

**REVIEW OF OPERATIONAL POLICY WAIVERS:
BRIEFING TO EXECUTIVE DIRECTORS ON
FY12 EXPERIENCE**

Operations Policy and Country Services (OPCS)

December 13, 2012

ABBREVIATIONS AND ACRONYMS

AF	Additional financing
AFR	Africa Region
BP	Bank Procedures (statement)
CODE	Committee on Development Effectiveness
COGAM	Committee on Governance and Executive Directors' Administrative Matters
CTR	Controller's Vice Presidency
DC	Development Committee
DPL	Development policy lending
EAP	East Asia Pacific Region
ECA	Europe Central Asia Region
ED	Executive Director
FM	Financial management
FY	Fiscal year
IBRD	International Bank for Reconstruction and Development
ICR	Implementation completion and results report
IDA	International Development Association
IL	Investment lending
LEG	Legal Vice Presidency
MD	Managing Director
MNA	Middle East and North Africa Region
MOP	Memorandum of the President
OP	Operational Policy (statement)
OPCS	Operations Policy and Country Services Vice Presidency
PAD	Project appraisal document (for IL)
PCG	Partial credit guarantee
PD	Program document (for DPLs)
PP	Project paper (for AF)
PPA	Project preparation advance
PCG	Project credit guarantee
PRG	Project risk guarantee
RVP	Regional vice president
TF	Trust fund
UN	United Nations
UNFPA	World Bank and United Nations Fiduciary Principles Accord for Crisis and Emergency Situations
UNHCR	United Nations High Commissioner for Refugees

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REVIEW OF OPERATIONAL POLICY WAIVERS: REPORT ON FY12 EXPERIENCE

I. INTRODUCTION

1. On August 4, 2011, Executive Directors approved the proposals set out in the document *Review of Operational Policy Waivers*.¹ These proposals included the delegation, from the Board to the President, of the authority to approve policy waivers identified during project implementation and for trust-funded and other operations that are not approved by the Board. This was part of parallel efforts to reform the internal governance structures and accountability framework of the World Bank Group² and to modernize operational products and processes, on which the Board and the Development Committee have been regularly briefed.³ The Board's decision to delegate the approval of operational policy waivers contributed to the goals of strengthening accountability, improving risk identification and assessment, and encouraging a risk-based approach to management, allowing the Board to focus more on strategic discussions, guidance and oversight, while Management in turn would concentrate more on operational and procedural matters.

2. ***2011 Review of Operational Policy Waivers.*** The 2011 review analyzed the evidence of operational policy waivers granted between July 1, 2009 and April 30, 2011. Based on this analysis, Management concluded that the existing practice for processing waivers during project preparation—involving Board approval of the waiver as part of the approval of the operation—was widely understood, transparent, and working well. With regard to waivers identified during project implementation and those for trust-funded and other operations that are not approved by the Board—for which there was a long-standing practice of management approval at the Managing Director level—these were found to be rare, limited to specific categories, and focused on addressing procedural rigidities without compromising the development effectiveness or the soundness of risk management associated with the operations. Nevertheless, the review sought—and the Board endorsed—greater clarity with regard to the delegation of authority to grant these approvals from the Board to Management.⁴ The review also identified a few areas where changes in policy provisions would help to improve operational flexibility, efficiency and

¹ See *Review of Operational Policy Waivers* (R2011-0184), July 26, 2011.

² See *Review of Internal Governance: Conclusions of the Consultations and Proposals* (DC2009-0004), April 17, 2009; *Strengthening Governance and Accountability: Review, Results, and Roadmap* (DC2010-0007), April 21, 2010; *Strengthening Governance and Accountability: An Update* (DC2010-0013), September 30, 2010; and *Strengthening Governance and Accountability: Shareholder Stewardship and Oversight* (DC2011-0006), April 4, 2011.

³ See *New World, New World Bank Group: (II) The Internal Reform Agenda* (DC2010-0004), April 20, 2010; *World Bank Group Reform: An Update* (DC2010-0014), September 30, 2010; and *Modernizing the World Bank Group: An Update* (DC2011-0005), April 4, 2011.

⁴ The language of Management's proposal, approved by the Board was as follows: "For the approval of policy waivers identified during project implementation and those for trust-funded and other operations that are not approved by the Board, the Executive Directors delegate approval authority to the President. Consistent with current practices, this authority would be exercised by the relevant Managing Director, following consultation with the General Counsel and the Vice President, OPCS. Management would propose a waiver for Board approval on an absence-of-objection basis for a period of seven working days for cases that represent operational risks and/or policy issues that warrant consideration by the Executive Directors—with particular attention to key policies bearing on project implementation, such as environmental and social safeguards, procurement, financial management, and disbursements." See *Review of Operational Policy Waivers*.

responsiveness, while adequately managing risks. Finally, Management committed to reporting to the Board on a monthly basis on any operational policy waivers granted by Management and on extensions of Implementation Completion and Results Reports beyond six months from the original deadline, undertaking actions to improve processing and recording practices for waiver approval, and issuing a report on the first year of experience under the new policies and practices.

3. ***Purpose of this Note.*** This note aims to brief the Board on the first year of experience with the application of the revised policies and practices approved in the context of the 2011 review. Section II describes the implementation of the policy changes approved in the context of the review. Section III describes the improvements in reporting processes and shows the results of the analysis of waivers and exceptions granted. Section IV summarizes lessons and conclusions from the experience of this first year and proposed next steps.

II. IMPLEMENTATION OF POLICY CHANGES

4. Policy *waivers* are one-time deviations, granted in individual circumstances; they do not constitute the introduction of generally applicable changes to standing policies, which can only take place with the Board's approval. However, recurrent requests for waivers of certain policy requirements—for example, due to changing business conditions—may lead to the introduction of policy changes. These changes may sometimes create new *exceptions*, embedded in the revised OP/BP, which Management is thereby authorized to grant.

5. ***Policy Changes.*** In the context of the 2011 review, changes were proposed by Management and approved by the Board on the following policies:

(a) *OP 8.10, Project Preparation Facility:* OP 8.10 used to limit eligibility for Project Preparation Advances (PPAs) to member countries. The Board approved a modification of OP/BP 8.10 to allow regional organizations that are eligible to receive IDA (International Development Association) grants for regional projects to be the recipients of PPAs. This policy change brought consistency with the fact that IDA had already expanded availability of IDA grants to regional organizations on a pilot basis. The eligibility criteria for PPAs to regional organizations would follow the agreed criteria for receipt of IDA grants under the pilot. Management also proposed that OP/BP 8.10 be modified, consistent with OP/BP 7.00, *Lending Operations: Choice of Borrower and Contractual Agreements*, to allow for the provision of PPAs to borrowers other than the member country, i.e., a political subdivision of a member and any business, industrial, and agricultural enterprise in the territories of a member, with the guarantee of the member country (IBRD only).

(b) *OP/BP 13.00, Signing of Legal Documents and Effectiveness of Loans and Credits:* The Board approved a modification of OP/BP 13.00 to provide for an exception under which Management would have the authority to approve requests to retroactively extend the deadline for loan/credit/grant effectiveness, and to reinstate legal agreements which terminate if no action is taken by the effectiveness deadline. After this modification, the exception is approved by the VP, OPCS (Vice President,

Operations Policy and Country Services), in consultation with the General Counsel, and the Board is informed via the Monthly Report to Executive Directors (MRED).

- (c) *OP/BP 13.55, Implementation Completion Reporting*: The Board approved a modification of this OP/BP to provide for an exception under which Management has the authority to approve requests to extend the period for preparation of Implementation Completion and Results Reports (ICRs) beyond six months after the project closing date. The Regional VP is now authorized to approve this exception. Management committed to inform the Board regularly of any extensions longer than six months from the original due date.

6. ***Implementation and Information to Staff***. The OPCS Vice President sent a message explaining the upcoming changes to all operational managers on August 30, 2011. The three OPs/BPs were modified, as approved by the Board, during the fall of 2011, and a Bankwide kiosk announcement notified all staff of the posting of the revised OPs/BPs on December 20, 2011. The guidance to staff on ICR extensions (“ICR Extension Frequently Asked Questions,” or “FAQs”), available from the OPCS intranet webpage, was developed to provide further clarifications. Management did not consider necessary to introduce any additional guidance to staff for OP/BP 8.10 and OP/BP 13.00, as the revised OPs/BPs presented the definitions and procedures for the policy exceptions clearly. The OPCS Help Desk ([OPCS Investment Lending Advisory/Service/World Bank](#)) has been available to address staff questions as necessary.

7. ***Impact***. The intended objective of the policy changes was to improve operational flexibility, efficiency, and responsiveness, while adequately managing risks. OPCS has estimated that officially delegating the authority to Management to grant the procedural exceptions (previously requiring waivers) on the above three OPs/BPs may involve a reduction in team processing time of at least one to five days per transaction.⁵ In addition, by reducing demands on Executive Directors’ and senior managers’ time for these eminently procedural reviews and clearances, these policy changes also had the potential to free their time and attention so that they can focus instead on more strategic or higher-risk issues and transactions. On the other hand, evidence gathered over the past three years suggests that this official delegation of authority has *not* resulted in a relatively more frequent occurrence of exceptions:

- OP 8.10, *Project Preparation Facility*: This policy was changed in order to align it with recent changes to IDA policies and terms; there was no specific expectation that this policy change would affect the frequency of the requests in one way or another. In fact, these waivers were rare, and associated with the occurrence of regional or sub-sovereign IDA operations. Only two waivers were granted during the 22-month period reported in the 2011 review, to allow a regional organization and a state-owned enterprise to receive project preparation advances.

⁵ It is not possible to make a full estimate of the time that it takes for an operational policy exception to be processed from the time the operations’ Task Team Leader identifies the need for such an exception to its final approval by the authorized manager. However, OPCS’ work on business standards has shown that the time to process a waiver request for the approval of the Managing Director, LEGVP, OPSVP, or CTRVP may run somewhere between one and five working days (see para. 14 below).

- OP/BP 13.00, *Signing of Legal Documents and Effectiveness of Loans and Credits*: Compared to the experience in FY11, when the Regions made four requests for retroactive extensions of deadlines for loan, credit or grant agreements and reinstatements of legal agreements, in FY12 this figure more than doubled to ten. The incidence is still relatively small—three percent of all operations with effectiveness date due in FY12 versus one percent in FY11. Therefore, there is no indication that the policy change may have motivated a significant relaxation of discipline in timely extending deadlines for effectiveness when this is necessary due to country-related or other circumstances. Nevertheless, OPCS has alerted Regional management of the need to monitor this practice more closely.
- OP/BP 13.55, *Implementation Completion Reporting*: Compared to the experience of FY11, there has indeed been a relative decline in the incidence of extensions of ICR deadlines. While the number of ICRs with extended deadlines remained relatively stable (57 in FY12 versus 52 in FY11), the total number of ICRs scheduled for delivery grew by more than seventy percent (from 239 in FY11 to 410 in FY12), due to the fast lending growth in preceding years. As a result, the ratio of ICRs for which the deadline was extended over the total number of ICRs scheduled for completion declined from twenty-two percent in FY11 to fourteen percent in FY12. Therefore, there is no evidence of erosion of discipline in completing ICRs on time as a result of the delegation of authority for ICR deadline extensions.

In sum, the evidence from FY12 experience in these areas suggests good discipline in managing exceptions within these recently revised policies.

III. REPORTING ON OPERATIONAL POLICY WAIVERS

8. During the 2011 review, Management made two commitments on regular reporting practices going forward. First, for waivers arising during project preparation, the format of the project datasheet would be updated to allow for a clearer flag on waivers that are being submitted for Board approval as part of the approval of the operation. Second, for operational policy waivers arising during project implementation and for trust funded and other operations not approved by the Board, in tandem with the delegation of authority from the Board, Management committed to reporting to the Board on a monthly basis on its approval of all such waivers. In cases that would represent operational risks and/or policy issues that would warrant consideration by the Executive Directors, Management committed to bring the case up for Board approval on an absence-of-objection basis. Finally, to heighten the visibility and management accountability (and thereby deter) long delays in the completion of ICRs, Management committed to reporting monthly to the Executive Directors on any exceptions granted by Management for ICR extensions beyond six months of the original deadline, whether this was the result of a single or multiple successive requests. To facilitate and systematize the reporting task, Management had intended to put in place an automated system for waiver processing, recording, and reporting. This section presents the experience with regular reporting during FY12.

9. **Management Consideration of Requests for Policy Waivers.** Management recognizes that Bank-financed programs and projects are being implemented in a diverse range of country, sector, and institutional circumstances. It is difficult for operational policies, many of which were drafted several years ago, to accommodate all of these circumstances. Where a proposed activity is seen as necessary to achieve the development objectives of an operation supported by the Bank but cannot be accommodated within an operational policy, Management is prepared to consider granting a request for an appropriately scoped waiver of the policy. In doing so, Management considers both the benefits that would arise from the intervention as well as the risks that it poses, and seeks to put in place appropriate risk management measures. Waivers have been very few in number relative to the scale of all Bank operations, and this is expected to continue. While this suggests a high degree of policy compliance, to which the Bank is committed, Management is conscious that a reticence among staff to seeking waivers may sometimes lead to lost opportunities for development impact. Management is committed to exploring this matter further in the context of its evolving work on operational risk management in order to ensure that policy compliance does not have the unintended consequence of missed opportunities. Management is also committed to examining common patterns that may emerge from this experience across interventions with a common profile, and to reflecting lessons learned in its periodic reviews of operational policies.

10. **Reporting on Waivers Granted During Project Preparation.** During FY12, eight waiver requests were brought to the attention of the Managing Director during project preparation. Most of them (seven out of eight) occurred in AFR (Africa), and six of them occurred in investment lending operations, with the remaining two being for guarantees, as described below. All of these requests were endorsed by Management and subsequently approved by the Board at the time of project approval (with the exception of one operation, which is scheduled for approval in FY13). This number of waivers arising during preparation in FY12 was slightly higher than the annual average during the period covered by the 2011 review, both in absolute terms (eight against six waivers), and in relative terms (2.4% of all projects approved in FY12 included waivers, as compared to 1.2% in the preceding period). Nevertheless, the number was still very modest, and they responded to circumstances that Management found justifiable from the viewpoint of development impact, while still managing risks adequately.⁶ The categories are listed in Annex A, and in sum, they included:

- One request to waive requirement in paragraph 4 of OP 4.01, *Environmental Assessment (EA)*, which states that, for Category A projects and in order to carry out the EA, the borrower should retain independent EA experts not affiliated with the project, and avoid any conflict of interest.
- Two requests to waive provisions of OP/BP 13.20, *Additional Financing for Investment Lending*. One of them was to waive the policy requirement of satisfactory

⁶ Management is considering revisions to OP/BP 13.20, *Additional Financing*, in the context of the Investment Lending policy consolidation, and to OP/BP 14.25, *Guarantees*, that would address situations such as those that have called for waivers in FY12.

implementation track record of the parent project to enable processing of additional financing; the other was to waive the requirement that activities are expected to close within three years after the closing date of the original loan to allow processing of additional financing.

- One request to waive the Project Preparation Advance (PPA) ceiling under OP 8.10, *Project Preparation Facility*. The waiver was requested to receive a total PPA in excess of \$3 million, which is the maximum amount allowed under the policy for each loan in a regional operation. After the occurrence of this waiver, and in light of the policy revision introduced as part of the 2011 review, a clarification has been introduced in this policy to indicate that, for regional operations, the \$3 million ceiling applies to the PPA for *each* participating country and not to the regional operation as a whole.
- Two waiver requests on OP/BP 14.25, *Guarantees*. One waiver was to allow for a partial credit guarantee-like (PCG) component in the guarantee structure, in the form of the guarantee for the local loan purchase agreement for an IDA operation (OP/BP 14.25 does not allow for partial PCGs for IDA-only countries). The second request was to allow for an additional series of partial risk guarantee (PRG) as the OP 14.25 does not allow for an additional series of PRGs to an existing guarantee series.
- One waiver under the IBRD General Conditions for Loans, ARTICLE VI, *Financial and Economic Data*; Section 6.02, *Negative Pledge* and OP 7.20, *Security Arrangements*. The entity met the general criteria established by the Bank for granting waivers for autonomous business entities, including activities with no material financial or economic significance in relation to the ability of the country to service IBRD (International Bank for Reconstruction and Development) loans. This waiver was endorsed, and the operation is scheduled for Board presentation during the third quarter of FY13.
- One waiver was requested to enable the extension of the application of the World Bank and United Nations Fiduciary Principles Accord for Crisis and Emergency Situations (UNFPA) to enable the United Nations High Commissioner for Refugees (UNHCR) to serve as implementing agency for IDA-funded regional operations (to address the crisis in the Horn of Africa) under preparation.

11. ***Data Sheet Update.*** As in the past, operational policy waiver requests arising during investment lending project preparation and proposed for Executive Directors consideration as part of project approval have continued to be flagged in the Memorandum of the President (MOP) and discussed in the MOP and the PAD/PP (Project Appraisal Document/Project Paper/Project Document) Data Sheet. As part of the modernization efforts, work is also being undertaken to harmonize the language in the Data Sheets throughout all lending instruments to ensure that waivers are appropriately captured and that they are clearly distinguished from embedded exceptions.

12. ***Reporting on Waivers Granted during Project Implementation and for Trust-funded and other Operations not Approved by the Board.*** During FY12, the Managing Director approved nine operational policy waiver requests for projects under implementation. The

waivers occurred in all Regions except for Latin America and the Caribbean (LCR), with a slightly higher incidence in the East Asia and Pacific (EAP) and Europe Central Asia (ECA) Regions (three for each of these Regions, as opposed to only one waiver in each of the other three Regions). Eight out of the nine waivers approved related to the application of provisions under the Procurement and Consultant Guidelines, further discussed below. The remaining waiver was granted to allow for a retroactive extension of a project's closing date, in the absence of fulfillment of the requirements of OP/BP 13.30, *Closing Dates*. Management reported to the Executive Directors on an *ex-post*, monthly basis on the approval of each of these waivers, providing details on the Region, country, project number, rationale for the waiver, and date of approval. (References for the monthly reports to the Executive Directors, which were circulated in tandem with the monthly Steering Committee package, are listed in Annex B.)

13. **Procurement Waivers.** The number of procurement-related waivers granted in FY12 (eight) remained extremely low as compared to the approximately 10,000 prior-reviewed Bank-financed contracts in FY12. During the period covered by the 2011 review, the annual average was two. The procurement waiver requests were generally of a procedural nature and in each case the Bank upheld the fundamental principles of efficiency and transparency of its procurement policy and guidelines. Management gave careful consideration to the facts surrounding the bidding processes, as well as the urgency and the importance of the contract and the level of risk involved in going forward. Thorough consultation took place between OPCS, LEG, and the Regions. Based on this careful analysis, Management considered that none of these waiver requests rose to a level that merited *ex-ante* escalation to the Board for approval. No questions or comments were received from Executive Directors on these or other waivers after publication of the monthly reports. The eight procurement policy waivers are listed in the second half of Annex A. In sum, they included waivers to permit the following actions by the Borrowers:

- To reject the lowest responsive bidder based on the client's expressed concern about an overstatement of past performance of related activities. Although the overstatement was not material to the Bank's evaluation of this particular bid, Management granted the waiver in acknowledgment of the client's concern about the misrepresentation of information.
- To hire civil servants on leave of absence without pay from a government entity through a contract between this entity and a UN (United Nations) agency, by single source selection, in light of the candidates' unique experience and knowledge.
- To grant a contract to a Government-owned enterprise that did not meet eligibility criteria in the Procurement Guidelines, on the grounds that this was the only entity that could provide the relevant service.
- To accept the bid security of the only otherwise technically responsive bidder, even if the bid security issued by the commercial bank did not mention the name of all the joint-venture partners, but only the leading partner. The waiver was approved as a one-time exception and under the condition that the performance security would be issued in the name of all members of the joint venture when signing the contract.
- To request the lowest evaluated bidder to withdraw its only material deviation and thereby make its bid substantially responsive.

In the context of the ongoing review of the Bank’s procurement policy, Management is looking into these past waiver requests to determine whether any policy, procedure, or guideline updates or clarifications may assist clients and Bank teams in addressing these situations in a more effective, efficient, and context-appropriate way, while respecting the fundamental policy principles and managing risks adequately.

14. ***Business Standards for Operational Policy Waiver Approval.*** As part of the process of institutional modernization, Management is monitoring the time that it takes since the Managing Director’s office receives an operational policy waiver request from a Regional VP until it issues its response. The institutional business standard has been set at five days. Out of the 17 cases on record for FY12, twelve performed better than this standard. The five cases that took longer than five days were particularly complex cases that required additional consultation and discussion with the originating Region.

15. ***Management Decision on the Automated Waiver System.*** As promised to the Board, Management designed and tested a prototype automated waiver processing and recording system, linked to the Operations Portal. Management considered the benefits and costs of implementing the system, and it decided that it would not be rolled-out for the moment. In theory, the advantage of rolling the system out would be a more expeditious processing and automatic recording of waiver requests and responses. However, the pre-requisites and costs were deemed to be high, including adding one more level of complexity to the portal used by many task team leaders—at a time when IT teams are still addressing more fundamental needs and issues with the Portal—and requiring additional dissemination, training, hand-holding, and trouble-shooting. And, the operational team inputs would still require significant review and clarification by a central team, to ensure its clarity and completeness. The “manual” system that has been put in place for the preparation of the monthly reports to the Executive Directors and this FY12 briefing, relying on a tight team of staff from the offices of the MDs (Managing Director), LEGOP, CTRVP, and OPCS, operates smoothly and efficiently, and it is effective at capturing gaps and issues in the information received.

IV. LESSONS LEARNED AND NEXT STEPS

16. The observation of Management’s experience in implementing the recommendations of the 2011 review of operational policy waivers and the evidence on waivers over FY12 suggests a number of lessons and conclusions:

- The overall number of waivers requested and granted remains very low in the context of the scale of Bank activities.
- Management has in place a rigorous process for reviewing and deciding upon operational policy waivers, with direct Managing Director attention to every waiver request escalated by the Regional Vice Presidents, consistent with the framework approved by the Board in 2011.

- Attention to monitoring and recording waiver requests has been heightened. There is now a well-informed team of staff in senior management offices and in the Regions who manage solidly this process. Moreover, this is done meeting stringent business standards, in an efficient way. The “manual” waiver recording and reporting process in place is working adequately.
- Management is of the view that there are valuable lessons from its experience with policy waivers, in its approach to management of operational risks and reviews of operational policy, which it looks forward to discussing further with Executive Directors in due course.

17. *Next Steps.* Management will continue to proceed consistent with the framework on operational policy waivers approved by the Board in 2011. Management will continue to issue, in tandem with the Steering Committee documentation, the monthly report to the Executive Directors on waivers granted during project implementation and for trust-funded and other operations not approved by the Board and on exceptions for extensions of ICRs beyond six months of the original closing date.

Annex A. Summary of Operational Policy Waivers Granted in FY12

Policy Provision	No.	Description	Report Reference No. (where appropriate and available)
Total Number of Waivers Granted in FY12, of which:	17		
Waivers Identified During Preparation^{1/}	8		
OP 4.01, <i>Environmental Assessment</i>	1	Request to waive requirement in Paragraph 4 of OP 4.01 which states that for Category A projects, the borrower retain independent EA experts not affiliated with the project to carry out the EA. The footnote 7 further explains that the borrower ensures that when individuals or entities are engaged to carry out EA activities, any conflict of interest is avoided. A waiver was requested on the application of the requirements under footnote 7 of OP4.01.	Report No: 67296-AFR
OP/BP 13.20, <i>Additional Financing for Investment Lending</i>	2	The requests were related to the policy requirement of satisfactory implementation of the ongoing operation, paragraph (2a) of the OP 13.20 and close of AF loan within three years after the current closing date for the original loan in paragraph (2b), bullet (iii). One request was to waive the policy requirement of satisfactory implementation track record of the parent project to enable processing of AF. The other request was to allow extension of the closing date of the credit beyond three years from the original project closing date at the time of the first additional grant (AF1).	Report No: 67344-MG Report No: 69115-ZR
OP 8.10, <i>Project Preparation Facility</i>	1	The policy sets ceiling on Project Preparation Advances (PPA) which may be made for the operation at any stage before the Bank approves the loan. Waiver was requested to receive a total PPA in excess of US \$3 million, which is the maximum amount allowed under the policy for each loan in a regional operation. The Project Preparation Facility limits eligibility for PPAs to member countries.	Report No: 67296-AFR
IBRD General Conditions for Loans, ARTICLE VI Financial and Economic Data; Section 6.02, Negative Pledge and OP 7.20, <i>Security Arrangements</i> .	1	A waiver of IBRD's rights under the Negative Pledge Clause, as set forth in Section 6.02(b) of IBRD's General Conditions Applicable to Loan and Guarantee Agreements was granted. The waiver was provided in accordance with IBRD OP7.20 on Security. The entity met the general criteria established by the Bank for granting waivers for autonomous business entities, including activities with no material financial or economic significance in relation to the ability of the country to service IBRD loans.	<i>The operation is scheduled for Board presentation this fiscal year (FY13).</i>

1/ Policy waivers identified during project preparation are endorsed for presentation to the Board for approval, by the Managing Director (MD) -- at the request of the RVP -- after consultation with the General Counsel and OPCS VP. The waiver is then flagged in the MOP and discussed in the PAD/PD/PP.

Annex A. Summary of Operational Policy Waivers Granted in FY12

Policy Provision	No.	Description	Report Reference No. (where appropriate and available)
OP/BP 14.25, <i>Guarantees</i>	2	The guarantee policy does not allow for partial credit guarantee (PCG) for IDA-only countries. A waiver was brought up for MD's endorsement to allow for a PCG-like component in the guarantee structure, in the form of the guarantee for the local loan purchase agreement for an IDA operation. The other request was to allow for an additional series of partial risk guarantee (PRG) as the OP 14.25 does not allow for an additional series of PRGs to an existing guarantee operation.	Report No: 53953-CM. Report No: 67297-NG.
UN-Related Waiver	1	A waiver was requested for extension of applications of the World Bank and United Nations Fiduciary Principles Accord for Crisis and Emergency Situations (UNFPA) to enable UNHCR to serve as implementing agency for IDA-funded regional operations under preparation.	Report No: 63642-AFR.
Waivers Identified During Implementation^{3/}		9	
Procurement and Consultant Guidelines	8	Eight requests relating to Procurement and Consultant Guidelines including deviation in the lowest bid, sole sourcing UN agency; eligibility of requirements for consultants and SOEs, mandatory requirement to advertise SPN in UNDB to submit bid security, and rejection of the lowest responsive bid on the grounds of overstatement of past performance.	SecM2012-0371 IDA/SecM2012-0463 SecM2012-0290, IDA/SecM2012-0366 SecM2012-0045 SecM2011-0463,IDA/SecM2011-0626
OP/BP 13.30, <i>Closing Dates</i>	1	A waiver was requested to retroactively extend the closing date as the requirements of OP 13.30 were not met--that (i) project objectives continue to be achievable, (ii) performance of the borrower and implementing agencies is satisfactory, and (iii) there is an action plan to complete the project acceptable to the Bank.	SecM2012-0290, IDA/SecM2012-0366

^{2/} Policy waivers identified during implementation or for trust funded operations not approved by the Board are approved by the MD in consultation with the General Counsel and OPCS VP. The MD is authorized to approve, or may propose the waiver for Board approval on absence-of-objection basis in cases that represent operational risk/ and or policy issues that warrant consideration of Executive Directors (EDs). During FY12, EDs were informed monthly of the waivers that had been approved by the MD in the previous month; no waivers involved such a level of risk or policy issues that would merit ex-ante escalation of the Board.

Annex B. Document References for Monthly Reports to Executive Directors

Data on Waivers and ICR Exceptions for (Month, Year)	Document Reference	Date Issued
May and June, 2011	SecM2011-0431 IDA/SecM2011-0599	August 30, 2011
July and August, 2011	SecM2011-0463 IDA/SecM2011-0626	September 27, 2011
September 2011	SecM2011-0510	October 31, 2011
October 2011	SecM2011-0549 IDA/SecM2011-0735	November 29, 2011
November 2011	SecM2011-0598	December 30, 2011
December 2011	SecM2012-0045	January 31, 2012
January 2012	SecM2012-0116 IDA/SecM2012-0115	February 27, 2012
February 2012	SecM2012-0106 IDA/SecM2012-0170	March 27, 2012
March 2012	SecM2012-0214 IDA/SecM2012-0260	May 1, 2012
April 2012	SecM2012-0257 IDA/SecM2012-0324	June 1, 2012
May 2012	SecM2012-0290 IDA/SecM2012-0366	July 3, 2012
June 2012	SecM2012-0371 IDA/SecM2012-0463	September 4, 2012