

ANNEX 5: SOCIAL DEVELOPMENT

PARTNERSHIPS AND HARMONIZATION

Strong partnerships and coordination are necessary to promote good social development outcomes. The Bank needs to rely on a broad range of partners -- including regional and bilateral development agencies, the IMF, the UN, civil society, the private sector and academia -- to implement the Social Development strategic priorities effectively. The Bank's partnerships involve sharing resources, including knowledge, staff and funds. There are several innovative options to developing such partnerships, such as Sector Wide Approaches that seek to harmonize donors' support to a government's sector program.

The Bank has established partnerships with several multilateral development organizations. For example, it has long-standing cooperation with the Interamerican Development Bank on efforts to support indigenous people and to promote accountable institutions. It works with the Asian Development Bank to develop more effective ways to address safeguards and to build local social development capacity. Further, it collaborates with the African Development Bank on community driven development and the local governance agenda. The European Investment Bank has recently launched a social development unit and the World Bank will look to collaborate with its staff. Concerning other international financial institutions, the World Bank is looking to follow the example of harmonizing its work on environmental assessment so that it applies more broadly to social safeguards. Finally, it currently works with the United Nations to address conflict-affected areas. While each of these efforts to work with multilateral partners has been productive, as part of its implementation of these strategic priorities, the World Bank will look to broaden and deepen these operational partnerships.

Many bilateral partners undertake work that complements that of the Bank, such as in the area of PSIA. The Bank already works with the German Technical Cooperation Agency (GTZ), and the Department for International Development of the UK (DFID) on PSIA to ensure consistent approaches that build on each organization's comparative advantage and a donor alliance for PSIA has been established.

The Bank also works very closely with the Governments of Finland and Norway, through the Trust Fund for Environmentally and Socially Sustainable Development. This partnership develops donor and client country capacity for social development, promotes inclusion of these cross-cutting issues into World Bank supported operations, and harmonize cooperation between different units in the World Bank and with the UN. Similar support for capacity building was provided 2003 by the Bank Netherlands Partnership Program.

The Japan Social Development Fund is potentially an important tool to provide direct support to the goals of inclusion, cohesion and accountability, both in terms of investments and capacity building. Examples include the Fund's support to social accountability in the Philippines and Peru.

To support implementation of better and more sustainable CDD efforts, the Bank is engaged in a partnership with several private foundations to explore how the Bank can support community-

foundations. This is a very operational partnership with financial and knowledge contributions from both sides. Though this partnership is still in its early phase, it has the potential to be an important element in supporting implementation. Collaboration is ongoing with the multi-lateral development Banks to harmonize procedures. The good progress on environmental dimensions also holds promise for future work on social development.

Several important global programs partially funded by the Development Grant Facility are strengthening the implementation of social development in the Bank. The Post-Conflict Fund makes grants to a wide range of partners (civil society organizations, UN agencies, transitional authorities and governments) to provide early and broad World Bank assistance to conflict-affected countries. Grants are focused on the restoration of the lives and livelihood of war-affected population, with a premium placed on innovative approaches to conflict, partnerships with donors and executing agencies, and leveraging resources through a variety of funding arrangements. The Fund was recently externally evaluated and found to be a very effective and efficient instrument. The evaluation recommended a significant increase in the size of the Fund (currently about US\$8 million per year). The Fund also administers the implementation of the trust fund for Bank support to low-income countries under stress, most of which are conflict-affected. The Small Grants Program provides block grants to country offices to be allocated to activities in support of civic engagement. While small in scale (about US\$2 million per year and between US\$20,000 and US\$35,000 per country office), a recent evaluation noted the important impact of the program in terms of leveraging other funding and improving the Bank's ability to engage with local civil society. Recently the Bank has also established the Global Fund for Indigenous Peoples, which provides direct grants to indigenous peoples and support to the UN permanent forum of indigenous peoples. A board of indigenous leaders governs the Fund. As part of the implementation of these strategic priorities, the Bank will strengthen its efforts to increase funding for these three programs.