance and on fragility and conflict, respectively.

## East Asia and the Pacific – Strategic Priorities 2011-13

### *Priorities*

- Expanding and improving upon the application of CDD to increase access to services for and reduce poverty of local communities;
- Implementing the EAP gender action plan;
- Enhancing the Bank’s contribution to conflict prevention and peace-building in the Region;
- Integrating the four principles of social development (accountability, cohesion, inclusion, resilience) into operations across sectors;

### *Challenges*

- Addressing growing income inequalities and exclusion in the Region;
- Adapting to and mitigating the impacts of natural disasters and climate change;
- Expanding social safeguards into a broader agenda of social sustainability by linking “safeguards” issues with policy dialogue, client capacity building, and responsive social development programming;
- Deepening our analytical understanding of emerging social issues and responding to these through policy dialogue as well as through operations in a tight budget situation;
- Taking calculated risks in an increasingly risk adverse environment.

### *Opportunities*

- Within the context of increased attention to sustainable development, enhancing the quality of growth and helping client countries get and remain on a development path that reduces poverty and meets the needs of people today without reducing the ability of future generations to meet their own goals;
- Promoting social development approaches as preventive measures in light of the new investment lending policy and the need to expand the social safeguards agenda (by addressing both risk and opportunity);
- Utilizing synergies with other sectors across the Bank’s Networks by developing integrated approaches to addressing complex developmental challenges.

## Europe and Central Asia – Strategic Priorities 2011-2013

### *Priorities*

- ***Equity and Social Inclusion***: Redress disparities in access to essential services and livelihood resources. Focus on urban-rural disparities, vulnerable groups, including women, youth, the elderly, minorities, and displaced people.
- ***Fragility and Conflict***: Rekindled historic enmities between ethnic or national identities have contributed to internal displacement of over 2 million people in the region. AAA and project interventions to improve living conditions and restore incomes are a high priority. Actions taken include upstream analytics on conflict issues and a Social Development portfolio of projects for Internally Displaced Peoples.
- ***Governance and Civic Engagement***: Transparency in allocation of public resources and corruption are key factors. Citizens can be enabled to hold institutions accountable and be involved in decision-making and oversight. Upstream analyses of the demand side of governance in ECA countries identify ways in which it can be strengthened.
- ***Managing Social Risk and Ensuring Social Sustainability***: Social impact analysis and the application of social safeguards in support of investment lending minimizes impacts and associated risks, but importantly, also serve to identify development opportunities and sustainability enhancements.
- ***Cultural Heritage and Sustainable Tourism***: Investments to develop cultural assets provide significant social and economic benefits to communities.

### *Examples of Projects/Activities*

Albania: Youth Empowerment through Community Development).

Azerbaijan: IDP Youth Support Project

Azerbaijan IDP Economic Development Support Project

Azerbaijan: Rural Investment Project (AZRIP)

Croatia: Social and Economic Recovery Project

Georgia: Youth Development and Inclusion

Georgia: IDP Livelihoods

Georgia IDP Community Development

Georgia and Macedonia: AAA on Economic Benefits of Cultural Heritage Investments

Kyrgyz Republic: Second Village Investment Project

Kyrgyz Republic: CDD Skills Development and Income Generation for Rural Youth

Poland: Post-Accession Rural Support Project

Tajikistan: Youth Social and Economic Opportunities

Romania: Empowering Roma Communities.

Romania: Mine Closure, Environmental and Socio-economic Regeneration Project

Russia, North Caucasus Youth Empowerment and Security

Russia: Cultural Heritage 2 Project

***Challenges***

- Fiscal contraction, reduced prospects for growth, and climate-related uncertainties.
- Constrained employment opportunities (especially for women who are often low paid and engaged in risky informal sector work).
- Youth unemployment is systemic and growing in many countries.
- Alcoholism and substance abuse coincide with unemployment and reduce life expectancy.
- Transforming IDPs from national liabilities into sustainably productive assets.
- Strengthening the demand side of governance to give citizens a stronger voice in decision-making in post-communist societies.
- Many countries contain minority populations with long histories of discrimination (for e.g. Roma).

***Opportunities***

- Application of social assessment and effective use of social safeguards enhance the quality of lending (investment and policy) and reduce risk.
- There is a solid business case for investing in IDPs to enhance their quality of life and contribution to the economy.
- Investments in cultural heritage offer sustainable economic benefits to communities.
- Youth orientated investments serve to improve skills and employability.
- CDD investments raise farm incomes and demonstrate the benefits of civic engagement in local governance and decision-making.
- Working with the EU on social inclusion and social cohesion.

## Latin America and the Caribbean – Strategic Priorities 2011-2013

### *Priorities*

- Supporting operations to identify and mitigate social risks, including those related to the Bank's safeguard policies, and to enhance social opportunities through a greater attention of issues of social sustainability.
- Promoting analytical, operational and knowledge-related work on the four pillars of Social Development in LCR (Leveling the Playing Field; Conflict, Crime and Violence; Demand for Good Governance (DFGG), and the Social Impacts of Climate Change (SICC)).
- Capitalizing on new opportunities offered by the external and internal environment, such as the increased emphasis on Crime and Violence work and the possibility of leading a DPL to promote social inclusion and accountability in Mexico.

### *Challenges*

- Staffing to be able to service the increased demand for operational support
- Maintaining focus on the broader social development agenda beyond issues related to social safeguard policies
- Strengthening skills to develop and maintain engagement at the macro / policy level
- Improving the use of core social development tools such as social assessments and social analysis
- Making the AAA agenda more responsive to client demands and needs
- Balancing the objectives of continuing engagement in emerging areas of interest and providing timely and quality support to operations in a tight budget environment.

### *Opportunities*

- The implementation of the new investment lending reform to promote attention to broader social development issues.
- The environment in which Social Development pillars – particularly SICC, DFGG, and Crime and Violence – are among the priority issues for the region.
- The new and funded mandate for Country Management Unit focal points which can help better position social development in CMUs.

## Middle East and North Africa – Strategic Priorities 2011-2013

### *Priorities*

- Work on enhancing social accountability throughout region through more emphasis on governance, local service delivery, transparency, voice and inclusion.
- Deepen work with civil society as a key stakeholders.
- Improve governance and local accountability by using PSIA's, Demand for Good Governance methodologies and tools, selected analysis, and CDD/local development projects.
- Promote investing in vulnerable groups (youth, gender, etc) through selected regional studies, stand alone projects and components in other projects.
- Help mitigate conflict via a regional study (building on the WDR on conflict), scaling up operations in vulnerable areas/groups (e.g. Iraq, the displaced) and an increased shift from post-conflict to upstream mitigation (local development, DPLs, etc).
- Manage social vulnerability to climate change and natural disasters through a regional study on Social Dimensions of Climate Change (migration), focus on Community Based Disaster Risk Management (CBDRM) practices as part of Disaster Risk Management and SDN projects in general.

### *Challenges*

- Managing rapid socio-economic change and calls for social accountability.
- Productive inclusion of a bulging youth population and female citizens.
- Maintaining cohesive communities in the face of conflict and displacement.
- Responding to the demand for increased government accountability to civil society.
- Manage social dimensions proactively and strategically, rather than opportunistically, for inclusive and sustainable response.

### *Opportunities*

- Work closely with PREM colleagues on governance agenda.
- Implement DFGG and local service delivery methods in AAA and operations.
- Ensure stronger social analysis in DPLs.
- Deepen understanding of fragility in the region.
- The implementation of the new investment lending reform to promote attention to broader social development issues.

## South Asia – Strategic Priorities 2011-2013

### *Priorities*

- Improve service delivery in social safeguards and sustainability through a diagnostic review of the portfolio, developing a methodology for identifying risks, improving the communication of impact or risk categorization with clients, piloting a “Quality Assurance Review Process” for social safeguards, and strengthening country systems.
- Expand the social development portfolio in areas of strategic interest and high impact such as resettlement and rehabilitation and land acquisition; (b) urban resettlement and institution building; (c) IP/tribal development; (d) capacity building of local institutions for social accountability and integrity; (e) gender and youth; (f) community-based disaster preparedness; (g) pro-poor tourism and benefit sharing; and (h) corporate social responsibility.
- Enhance women’s economic empowerment in targeted countries and/or sectors with investment lending operations to enhance women’s economic empowerment, mainstreaming gender in sector- specific operations, AAA, and a network of gender focal points in the region.
- Promote and implement social accountability approaches by expanding the DFGG portfolio, mainstreaming DFGG across country portfolios, and carrying out social accountability AAA in fragile contexts.
- Enhance the conflict-sensitivity of Bank assistance in conflict-affected countries through analytical work (conflict analysis, political economy analysis) and through mechanisms such as conflict filters.

### *Challenges*

- Staffing to be able to service increased operational demand from internal and external clients;
- Balancing business development in emerging areas of interest with providing timely and quality support to operations in a tight budget environment;
- Working cross sectorally with other units in SDN, HD and PREM to design and implement integrated approaches to governance, conflict and fragility, inclusion and gender, and climate change;
- Building effective bridges between field-based staff and HQ-based staff in a highly decentralized Region.

### *Opportunities*

- Social development themes of governance, inclusion, cohesion and resilience are central pillars of the South Asia Regional Strategy Update;
- New stand-alone social development unit has been established in SAR, with a separate Sector Manager;

- Partnerships with key donor partners will continue, with a focus on establishing multi-donor trust funds to leverage knowledge and financing;
- Work on social safeguards is being expanded into social sustainability by using safeguards as an entry point for broader social development work, capacity building, policy dialogue and focus on results;
- Billion dollar plus “signature” investment projects in the Region provide unique opportunity for scaling up social development work.