

Trust Fund for Environmentally and Socially Sustainable Development (TFESSD)

Minutes of the Semi-Annual Consultations, December 7, 2005

Introduction

1. A meeting was held on December 7, 2005 between the Bank TFESSD management and delegations from the Norwegian and Finnish Ministries of Foreign Affairs and the Norwegian and Finnish Reference Group for the Trust Fund for Environmentally and Socially Sustainable Development (TFESSD), following on the learning event and updates on the TFESSD work. The agenda and list of participants are attached.
2. Steen Jorgensen, who chaired the meeting on behalf of World Bank TFESSD management, welcomed the delegation, and expressed strong appreciation for the continued support and engagement of the donors and the reference group in the TFESSD partnership.
3. The Reference Group noted that the presentations organized on December 5 and 6 were very useful and interesting, including several good suggestions for how the TFESSD can be improved. **They requested that the presentations be sent to them electronically.**

Semi-Annual Progress Report

4. **TFESSD Website.** Ann Hjetland informed the donors that the TFESSD website has been updated since the last meeting, and the reference group commended the new look and the information on the fund. The donors and reference group were very satisfied with the work that had been done so far. They noted, however, that they would like more information and/or direct links to individual activities. Although some links provided access to national and regional level discussion fora, individual TFESSD-funded activities were not always easy to identify. They also found that some of the links did not work properly and suggested that they be checked. The Bank stated that this was an ongoing process, and will continue to be worked on. The website was considered to be an important source of information for the upcoming evaluation.
5. **Report Format.** The donors expressed their continued satisfaction with the format and comprehensiveness of the report, and commended the Bank on the improvement that was evident each year. They particularly liked the addition of website addresses in the summaries. The summaries, especially of the completion report, should also include information on dissemination of the results. **A request was made to add the name of the task team leader to the summaries of the project activities, which the Bank agreed to do.**

6. **Report Content.** The Reference Group had minor comments and requests for clarification on how the activities were allocated among the windows, as well as questions on the individual windows. They commended the rise in the percentage going to the Africa region this year, and recommended that the Bank continue to find ways to improve this (see also comments under FY07 Call for Proposals). **For the next report the donors requested an overview of the relative importance, in financial terms, of the TFESSD for each of the four sectors. The donors also asked for classification of the funded activities according to type of work (DPL, AAA etc.) and not only according to topics. The Bank agreed to look into how this information could be extracted from the Bank's internal reporting system, warning that some of this data may not be able.**

7. *Social Window:* The Bank requested the donors' no objection (para. 14 of the Social Window report) to allow the SD Board to review a request for additional funding for the Africa coterminous position (in keeping with the agreement that ex ante donor approval is required for matters regarding coterminous positions). **It was agreed that the donors will review the request and get back to the Bank.**

8. *Environment Window.* The donors were interested in activities and information linking poverty and the use of chemicals, which is a growing challenge both in terms of health/disability and global spreading of persistent environmental pollutants. Donors also welcomed focus on methodology for community-based natural resource management. The Environment Window Manager agreed to provide more information on these topics based on existing Bank work, as required.

9. *Poverty Window:* The Poverty Window had noted in its report the need for restructuring a component of the Malawi Food Vulnerability Project (para. 22 of the Poverty Window Report). It was agreed that while the donors need to be informed of the change, it is not necessary to seek ex ante agreement to the proposal.

10. *Social Protection Window:* The donors commented on the size of the grants under this window, which were generally smaller than in other windows. It was noted that since this is a new window, an effort was made to be equitable and fund as many proposals as possible, within the agreed criteria.

11. *Partnerships:* The Bank noted there were administrative difficulties in partnering with other organizations and institutions, as the Bank's rules and regulations made it difficult for funds to be transferred, since the TFESSD requires that funds be Bank executed. **It was agreed that the Bank would look further into the partnership and grant issues and send the donors a proposal on how to deal with them.**

12. Based on the experience from last year's Call for Proposals, the Bank strongly recommended that the donors not move up proposals that received low ratings by the technical review team.

TFESSD Evaluation

13. Olav Seim confirmed that Norway will take the lead in organizing the TFESSD evaluation, which will be conducted in 2006, and that they will draft the initial terms of reference for discussion and input by Finland, the Reference Group and the Bank. The intention was to have a draft version of the evaluation report for discussion at the December meeting next year. **It was agreed that the Bank secretariat will schedule a teleconference in January 2006 between the donors, the Reference Group and the Bank to discuss the draft TOR.**

The Way Forward for TFESSD

14. A request was made to the donors on behalf of the Social Protection Board for signals on what their longer-term priorities might be (to the extent that they could indicate this now) and how they see social protection fitting into the Trust Fund, given the discussions between social protection and the donors prior to social protection's inclusion in the trust fund. The donors confirmed that the TFESSD is a trust fund which focuses on sustainable development, structured to include four different areas intended to work cross-sectorally (environment, social development, poverty and social protection). The Social Protection Board would like to get the donors' longer-term view on what this implies.

FY07 Call for Proposals

15. The draft text of the call for proposals, which was reviewed earlier by the donors, was discussed and minor adjustments agreed on (see final CfP in Annex 2). As requested by the donors at the June meeting, the FY07 funding will be used to strengthen the focus on sustainable development, and especially environment, issues. It was agreed that the funding will be allocated as follows:

- 20% earmarked towards
 - activities to enhance the Bank's work in support of valuing ecosystem services (to be administered by ENV)
 - scaling up support to cross-sectoral, innovative work on local level rural institutions (to be administered by SDV)
- 20% earmarked for use in Zambia (to replace Ethiopia, as originally decided by the donors) and Senegal (suggested by the Bank)
- \$200,000 earmarked for disability issues

16. The balance will go towards the open call for proposals (to be done in two stages, as agreed with the donors). The first stage will be a call for one-page concept notes, which will be assessed by the Bank and the Reference Group (see annex 3 for procedures). Finalists will be asked to submit a full proposal to be assessed by the Bank's technical reviewers. The priority themes are:

- Natural disasters

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

17. In an effort to increase the percentage allocated for Africa, the Bank agreed to a more explicit focus on Africa in the earmarked funds administered by SDV and ENV. The anchors and sector boards will actively assist the Zambia and Senegal country teams in the work plan for earmarked funding. Based on a discussion of the Africa Action Plan it was agreed to have a reference to the plan in the Call for Proposals: “Half of the funding goes to activities in Sub-Saharan Africa in the context of the Africa Action Plan.”

Schedule for Financial Contributions from Norway and Finland

18. The Bank informed the donors that cash constraints were usually experienced in the fall due to the need to fund newly approved proposals as well as ongoing activities. Asko Luukkainen indicated that Finland’s contribution could be transferred annually in August or September. Olav Seim confirmed that Norway was in the process of transferring NOK 38 million, with the balance of NOK 32 million to be transferred in January 2006.

Timing of June 2006 Meetings

19. It was agreed that the next meeting, tentatively planned for June 7-9, 2006, will take place in Finland. **The donors were requested to let the Bank know what areas they would like the June report to focus on, and it was agreed that this report should serve to provide input for the TFESSD evaluation.**

The following topics were mentioned as relevant to the meeting:

- Stability in the priority themes
- Interaction between the Bank, Reference Group and Donors

20. **It was also agreed that the RG and the Bank would develop joint suggestions to be discussed at the June meeting on how to reduce the transaction costs of the TF.** The costs would be compared with those of other trust funds. The leading question was: “How can we meet our objectives at the lowest possible cost?”

TFESSD Consultations – December 7, 2005
Washington, D.C.
List of Participants

Norway, Royal Ministry of Foreign Affairs / The Norwegian Agency for Development Cooperation

1. Mr. Nils Haugstveit, Director General, Department for International Development Policy, Ministry of Foreign Affairs
2. Mr. Olav Seim, Senior Advisor, Section for Multilateral Bank and Finance Institutions, Ministry of Foreign Affairs
3. Ms. Marianne Haaland, Adviser, Ministry of Foreign Affairs

Finland, Ministry for Foreign Affairs

1. Mr. Asko Luukkainen, Counsellor, Unit for Development Financing Institutions, Department for Global Affairs, Ministry for Foreign Affairs

Reference Group

1. Mr. Desmond McNeill (Head of Reference Group), Professor, Centre for Development and the Environment (SUM), University of Oslo
2. Ms. Berit Aasen, Researcher, Norwegian Institute for Urban and Regional Research
3. Mr. Arve Ofstad, Head, Poverty Reduction Strategies Unit, Norwegian Agency for Development Cooperation (Norad)
4. Ms. Hildegunn Tobiassen, Adviser, Department of Human Development and Service Delivery, Norad
5. Ms. Guri Sandborg, Adviser, Department of International Affairs, Ministry of the Environment, Norway
6. Mr. Timo Voipio, Adviser, Social Development/Social Protection, Department for International Development Cooperation, Ministry for Foreign Affairs, Finland
7. Mr. Matti Nummelin, Environment Adviser, Department for International Development Cooperation, Ministry for Foreign Affairs, Finland
8. Ms. Jemima Garcia-Godos, RG Secretariat, (SUM), University of Oslo

World Bank

1. Mr. Steen Jorgensen, Director, Social Development Department
2. Mr. James Warren Evans, Director, Environment Department
3. Mr. Robert Holzmann, Director, Social Protection Department
4. Mr. Sandor Sipos, Sector Manager, Social Protection Group
5. Ms. Laura Tlaiye, Sector Manager, Environment Department

6. Mr. Ian Bannon, Acting Manager, Social Development Department and Manager Conflict Prevention & Reconstruction, Social Development Department
7. Ms. Ann Hjetland, TFESSD Coordinator, Social Development Department
8. Ms. Valerie Kozel, Social Protection Window Manager, Social Protection Group
9. Ms. Vera Wilhelm, Poverty Window Manager, Poverty Reduction Group
10. Ms. Haddy Sey, Social Development Window Manager, Social Development Department
11. Ms. Christine Stover, Chief Administrative Officer Officer, ESDVP
12. Ms. Judith Heumann, Adviser, Disability and Development
13. Ms. Myrtle Diachok, Operations Analyst, Social Development Department
14. Ms. Nenuca Robles, Operations Analyst, Environment Department
15. Ms. Gertrude Ssali, Sr. Program Assistant, Social Protection Group
16. Ms. Aliya Husain, Research Analyst, Poverty Reduction Group
17. Ms. Joyce Chinsen, TFESSD Secretariat, Social Development Department
18. Ms. Anuradha Mahajan, Resource Management Analyst, ESDRM

**Agenda for TFESSD Meeting, December 5-7, 2005
MC 10-W150**

(Learning event: Dec 5-6, Consultation Meeting: Dec 7)

December 5, Policy Day, 9:00-16:30

9:00 Breakfast

9:15 Welcome – overview of TFESSD and agenda (Steen Lau Jorgensen)

9:30 Social Protection
Social Protection Strategy – update and emerging issues (Robert Holzmann)

10:10 Environmental Sustainability

- Challenges and priorities, relation to country work and operations (Warren Evans)
- Sustainable consumption/production, (Desmond McNeill/Timo Voipio)
- Valuation of ecosystem services (Gunars Platais)
- Climate change projects, with special focus on policy, cross-sectoral work and local level response (Laura Tlaiye and Frank Sperling)
- Poverty-Environment nexus: work by East Asia Region (Jostein Nygard)

12:45 New Frontiers of Social Policy: the Arusha Conference (Anis Dani)

13:00 Lunch (MC-C1 Dining Room C)
Lunch speech: “Development and the Next Generation”— update on FY07 WDR (Emmanuel Jimenez)

14:30 Joint PREM-HDN Work Program on Labor Markets (Pirella Paci)

15:00 Topics in Social Sustainability

- PSIA, with emphasis on partner country ownership and local capacity building (Andy Norton and Aline Coudouel)
- Country Social Analysis and Poverty Assessments (Estanislao Gacitua-Mario)

19:00 Dinner – La Taberna, 1776 I St. NW (Entrance on 18th St. between H and I)
Host: Steen Lau Jorgensen

December 6, TFESSD Contribution Day, 8:30-16:00

8:00 Breakfast

8:30 Results from Disability Activities funded by TFESSD (Judith Heumann)

TFESSD work in Africa

9:30 The contribution of TFESSD activities in Africa so far and how they could be improved (Panel with Trina Haque, Karen Brooks, and Quentin Wodon)

10:45 How do TFESSD Activities fit in to country work?

- Experiences from Malawi and Zambia (Hart Schafer and Rick Scobey (via voice link))
- TFESSD project: Nature Tourism in Zambia (Jean-Christophe Carret)
- TFESSD experiences in Africa (Jacomina de Regt)

12:00 Lunch (Lunch Boxes)

12:30 Optional Brown Bag Lunch: The Use and Abuse of Ideas in Development Policy (Desmond McNeill)

14:00 Themes for FY07 call

- The Africa Action Plan (John McIntire)
- Discussion of themes for ear-marked projects for next 2 years
- Discussion and confirmation of FY07 themes, criteria for selection, timeline and procedures

15:00 The way forward for TFESSD

- TFESSD and the new priorities at the World Bank (Introduction by Robert Holzmann)
- Donors, RG and WB: What are our roles? How do we work?
- Simplifying the procedure

December 7, TFESSD Semi-Annual Consultation Meeting, 8:30-13:00

8:00 Breakfast

8:30 Welcome remarks and Overview of the agenda (Steen Lau Jorgensen)

9:00 Discussion of Semi-Annual report

- Overall issues (reporting format, financial situation, procedures, web page...)
- Progress under the four windows

11:00 Discussion of TFESSD Evaluation (Olav Seim/Asko Luukkainen)

- TOR
- Time line

12:30 Concluding remarks

- Schedule for receipt of funds
- Timing of June 2005 meeting and possible themes

FY07 Call for Proposals

Trust Fund for Environmentally and Socially Sustainable Development (TFESSD) FY07 Call for Proposal (First Stage)

I Background

The Norwegian-Finnish Trust Fund for Environmentally and Socially Sustainable Development (TFESSD) will allocate approximately US\$3 – 3.5 million in FY07 for a number of strategic proposals aimed at innovative work on the environmental, social and poverty-reducing dimensions of sustainable development. The intention is to encourage inter-linkages between these dimensions while supporting the implementation of the corporate strategies. Half of the funding goes to activities in Sub-Saharan Africa in the context of the Africa Action Plan.

Zambia and Senegal will get additional and separate funding for country-based, strategic and integrated packages of proposals that respond to the priority themes listed below. TMs, who plan to submit proposals for these countries, should coordinate their projects with the respective country teams. Proposals for other African countries follow the normal procedures.

II Concept Note

The TFESSD FY07 application process will consist of two stages. **This Call is the first step and seeks the submission of a short concept note. The concept notes will be assessed according to the Priority themes for FY07 TFESSD and the Selection criteria for Concept Notes as outlined below.** Please see attached template for Concept Note.

In order to be considered:

- the concept note should be submitted by January 23, 2006
- the concept note should be cleared by the relevant sector manager **before** submission
- all the eligibility criteria listed below have to be met

The selection process for this first stage will take place in February. The finalists will be invited to submit a full proposal by April 6, 2006. You are encouraged to consult with your sector board member before submitting the proposal and copy him/her when submitting it.

Priority themes for FY07 TFESSD proposals

The open-call themes aim to operationalize the key recommendations of the recent World Development Reports such as Equity and Development (WDR 2006), Making Services Work for Poor People (WDR 2004) and Sustainable Development in a Dynamic World (WDR 2003).

This call for concept notes invites proposals on analytical work and action research to **strengthen the enabling policy and institutional environment for pro-poor responses** as well as **assessment of the experience with local level responses** across four priority themes:

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

TFESSD funds will not be utilized to finance current Bank operations; nonetheless the proposals will need to demonstrate operational relevance.

Selection Criteria for Concept Note

Priority will be given to proposals that have the potential to achieve significant development impact. The Sector Directors for SDV, ENV, POV and SP and their respective Sector Boards will assess and rate all the concept notes according to the following strategic priorities of the TFESSD:

- **innovative and catalytic**, setting the stage for future operations, clearly indicating the linkages of the proposed project with, and value added over, ongoing or planned regular Bank analytical, program or project activities
- in line with **sectoral and country strategies**, indicating how the proposed activities support in the design, implementation and monitoring of national poverty reduction strategies in the countries concerned
- **multi-sectoral**, interlinking themes relevant to social development, environment, poverty and/or social protection and including more than one network in the proposed activity

The three criteria will have equal weight, and each criterion will be given points from 0 to 3. Activities in Sub-Saharan countries will be given extra points.

The recommended concept notes will be listed according to the average rating of the four Sector Directors/Sector Boards. The recommended list and all concept notes will be sent to the Donors. The Donors' list of approved concept notes will be sent to the TTLs who will be asked to submit a full proposal.

Eligibility criteria for TFESSD proposals

- *Eligible Task Managers*: The Trust Fund is Bank executed and proposals can only be submitted by, and task managed by, Bank staff who are accredited to manage trust funds. The TTL is accountable for ensuring that the Bank's fiduciary responsibilities are met. Specifically, s/he ensures that TF proposals are consistent with donor agreements and program guidelines and that progress reporting (twice a year) and monitoring of the achievement of the TF outcomes and objectives are carried out.

- *Eligible expenditures:* Project preparation work will not be funded, nor components which could be funded as part of ongoing operations. Funds cannot be used for staff salaries, staff travel or grants. Eligible expenditures are consultant fees/travel, workshops, training, publications etc. Bank procurement regulations apply in all cases.
- *Eligible countries:* The TFESSD is limited to financing activities in countries included in the bottom three categories in the OECD/DAC ODA list.¹ Fifty percent of TFESSD funds shall, according to the legal agreement, go to work in/on Sub-Saharan Africa. Elsewhere, preference will be given to IDA countries.
- *Bank Commitment:* At the time of the final proposal, TTLs must indicate adequate BB commitment to execute activities (i.e. cover staff expenses) and include the activity in the Work Program Agreement (WPA).

III Full proposals

The details for full proposal submission will be provided to the finalists after the first stage. These proposals will be assessed by a group of Technical Reviewers. Here is information on the selection criteria for the technical review and the guidelines for how to submit a full proposal – *these pertain to the full proposal, not the concept note.*

Selection Criteria for Full Proposal

The full proposals will be rated against the following criteria:

- Realism and doability, clear outcome and sustainability indicators
- Technical sound, cost effective and replicability
- Collaboration with and capacity building within institutions in developing countries
- Knowledge sharing and dissemination of the results

General guidelines

- *Funds release:* Work can span up to three fiscal years (FY07-09). While an overall amount is tentatively allocated when the project is approved, funds are released in installments as needed. Funding beyond the first year will be released based on good performance as reported in progress reports.
- Proposals should indicate *milestones and monitorable indicators*, especially if they are multi-year, since progress will be reviewed annually based on progress reports. They should include a *clear budget, with planned expenditures by type of expenditure, FY, and source of funds (BB, TFESSD, other sources)*. There is no minimum or maximum limit per proposal, but we require you to use the same standards for budgets that you would use for regular ESW and other analytical work.
- Proposals for country-level work need to be *approved by the Country Director* or whomever the CD has designated to give such approvals (an email is fine, and should be attached when the proposal is submitted). Innovative upstream work such as

¹ See <http://www.oecd.org/dataoecd/35/9/2488552.pdf>.

forward looking operational research within the priority areas of the call may, in some cases, be considered for funding, without explicit country demand.

- The funds from TFESSD are untied. National partners (experts and institutions), as well as potential partnerships with UN agencies, and Norwegian/Finnish researchers/institutions are encouraged and should be indicated in the application.

Deadline: Proposals should be sent to Joyce Chinsen, with copy to Ann Hjetland, by January 23, 2006. Incomplete or late proposals will not be considered.

Timetable

Call for Concept Notes: December 13, 2005

Deadline to submit Concept Notes: January 23, 2006

Results of first stage sent to TTLs, Call for Full Proposals: March 6, 2006

Deadline to submit Full Proposal: April 6, 2006

Submission of final selection to the Donors: April 27, 2006

Final decisions by Donors: May/June

Activation of TFs: July

For further information

- Check the TFESSD website at www.worldbank.org/tfessd

FY07 TFESSD Funding Proposal
Concept Note (One page Maximum)

Project:

Task Manager:

Estimated Total Budget:

TFESSD Grant, Total/FY07:

BB Commitment FY07:

Cleared by Sector Manager/Unit:

Date:

List of Beneficiary countries (incl. % of grant going to activities in Sub-Saharan Africa):

List of Different Units/Networks involved:

(1) Brief description of the activities to be carried out, including Capacity building and Dissemination strategy

(2) Fit with Sector and Country Strategy, Grant Development Objective(s), Key Performance Indicators (up to 3 Quantifiable Indicators)

(3) Expected Outputs/Results

PROCEDURE FOR ASSESSING TFESSD CONCEPT NOTES

1. The four Sector Directors and their respective Sector Boards will assess and rate all the concept notes according to the following strategic priorities of the TFESSD:
 - **innovative and catalytic**, setting the stage for future operations, clearly indicating the linkages of the proposed project with, and value added over, ongoing or planned regular Bank analytical, program or project activities
 - in line with **sectoral and country strategies**, indicating how the proposed activities support in the design, implementation and monitoring of national poverty reduction strategies in the countries concerned
 - **multi-sectoral**, interlinking themes relevant to social development, environment, poverty and/or social protection and including more than one network in the proposed activity

The three criteria will have equal weight, and each criterion will be given points from 0 to 3. Activities in Sub-Saharan countries will be given extra points.

The recommended concept notes will be listed according to the average rating of the four Sector Directors/Sector Boards. The recommended list and all concept notes will be sent to the Donors and should not include activities that represent more than 1.5 – 2 times of the available TFESSD funding.

2. The Donors' list of approved concept notes will be sent to the TTLs who will be asked to submit a full proposal.
3. The full proposals will be assessed by a team of technical reviewers (one reviewer appointed from each of the four sectors) according to the following criteria (to be elaborated more):
 - Realism and doability, clear outcome and sustainability indicators
 - Technical sound, cost effective and replicability
 - Collaboration with and capacity building within institutions in developing countries
 - Knowledge sharing and dissemination of the results

The technical reviewers will have a joint meeting to agree on the final list of approved proposals within the overall available TFESSD funding.