

WHAT IS THE STATE- AND PEACE-BUILDING FUND (SPF)?

The SPF is the World Bank's global, multi-donor trust fund to support projects that contribute to prevention and recovery from conflict and fragility. Created in 2008, the SPF is today advancing the World Bank's strategic approach to conflict, fragility and violence, and has become an important entry point for early and catalytic financing for peace-building and state-building. The Fund has two principal objectives:

- To support measures to improve governance and institutional performance in countries emerging from, or at risk of sliding into, crisis and arrears, and
- To support the reconstruction and development of countries prone to, in, or emerging from conflict.

As of March 2014, the SPF has received a total of USD219.4 million, including the World Bank contributions (USD166.7 million), donor contributions (USD49.3 million) and investment income (USD3.4 million). Contributors to the SPF include the World Bank and bilateral donors including Australia, Denmark, Germany, the Netherlands, Norway, Sweden and the United Kingdom. The Fund promotes and contributes to harmonized multi-donor approaches whenever possible. It also seeks to capture and disseminate the lessons of its activities to promote a better understanding of conflict-related issues, and develop effective strategic and operational approaches to engagement in fragile and conflict-affected environments.

Today the SPF occupies a unique position within the World Bank. Several defining features embedded in the SPF mandate have contributed to this distinction. These include providing support to countries with limited or no access to other sources of World Bank financing (for example countries in arrears and non-Members), its emphasis on piloting innovative projects, knowledge and learning, flexibility in implementing partners, and its ability to mobilize resources quickly. The SPF supports frontier initiatives that create a foothold for wider development efforts by the Bank and other development partners. Somalia is a case in point, where SPF grants serve as an entry point for IDA engagement. In addition, the SPF also supports results in IBRD countries that would not borrow for state- and peace-building and crisis-response activities—for example projects in Jordan and Lebanon to respond to the Syrian refugee crisis.

Timeliness is another key feature of SPF grant making, and can provide a solid foundation for achieving longer-term results. Transition processes seldom conform to the normal timetables for development assistance, and because windows of opportunity are often quite narrow, the SPF can play a key intermediate role. Strategically the SPF can also mobilize significant action outside the World Bank, including at the global development level, through quick catalytic support in the aftermath of natural disasters or humanitarian emergencies and through robust partnerships with governments, NGOs, the UN agencies and other international organizations.



HOW GRANTMAKING WORKS

ELIGIBILITY

SPF financing is available to all World Bank member countries - IBRD and IDA-eligible countries as well as countries in arrears. Grants can also be provided to non-member countries on a case-by-case basis. To ensure selectivity, however, priority is given to countries with one or more of the following characteristics:

- Arrears to IBRD and/or IDA;
- Fragile situations, defined by a CPIA rating of 3.2 and lower (reflecting poor governance) or the presence of a UN/ regional peacekeeping or political mission;
- Ongoing conflict and/or violence;
- Violent conflict within the past 10 years;
- Transition process where IDA funds are insufficient and needs are high; and/or
- Deteriorating situations, including increasing violence and risk of falling into conflict.

Grants are provided to government counterparts, national and international non-governmental organizations, United Nations agencies and think tanks/ research organizations. In exceptional circumstances, the Bank will consider implementing projects on behalf of recipients at their request, e.g. where there is a significant lack of capacity or necessary technical expertise or in the absence of a functioning government.

SPF GOVERNANCE AND MANAGEMENT

The SPF Committee serves as the Fund's governing body, and is responsible for all final grant approvals. It is composed of senior representatives from across the Bank and meets regularly to review projects and provide strategic guidance. The Committee chair is also the director of the World Bank's Center on Conflict, Security, and Development (CCSD) and appointed by the Operations Policy and Country Services (OPCS) Vice Presidency as required by the Bank Board paper establishing the SPF.

With staff based in Washington D.C. and Nairobi, the SPF Secretariat operates from within CCSD and manages day-to-day operations. These include support to task teams that are preparing projects, processing grants, monitoring and evaluating the grant portfolio, and promoting knowledge exchange and learning. It also benefits from the larger pool of CCSD staff, which provides technical and operational support to SPF projects.

APPLICATION PROCESS AND GRANT SELECTION

Expressions of interest, proposals and requests for funding are received from Bank teams working across all regions and sectors. Applications are received by the Secretariat on a rolling basis, and are based on the emerging needs of different countries and regions. Most applications are peer reviewed by country experts and technical specialists prior to their submission, and the Secretariat works closely with all teams submitting requests throughout the application cycle. SPF grants are subject to the same due diligence procedures as all other Bank trust funds.

The SPF accepts two types of proposals:

- **Strategic initiatives**—packages of assistance in support of a transformative country, regional or thematic strategy that tackles state- and/or peace-building challenges. SPF Strategic Initiatives were introduced in FY12 in response to the 2011 World Development Report: Conflict, Security and Development and to improve the catalytic impact of SPF financing; and
- **Stand-alone projects**—the SPF continues to accept stand-alone project applications that fulfill at least one of the following criteria:
 - **Urgent need:** the project responds to a need linked to active conflict, violence, disaster, or other urgent condition;
 - **Rare opportunity:** the project responds to a rare window of opportunity created by a significant transformative moment, commitments by partners, governments, or other counterparts, and/or other extraordinary developments in the country/ region;
 - **Highly innovative/ experimental:** the project represents a highly innovative or experimental approach that would create unique technical or operational knowledge for working in FCS.



SUMMARY OF SPF MID-TERM REVIEW

MID-TERM REVIEW OF THE SPF

In 2012, the SPF carried out an extensive Mid-Term Review (MTR). Its objective was to assess the degree to which the SPF had achieved its original objectives and is 'fit for purpose' moving forward, given the new ways of working in FCS, and based on 2011 World Development Report: Conflict, Security and Development. The MTR found that to date, the overall performance of the SPF portfolio has been moderately satisfactory based on a review against a series of both traditional Bank and FCS-focused indicators. With a robust evidence base, the MTR's conclusions and recommendations outlined the vision and reforms needed to ensure that the SPF can improve the impact of its financing through:

- Stronger project alignment with the goals of the SPF;
- Shifting the SPF business model to increased support for strategy initiatives to increase the impact of the Fund;
- Piloting how the Bank can operate differently in FCS;
- Strengthening Fund level partnerships and governance; and
- Improving the Fund's strategic value by increased investment in research and learning products to inform future and larger Bank investments and operations in FCS.

I. PERFORMANCE AGAINST STANDARD BANK INDICATORS

Out of the 34 SPF projects either complete or well into implementation, the MTR found that 85 percent (29 projects) were on track to meet their project development objectives (PDOs). 23 projects were deemed to be satisfactory while six were assessed as moderately satisfactory. The portfolio's disbursement rate¹ has reached 55 percent, compared to 5 percent in FY09, 11 percent in FY10 and 31 percent in FY11. And with regards to timeliness, the MTR found that the SPF's own project processing is relatively efficient, but that factors related to broader Bank trust fund processing procedures had caused bottlenecks and delays, sometimes hindering task teams ability to respond rapidly to urgent situations. External factors, including weak capacity of implementing partners, and volatile political and security conditions also played a role.

II. PERFORMANCE AGAINST FCS INDICATORS

The MTR found that the SPF, owing to its broad project eligibility criteria, is well suited to support projects in a range of FCS set-

tings. While the majority of SPF projects operate in fragile countries, the SPF also supports projects in MICs experiencing sub-national conflict, states at risk of sliding into conflict, and countries in arrears. Recently approved SPF strategy initiatives are also increasing the Fund's attention to criminal violence as well as regional and transnational drivers of conflict.

In addition, the MTR assessed how the SPF portfolio contributes to higher-level state- and peace-building objectives. A mapping of the Fund's portfolio to the SPF's Fund-level results framework found that 53 percent of projects focus on reconstruction and development objectives (peace-building), while 47 percent emphasize governance and capacity building (state-building). Grants supported by the SPF addressed issues such as improved governance, institutional performance, reconstruction, and development, and minimizing the recurrence of violence by promoting stability and maintaining human and institutional capacity.

As a recipient-executed financing instrument the SPF is utilizing a diverse set of partnership agreements and flexible implementation

SPF VISION FOR ENGAGEMENT FOR 2014:

Support the operationalization of WDR 2011 by financing strategic and catalytic interventions and leveraging internal and external partnerships to inform and improve development effectiveness in FCS.

FIVE PRIORITY SPF REFORMS

1. ensure the SPF prioritizes support of transformative approaches in FCS that impact the broader Bank portfolio and are directly tied to state- and peace-building results;
2. utilize the Fund to pilot 'how' the Bank can operate differently in FCS setting, with greater flexibility for risk-taking and rapid response;
3. bolster the SPF's knowledge and learning agenda to capture lessons from new approaches and piloting and ensuring that these are applied more broadly to Bank operations in FCS;
4. leverage partnerships with other FCS-focused Funds to deliver improved results in FCS; and
5. transform the governance of the SPF to support a more strategic and catalytic role for the Fund.

¹ Measured by total cumulative disbursements divided by the total cumulative legal commitments

SUMMARY OF SPF MID-TERM REVIEW

arrangements for FCS settings. The MTR noted that the largest recipients of SPF funds are national governments (42 percent) and non-governmental organizations (36 percent). In addition, the SPF finances projects in cooperation with the United Nations, international NGOs, and through existing multi-donor trust funds.

Another finding of the MTR was that the SPF is often successful in supporting improved governance approaches and more conflict-sensitive support from development partners. However, while individual projects are generally making progress against their own PDOs, in many cases, SPF project-level PDOs were not always selected with higher level state- and peace-building objectives embedded into project designs, or with an aim of influencing broader Bank strategies and country portfolios.

III. NEXT STEPS

Going forward, SPF activities will continue to focus on implementing the MTR's recommendations, and improving the Fund's role in operationalizing the 2011 World Development Report. This includes a focus on financing strategic engagements in countries with limited or no access to other sources of Bank financing. In addition the SPF Secretariat will keep expanding its portfolio monitoring and enhanced implementation support. A monitoring system or 'dashboard' for the SPF portfolio is currently being developed alongside the revised SPF results framework to track portfolio performance and draw lessons from SPF interventions. The SPF Secretariat is also focusing urgent attention and providing assistance on projects that are under-performing, under-reporting, have stalled implementation or restructuring needs identified in the MTR.

OVERVIEW OF SPF PERFORMANCE IN FY13

STRATEGIC INITIATIVES – A NEW DIRECTION FOR THE SPF

The MTR recommended that the SPF continue to shift from funding discrete project interventions to enhancing support for “packages” of projects in countries or regions that are engaging in, or committed to a transformative strategy to address fragility, conflict or violence. Projects within strategic initiatives are designed to respond to the priority needs in the country or region and will generate new approaches to address conflict, fragility and violence. They are built into country programs and bring the potential for greater impact. In line with this recommendation, the SPF Committee has endorsed seven strategic initiatives totaling USD70 million since they were introduced in 2012. These include:

- Program for Citizen Security in Central America (El Salvador, Guatemala and Honduras)
- Multi-sectoral Strategic Initiative for Somalia
- Europe and Central Asia Strategic Initiative on Fragility and Conflict
- Consolidating Peace in the Republic of Sudan
- Consolidating Peace in Eastern Democratic Republic of Congo
- Peace Consolidation in Colombia
- Addressing Sexual and Gender Based Violence in Fragile and Conflict Situations (multi-country initiative)

Bank teams are currently in the process of preparing the individual projects that will make up these initiatives.

THE SPF PORTFOLIO

As of March 2014, the SPF has approved a total of 88 projects and four transfers to other MDTFs for a total of nearly USD200 million. SPF transfers to MDTFs have helped Haiti in the aftermath of its devastating earthquake, Somalia in private sector development and Jordan to help address the immediate service delivery impacts of Syrian refugee inflows. SPF projects are implemented in more than 40 countries across all six regions of the world and represent the varying demand

Transforming Citizen Security Institutions in Central America’s Northern Triangle

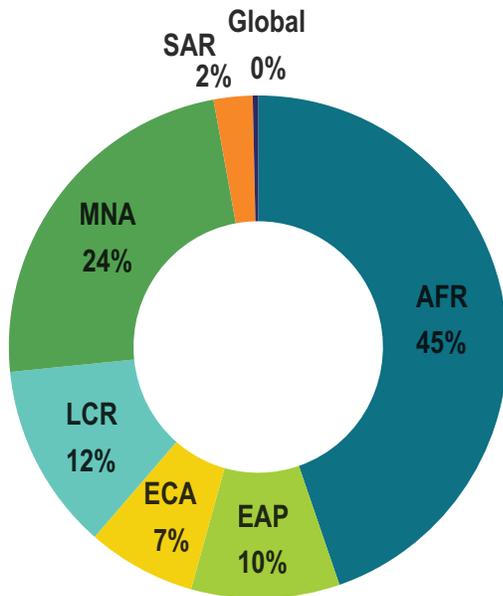
Central America’s northern triangle is the most violent sub-region in the world. Honduras, El Salvador, and Guatemala rank first, second, and seventh respectively in UNODC’s rankings of the most violent countries in the world. The SPF approved USD5 million to support governments in the three countries to tackle a growing violence through: i) strengthening national and local institutions to address citizen security in an integrated manner; ii) piloting an integrated/multi-sectorial model to address citizen security at the municipal level; and iii) developing an evidence and knowledge base of lessons learned from experimental interventions.

for initiatives that respond to the multifaceted needs of fragile and conflict-affected states. Projects include support for community based development for social cohesion in Kyrgyzstan, assessing governance perceptions in Africa, improving governance and service delivery in Liberia, and supporting vulnerable groups, such as youth, women, and the internally displaced across all regions. Annex 1 provides lists of all SPF projects that have been approved since the Fund’s inception in FY09.



OVERVIEW OF SPF PERFORMANCE IN FY13

Figure 2: SPF Projects by Region (percentage)

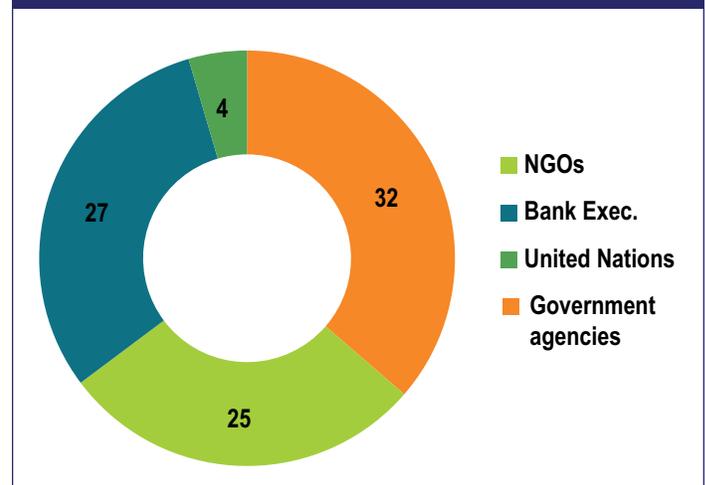


The Africa region has the largest share of the SPF projects (45%), followed by the Middle East and North Africa (24%) and the Latin America and Caribbean Region (12%). Figure 2 shows the regional distribution of the SPF portfolio.

IMPLEMENTING AGENCIES

The SPF is unique in its flexibility to partner with a range of types of institutions, working through national and local government agencies and national NGOs in a range of FCS cases. In exceptional cases, the SPF also utilizes the Bank execution on behalf of recipient in low-capacity and/or high-risk FCS settings where the client requests the Bank to carry out activities on its behalf. Several grants are given to the UN agencies, primarily in Somalia – to quickly respond to client requests. In these cases, the UN Fiduciary Principles Accord (FPA) is utilized.

Figure 3: Implementing Agencies – SPF grants (number of projects)



THE SPF'S KNOWLEDGE AND LEARNING AGENDA

The SPF is designed as a 'laboratory' for the Bank to test new and innovative ways of working in countries impacted by conflict and fragility. The objective of the SPF knowledge and learning (RKL) strategy is to generate and disseminate operationally relevant lessons that respond to client demand and improve the World Bank's performance in FCS. Knowledge generated through the SPF can push new boundaries and codify learning from Bank teams that are tackling peace- and state-building challenges. The SPF's RKL agenda focuses on knowledge capture and exchange as well as providing small RKL grants for learning activities related to the SPF's portfolio. The Secretariat also encourages the design of RKL components of SPF strategic initiative and stand-alone projects.

Highlights of the SPF's RKL agenda include:

Knowledge Exchange Workshops and BBLs: In December, 2013, the SPF (with the Korea Trust Fund for Economic and Peacebuilding Transitions (KTF), Global Center on Conflict, Security (CCSD), Social Development Network colleagues) hosted a *Knowledge Exchange Workshop at the Center on Conflict, Security and Development* in Nairobi, Kenya. The three-day informal workshop took place alongside the launch of the IEG's evaluation of 'World Bank Group Assistance to Fragile and Conflict-Affected States'. It provided a venue for cross-project, cross-country and cross-region exchange of knowledge and operational expertise on a set of themes common to the SPF/KTF portfolios, including Community Driven Development (CDD) Operations in FCS and the Bank's role in addressing sub-national conflict. The session also linked project teams with broader Bank and partner experience to promote 'frontier' work in FCS. Participants included Task Team Leaders (TTLs), Bank sector and operational specialists, and external experts.

The SPF has also sponsored several BBLs and knowledge exchange events, including on results of an evaluation of an SPF project on gender-based violence in DRC, on conflict issues in ECA in coordination with the ECA Strategic Initiative on Fragility and Conflict, on sub-national conflict in East Asia, and a regional event in Latin America on urban crime and violence.

Evidence for Peace Initiative (E4P): In 2013 the SPF, in partnership with the Bank's Development Impact Evaluation Initiative (DIME), International Initiative for Impact Evaluation, and Innovations for Poverty Action launched an effort to improve and promote tailored and high quality impact evaluations for state- and peace-building projects. The objective of the Initiative is to improve development outcomes in FCS through the use of impact evaluation

(IE) for evidence-based policymaking. The project will (i) support the design and management of a series of FCS-specific IEs to improve the effectiveness of World Bank and partner FCS operations; (ii) create a community of practice on IE in FCS; (iii) generate knowledge products to be used by the Bank and its clients on how to carry out IEs in FCS environments; and (iv) promote greater use of IE for evidence-based policymaking in FCS.

Study on Sub-national conflict (USD1.7 million): The SPF-financed study, *The Contested Corners of Asia: Subnational Conflict and International Development Assistance* found that sub-national conflict is the most widespread, enduring, and deadly form of conflict in Asia. The Asia Foundation (grant recipient) conducted a multi-year study including perception surveys, village-level ethnographic fieldwork and interviews with insurgents in areas often inaccessible to aid practitioners. In addition to the main Report, three case studies were completed of southern Thailand, Philippines/Mindanao, and Aceh. The SPF is now working with a multi-sectoral Bank team to consider implications for Bank strategy and operations in the wide range of Bank clients facing sub-national conflict and application of the study's findings to other countries/regions.

Evaluation and Knowledge Capture of the Colombia Protection of Land and Patrimony of Internally Displaced Persons (IDPs) (USD45,000): A qualitative evaluation was completed of the successful SPF-financed *Protection of Land of IDPs Projects* in Colombia. The three phases of the project (2002-2012) sought to reduce the risk of impoverishment of IDPs forced to abandon their land by developing preventative measures to protect their property and territorial rights. The project worked in prioritized areas that over time extended some degree of land rights protection to the entire country. Since the informed policy dialogue and led to the passage of the land restitution law in 2011, the evaluation captured lessons and provided recommendation on what may be applicable to other Bank-funded activities on land in other conflict countries.

Evaluation of Gender Based Violence Programs – Democratic Republic of Congo (USD200,000): In response to the high levels of sexual and gender-based violence (SGBV) in South Kivu, DRC several donors, including the SPF, supported the *Addressing Gender Based Violence in South Kivu Program*, implemented by the International Rescue Committee (IRC). The program's objective is to improve the provision of services that promote treatment and prevention of SGBV against women and girls in South Kivu. An impact evaluation was carried out by the Johns Hopkins University and the International Rescue Committee (IRC) with the ob-

THE SPF'S KNOWLEDGE AND LEARNING AGENDA

jective to identify low-cost and scalable interventions- one mental health and one economic- that demonstrably improve the psychological, social, physical and economic functioning of survivors of sexual violence. Its findings were presented in Fall 2013 and will inform future Bank SGBV programming.

Governance perception surveys in Africa: Enhancing knowledge on peace-building and state-building for development (USD3.2 million): The project addresses knowledge gaps in planning for and monitoring progress on state-building and peace-

building. It plans to finance the partner Afrobarometer's expansion of surveys, capacity building, and communication programs in up to seven FCS countries (Burundi, Cote d'Ivoire, Niger, Sierra Leone, Togo, and possibly Mali and South Sudan). The Afrobarometer Network has been conducting a comparative series of national public attitude surveys on democracy and governance, economic reform, and other critical issues in Africa for over a decade. It has established a reputation for producing high-quality public opinion data used by governments, civil society and citizens for policy reform.



Strategy Initiative for Somalia Re-Engagement (SISR)

This new SPF supported initiative provides a foundation for the World Bank's expanding engagement in Somalia and support for its transition process

Since the collapse of the state in 1991, Somalia has witnessed protracted civil conflict, political fragmentation and strong internal divisions. Persistent fragility has underpinned its consistently low rank on the Human Development Index (HDI). But after years of failed attempts to establish peace and undertake national reconciliation, Somalia has finally embarked on a precarious transition process. Today, amidst signs of political and economic revitalization, Somalia has established a sovereign federal government and passed a provisional constitution. It has also rallied the support of a broad coalition of regional and international partners who are committed to its security and development.

As a country in arrears, Bank financing to Somalia is restricted. Because of its flexibility, the SPF is at the heart of the Bank's emerging role in Somalia through its support to *Strategy Initiative for Somalia Re-Engagement (SISR)*. One of the principal ambitions of the initiative is to finance the objectives of the Interim Strategy Note (ISN) for Somalia. SISR also builds on a series of earlier SPF projects operating in Somalia since 2008.

This new interim strategy, the first of its kind since 2007, is the basis of the World Bank's broader support to the new government in Mogadishu and project activities across the country. The ISN aims to support the country's transition out of fragility and establish the foundations of peace, reconciliation and development. It sets out to generate national and international confidence in Somalia's public institutions, and support early recovery efforts as well as longer-term resilience. Within the context of these ob-

jectives the SISR will provide support for seven discrete activity areas, namely analytical partnerships; governance; private sector development; information and communications technologies (ICT); public finance management (PFM); resilience partnerships and; infrastructure. The scope of the SISR is to test a range of approaches that could be scaled up through follow-on financing.

Importantly, the SISR also builds on the current SPF activities in Somalia, including the *Somalia Knowledge for Operations and Political Economy Program (SKOPE)*. This platform aims to provide the analytical underpinnings of better-designed interventions and more transparent policy choices in Bank operations in Somalia. With additional financing from the SPF, SKOPE will be able to expand its existing activities to include support for Somalia's New Deal Fragility Assessment and Compact, which will form the basis of the country's international engagement. SKOPE will also enable the Bank to deliver technical assistance and facilitate policy dialogue in Mogadishu in a more flexible and demand-driven manner.

While the political and security context will be a key determinant for the scope and depth of the Bank's support to Somalia, the implementation of the SISR will be instrumental to flexibly promote the Bank's future engagement in the country. This new strategy initiative is a forward thinking tool designed to secure the funds and deliver the quick wins needed to maintain momentum and support Somalia's fragile transition.

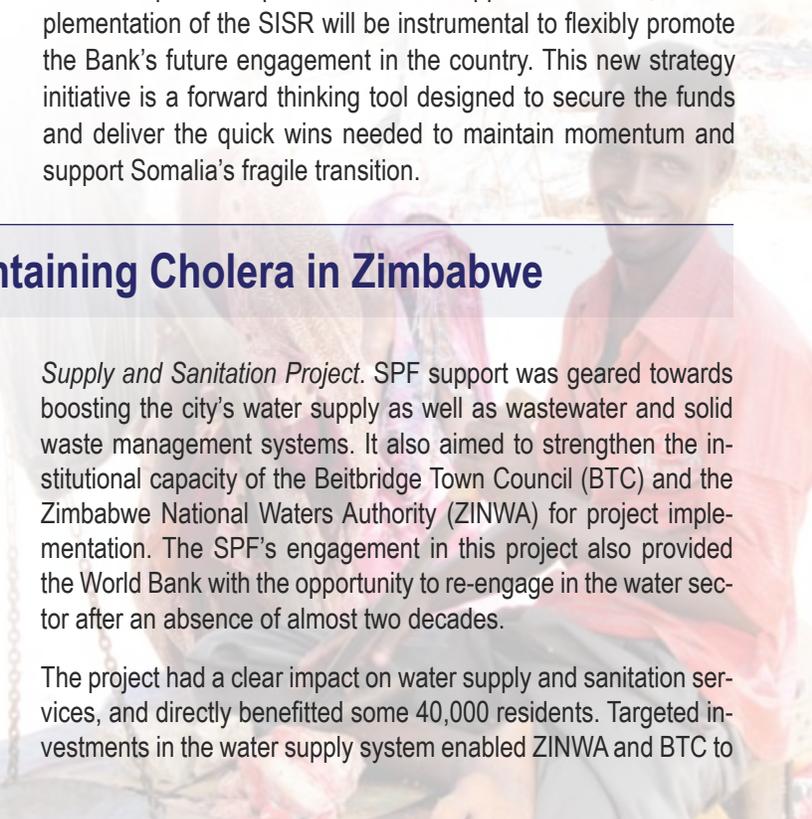
Improving Service Delivery and Containing Cholera in Zimbabwe

Zimbabwe's economy suffered from an unprecedented decline between 1999 and 2008, effectively halting investment in service delivery. This has resulted in devastating impacts on the country's once well-functioning water and sanitation systems. Severely degraded sewage systems coupled with an unreliable water supply and poorly maintained facilities eventually sparked a nationwide cholera outbreak in 2008-2009. More than a quarter of all recorded cases were recorded in the town of Beitbridge on the South African border, which sparked fears of a region-wide epidemic.

At the request of the Zimbabwean authorities, the SPF provided a USD2.65 million grant to fund the *Beitbridge Emergency Water*

Supply and Sanitation Project. SPF support was geared towards boosting the city's water supply as well as wastewater and solid waste management systems. It also aimed to strengthen the institutional capacity of the Beitbridge Town Council (BTC) and the Zimbabwe National Waters Authority (ZINWA) for project implementation. The SPF's engagement in this project also provided the World Bank with the opportunity to re-engage in the water sector after an absence of almost two decades.

The project had a clear impact on water supply and sanitation services, and directly benefitted some 40,000 residents. Targeted investments in the water supply system enabled ZINWA and BTC to



AFRICA

increase the quality, duration and reliability of potable water supply. Upgrades to the sewer system, in combination with rehabilitation of the treatment system and procurement of maintenance equipment saw improved collection, transmission and safe disposal of wastewater. These outcomes also had the indirect effect of helping reduce poverty and improve social development. And crucially, no new cases of cholera were reported after the 2009 epidemic.

Today, Beitbridge town is also cleaner as a result of the improved solid waste management systems supported by the project, which included the procurement of a refuse collection truck and two tractors. With support from the project, BTC has also conducted a public health and hygiene campaign, prepared new billing sys-

tems and a feasibility study for a new land-fill site which will benefit a broad range of recipients. And while there was inadequate monitoring of gender related impacts, it is expected that women and girls have been primary beneficiaries of the water supply and sanitation activities.

The success of the project is much a result of its focus on physical infrastructure as well as institutional capacity building, as demonstrated by the continued effectiveness of both BTC and ZINWA. Small and strategic SPF-supported interventions such as this one provide on-time catalytic support with the potential to be scaled up, and offer valuable lessons for building local institutions and managing state-society relations at a local level in Zimbabwe.

Sudan: Paving the Way for Peace and Stability

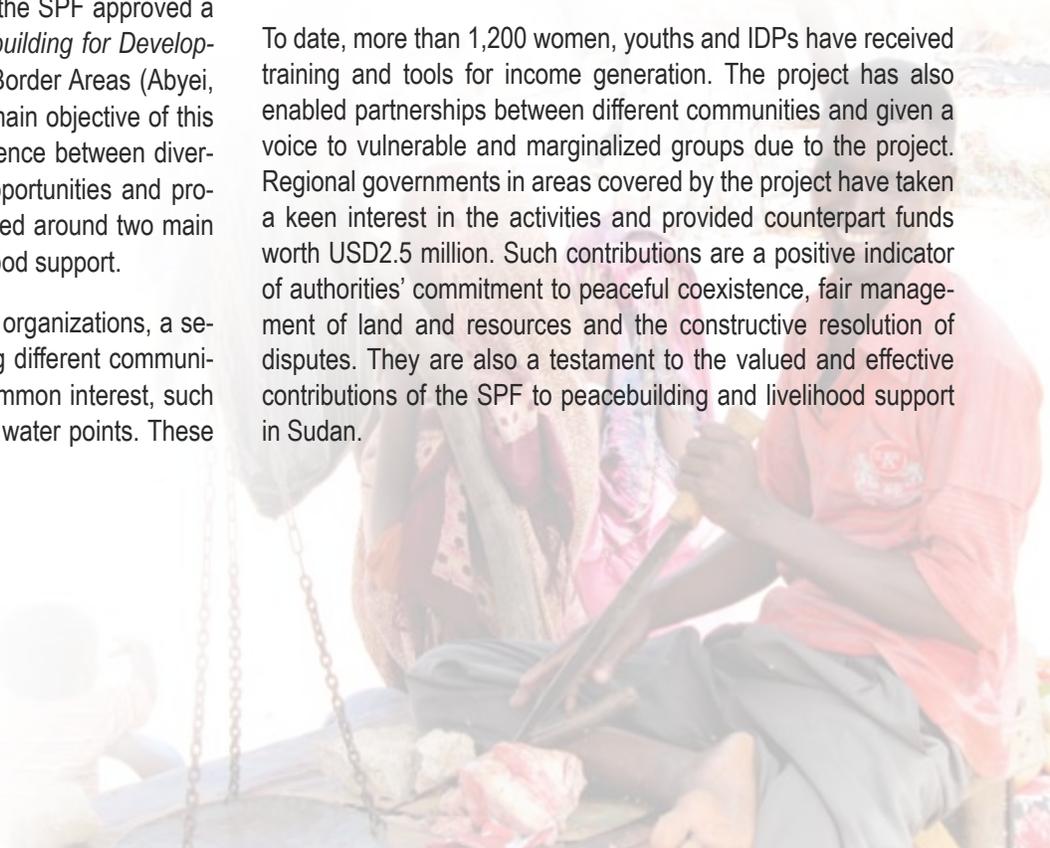
In Sudan local-level conflict over access to natural resources and land is widespread. Intensified competition between pastoralists, agro-pastoralists and settled farmers has helped create an environment in which violence easily erupts. Such contexts of violence and insecurity are often made worse by weak or absent institutions, and inadequate resource management regimes to govern land rights.

At the request of the government of Sudan, the SPF approved a USD4.2 million grant to support the *Peace-building for Development Project* in Darfur and the Transitional Border Areas (Abyei, Blue Nile and South Kordofan states). The main objective of this project was to promote the peaceful coexistence between divergent groups through improving livelihood opportunities and promoting mutual understanding. It was organized around two main components: 1) peacebuilding, and 2) livelihood support.

In close collaboration with community-based organizations, a series of peace conferences were held to bring different communities together for discussions on issues of common interest, such as livestock migration routes and the use of water points. These

talks resulted in the demarcation of 875 kilometers of livestock migration routes, along which 47 water points were provided. To reinforce these encouraging results, 12 multipurpose development centers were constructed and equipped. These centers provide training and resources for income-generating activities to the communities. Particular attention was given to youth, women and internally displaced people (IDPs) who are trained in cheese making, animal traction, food processing and extension services.

To date, more than 1,200 women, youths and IDPs have received training and tools for income generation. The project has also enabled partnerships between different communities and given a voice to vulnerable and marginalized groups due to the project. Regional governments in areas covered by the project have taken a keen interest in the activities and provided counterpart funds worth USD2.5 million. Such contributions are a positive indicator of authorities' commitment to peaceful coexistence, fair management of land and resources and the constructive resolution of disputes. They are also a testament to the valued and effective contributions of the SPF to peacebuilding and livelihood support in Sudan.



Southern Thailand: Promoting Peacebuilding in a Middle-income country Context

The southernmost provinces of Thailand are host to one of the longest-running sub-national conflicts in the Asian region. Since flaring up again in 2004, it has claimed more than 5,000 lives. And in spite of recent efforts at peace talks, the insurgency is still active and varying levels of violence persists.

Central to the Bank's engagement in southern Thailand has been the *Piloting Community Approaches in Conflict Situations in the Southernmost Provinces in Thailand (CACS)* project. Implemented between 2009 and 2013, the project centered on community development approaches and building civil society capacity as a means to foster a deep understanding of local issues and effectively engage with the state. The Bank, alongside its main implementing partner the Local Development Institute (LDI), focused efforts on establishing a rapport with relevant interlocutors including government, local communities, civil society and the business sector. Over time, the role of the Bank developed into that of a trustworthy and neutral convener, which formed the basis of a constructive working relationship with authorities and allowed for an active field presence.

A recent beneficiary assessment of the CACS pilot project found that *"The project is capable of operating in heavily conflict-affected areas with limited apparent interference. This is a significant result*

as other projects have reduced their operations in these areas". Based on this transformative approach, the government and LDI requested further assistance to expand its participatory community development programs. This led to the launch of *The Expanding Community Approaches in Conflict Situations in Three Southernmost Provinces in Thailand* project (ECACS) in July 2013.

With SPF support, ECACS is able to capitalize on the credibility, built by its predecessor, and expand its participatory local governance efforts. ECACS is building capacity to formulate inclusive policies and deliver services to promote confidence building and address 'vertical' state-society conflict dynamics. In addition, the project is stepping up support for civil society networks that can offer creative platforms for exploring governance issues and transformative methods of conflict resolution. Notwithstanding such encouraging prospects, the project is still being implemented in a high-risk environment.

While accounting for such risks, both SPF funded projects clearly demonstrate effective community-based approaches to conflict situations in middle-income countries. Building on the Bank's engagement in Thailand, the Thai government is looking to results and lessons from the SPF project in considering significant investments and government financing for the south.



EUROPE AND CENTRAL ASIA

Europe and Central Asia Strategic Initiative on Fragility and Conflict

Addressing multiple forms of violence and fragility in the ECA region through conflict sensitive capacity building, youth inclusion, community based development and regional dialogue

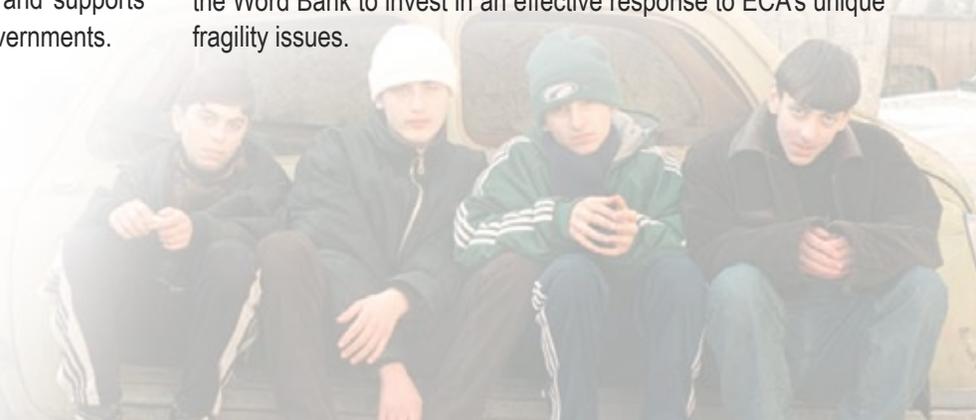
Several countries across the Europe and Central Asia (ECA) region have experienced multiple and recurrent forms of violence. In recent years the Caucasus (Armenia, Georgia, Russian Federation) and Central Asia (Kyrgyzstan, Tajikistan, Uzbekistan) have witnessed low-level conflicts, incidences of civil unrest, ethnic tensions and inter-state disputes. Subnational and regional fragility are also pertinent challenges that manifest in cross-border crime and violence and international resource disputes. The ECA Strategic Initiative (ESIF) sprung from the need for improved strategies and operations to address these challenges and account for the drivers and structural dimensions of violence and conflict. It was launched in September 2012 and will be implemented over a period of 3 years.

ESIF is today developing and testing the scalability and effectiveness of FCS tools and models that the World Bank and its clients can draw on in their response to conflict stressors in the region. These tools build on relevant analytical and policy advice that has been implemented over the past five years in areas such as post-conflict reconstruction, displacement, youth inclusion, violence prevention and employment. The strategic initiative is structured around four thematic components that have been selected on the basis of their potential impact on ECA strategies and operations.

- *The first component* seeks to mainstream conflict and fragility sensitive programs in environments where such considerations are often wholly lacking. It extends a “conflict filter” application in each participating country and offers training and capacity building of client institutions and technical assistance to project implementing units. While Bank-financed projects are prioritized, the component also considers and supports the broader development initiatives of client governments.

- *The second component* seeks to address the social and political marginalization of youth by creating opportunities for improved social accountability and dialogue between young people and authorities. Building on previous episodes of successful engagement on youth issues, this component tests and measures how increased youth voice and participation can decrease social exclusion. Implementing partners are local youth NGOs and public policy institutes working in collaboration with local governments and Ministries of Youth.
- *The third component* examines how community based development programs can have a more targeted effect on social cohesion outcomes through informed design changes. This work seeks to learn from and expand the existing evidence base, and pilot projects designed to build community resilience. It is being undertaken in partnership with the Aga Khan Development Network, a global pioneer in community-based development approaches.
- *The final component* of ESIF links the above activities to a set of wider regional efforts designed to mainstream FCS issues. They include knowledge exchanges, strategic dialogue and capacity building activities to help staff and management in the ECA region better respond to current and future stressors in their work.

Overall, ESIF brings together and builds on the most effective country and regional strategies to improve the conflict mitigation potential of development investments in the region. Its ability to integrate approaches to conflict-sensitivity into operations, analytical work and country dialogue offers an important means for the World Bank to invest in an effective response to ECA's unique fragility issues.



EUROPE AND CENTRAL ASIA

Improving Opportunities For Kosovo's Youth

Kosovo has experienced robust economic growth rates since the end of its 1999 war. However, the country still suffers from high levels of poverty and a 40 percent unemployment rate. Economic opportunities are particularly scarce for youth and marginalized groups including ethnic minorities, female-headed households, and disabled persons. With the objective of increasing employment, access to services and social cohesion among Kosovo's youth and their communities, the SPF launched the *Second Kosovo Youth Development Project* in December 2010. This grant-making project is co-financed by the SPF and the Italian government through the Social Development Initiative for South East Europe (SDISEE) for a total amount of USD 2.8 million.

With support from the SPF and its partners, young and disadvantaged people are able secure economic independence by increasing access to livelihoods, promoting skill-sets and insights. The project had a particular focus on youth entrepreneurship and business development. Out of a pool of 317 nationwide applicants, 38 young entrepreneurs were awarded grants to develop their companies. Most grant recipients were able to improve their business infrastructure through the purchase of computers and welding tools and other investments. Surveys indicate that the increased access to facilities for work provided by the project helped improve economic opportunities and brought positive change to the lives of targeted youth.

As a result of successful project implementation, over 300 apprentices were placed at a variety of businesses including software

development firms, grocery stores and construction companies. While it is still premature to assess the final number of apprentices who gained formal employment, many have since been hired. The project also provided educational opportunities, notably business start-up and vocational training for over 800 young people. Vocational training consisted of 12 applied courses that lasted between two and four months. The courses were in high demand and appreciated. More than 90 percent of survey respondents noted that they were 'very satisfied' with their vocational training.

While the reasons for beneficiary satisfaction vary, one graduate noted that the experience enriched her insight as the training included people from different communities, academic and ethnic backgrounds. Her experience positively reflects the ambition of the project to build social cohesion through inter-ethnic collaboration. By seeking out applicants from a broad geographical spectrum the project enabled the participation of youth from remote and often marginalized communities.

The SPF Committee has recently approved additional financing for USD 2 million to expand these activities to northern Kosovo. The Ministry of Culture, Youth and Sports, the projects main implementing partner, will continue to support young entrepreneurs and increase the number of formally employed beneficiaries. By facilitating increased employment opportunities for young people in Northern Kosovo, the project is expected to support the lagging region to keep pace with the remainder of the country.



LATIN AMERICA AND THE CARIBBEAN

Central America Citizen Security Initiative

A strategic initiative designed to offer solutions to the continuing trends of crime and violence in Honduras, El Salvador and Guatemala

The Northern Triangle of Central America, encompassing Honduras, El Salvador and Guatemala is today experiencing more violent deaths from criminal activity than during their civil wars over two decades ago. Between 1999 and 2009 homicide rates in El Salvador alone more than doubled. Rising organized crime and violence has permeated social, economic and political institutions and occurs in virtually all spaces, both public and private. It has proven significantly disruptive to development and exacted a heavy social and economic toll. A 2010 World Bank study estimated that crime and violence amounted to 7.7 percent of GDP in Guatemala, 10.8 percent in El Salvador, and 9.6 percent in Honduras.

The three countries are currently revisiting their citizen security policies to better respond to these unsettling trends and address a series of important challenges, namely: i) weak government capacity for implementing violence prevention policies and programs, ii) limited evidence of successful municipal violence prevention interventions and iii) weak capacity of national and municipal governments to make policy decisions based on high-quality crime and violence data and evidence on crime prevention strategies. With SPF support, the *Central America Citizen Security Initiative* sets out to provide systematic and regionally focused support to the governments of the Northern Triangle to strengthen capacity for integrated approaches to citizen security.

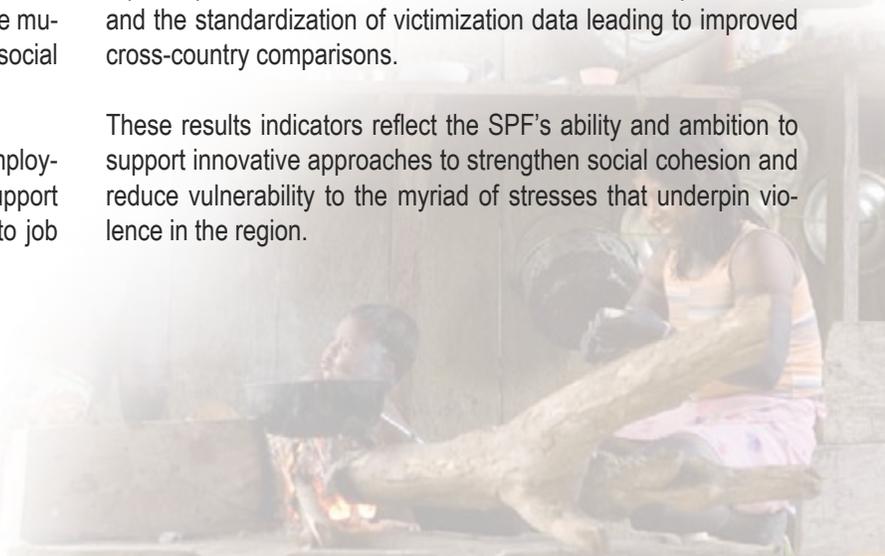
- *In Honduras*, the program focuses on the responsive performance of local criminal justice institutions (USD1.5 million). It supports initiatives that complement activities to be implemented under the Safer Municipalities Project, which oversees integrated approaches to citizen security at the municipal level. The program has a particular emphasis on social violence prevention activities.
- *In El Salvador* program activities focus on increasing employability for at-risk youth (USD1 million). The project will support violence prevention efforts, particularly as they relate to job

creation and social inclusion in communities that are part of a fragile truce between two of the country's most violent gangs. Another focus will be on implementing the Entrepreneurial Youth in Safe Cities program, which is geared toward rebuilding the social fabric in gang-dominated communities.

- *In Guatemala*, objectives include the coordination of multi-level territorial planning (USD1 million) to enhance the capacity of the Vice Ministry of Violence Prevention to plan and implement its violence prevention policy. The SPF will build on and deepen the Bank's engagement in municipal approaches to citizen security in Guatemala, which have made important progress through the creation of relevant political offices and transformative policies.

Throughout the implementation period of the strategic initiative, activities will also focus on strengthening knowledge platforms for evidence-based decision-making across the Northern Triangle (USD1.5 million). The establishment of RESOL-V (Solutions to Violence Network) in Central America will, for example, facilitate the generation, assessment, and use of evidence for crime prevention policy and programming. This and other activities offer timely opportunities for all three governments to develop structured and integrated responses to crime and violence at the regional, national and local levels. Expected results include revised government communication strategies with regards to prevention policies, and tangible changes in perceptions of citizen safety in targeted areas. Anticipated outcomes also include an increase in the number of reports, policies and interventions related to violence prevention, and the standardization of victimization data leading to improved cross-country comparisons.

These results indicators reflect the SPF's ability and ambition to support innovative approaches to strengthen social cohesion and reduce vulnerability to the myriad of stresses that underpin violence in the region.



LATIN AMERICA AND THE CARIBBEAN

Protecting land rights and socio-economic opportunities of Colombia's internally displaced

The *Protection of Land and Patrimony of Internally Displaced Persons* (IDP's) project was first launched in 2003. The first two phases were supported by the Post Conflict Fund and Phase three through the SPF. It focuses on protecting the rights and socio-economic entitlements of IDPs, as well as mitigating the effects of displacement. The main objective of the project is to diminish the risk of impoverishment of those who remain displaced. The project as a whole has made important contributions to the Colombian peace-building process by promoting measures to protect their patrimonial assets, providing land titles and proposing public policy initiatives for restitution of properties. This culminated in the passage of the Law on Victims and Restitution of Land in June 2011, which is now being implemented and supported by the SPF.

Land and assets remain central features of the conflict and ongoing peace process, and demonstrate the importance of adequate project implementation. The success of the project has inspired the inclusion of the patrimonial asset protection of IDPs in the government's national development plan (2006 – 2010), which aims to increase employment, reduce poverty, and improve security. Moreover, the project has now been fully incorporated into the government structure and is operating independently. Its procedures, processes and information systems are all part of a Special Administrative Unit created by the Law on Victims and Restitution of Land. Local offices for land restitution have also been set up, and the first 15 judges for the restitution process are currently undergoing training to begin hearing cases.

Since 2003, over the course of the project's three phases, the land rights of 176,000 people have been protected. And more than 2,000 officials from municipalities, territorial committees and national institutions have been trained to understand and protect the rights and interests of the displaced. In addition, the project has created 50 publications on forced displacement and land protection in Colombia. Throughout each project phase, special attention has been paid to protect the rights and interests of women, children, indigenous as well as special ethnic groups, mainly Afro-Colombians.

Beyond offering protection and services for IDPs the project has strengthened government capacities and contributed to a broader policy dialogue on displacement, protection of patrimonial assets, land rights, and the peace-building process. Recently, the project activities have focused on addressing challenges faced by the Special Administrative Unit in the areas of security, training in transitional justice for legal professionals and improving communications with IDPs. The SPF also finances an evaluation of all three phases which aims to understand how the project has informed policy making and identify recommendations that can be applied to other SPF funded projects. Findings from this project will also provide an input to a global knowledge exchange on the land reform and peacebuilding and state-building issues planned for late 2014.



MIDDLE EAST AND NORTH AFRICA

Jordan and Lebanon: Promoting host community resilience in response to the Syrian refugee crisis

The Syrian refugee crisis is the worst humanitarian catastrophe in recent memory and is creating social, economic, political and security reverberations across the region. Jordan and Lebanon host large numbers of refugees who fled the ongoing conflict in neighboring Syria. In Jordan, more than 70 percent of refugees currently live with Jordanian hosts in towns and urban centers. Such a rapid population increase has understandably put tremendous pressure on individual households and on society as a whole. It has contributed to the worsening of public finances, increased the price of petroleum products by 14-33%, and led to a rise in unemployment. Service provision, notably municipal water and sanitation services, has also been severely hampered as a result of the Syrian refugee flows.

In Lebanon, the Syrian refugee crisis has had a profound negative impact on the country's political, economic and social spheres. The arrival of an estimated 1.2 million refugees- over 25% of Lebanon's population – has further challenged an already delicate societal and inter-communal balance.

Together with the United Kingdom, Switzerland and Canada, the SPF is funding a program designed to mitigate the worst effects of the refugee crisis. The Jordan Emergency Services and Social Resilience Project, launched in October 2013 is helping Jordanian municipalities and host communities deal with urgent service delivery needs and is strengthening municipal capacity to support local economic development. Ibrahim Saif of the Ministry of Planning and International Cooperation noted that, *"The aim of the agreement we signed today is to support local communities in their capacity to handle the large inflow of Syrian refugees... funds allocated will be disbursed to nine municipalities that are providing services to refugees and have been most affected by the large influx."*

These nine municipalities in northern Jordan will extend services to approximately 791,150 Jordanians and 299,000 Syrians in the project's first phase. This will help bridge urgent humanitarian as well as development concerns and support multiple beneficiaries, both Jordanians and Syrians, in a complimentary way. Municipal grants in the first year of the project will amount to approximately USD67 per refugee capita, which will significantly support municipalities' efforts to improve service delivery and stimulate local economies. It will also boost confidence in existing systems of government and strengthen the institutional capacities and community coping mechanisms to address similar crises in the future. This conflict sensitive approach to dealing with multiple interlinked and cross-border stresses reflect well the recommendations of 2011 World Development Report on Conflict, Security and Development.

The SPF Committee also has recently approved USD10 million in contributions to the Lebanon Syrian Conflict Trust Fund to help fund the Municipal Services Emergency Project (MSEP). The project will address basic service delivery needs and enhance social cohesion in towns most affected by the influx of Syrian refugees by:

- a) maintaining a basic level of services by helping central and local authorities cope with the increased demand on critical local services in selected areas;
- b) preventing further degradation of infrastructure in those areas, thereby alleviating financial pressure on the Government; and
- c) providing local communities with essential communal and social amenities and services and engage them through inclusive and participatory processes that can enhance the dialogue amongst Lebanese and Syrian communities.



LIST OF SPF-SUPPORTED PROJECTS

AFRICA

Country	Project Title	Amount (mn USD)
Regional	Governance Perception Surveys in Africa (Afrobarometer)	3.2
Central African Republic	Safe and Reliable Public Electricity Project	2.5
Cote d'Ivoire	Protection from Gender-Based Violence	2.0
Cote d'Ivoire	Strengthening Communication and Transparency for Governance Reform	1.4
Cote d'Ivoire	Young Entrepreneurs and Urban Job Creation	2.5
Democratic Republic of Congo	Addressing Gender Based Violence in South Kivu	2.0
Democratic Republic of Congo	Community Recovery and Resilience Pilot*	4.9
Guinea	Economic Governance Support	2.0
Guinea Bissau	Technical Assistance to Extractive Industries Sectors	2.8
Guinea Bissau	Participatory Rural Development Grant	5.0
Guinea Bissau	Support to National Health Development	2.0
Guinea Bissau	Economic Governance Support	1.1
Liberia	Improving Access to Justice and Enhancing Accountability	1.5
Liberia	Land Sector Reforms	3.0
Liberia	Civil Service Reforms and Capacity Building	2.0
Nigeria	Community Foundations Initiative	0.6
Senegal	Community Peacebuilding Initiatives in Casamance	3.0
Somalia	Knowledge for Operations and Political Economy Program*	4.5
Somalia	Support for Drought Management and Livelihoods Project	3.9
Somalia	Financial Management Capacity Strengthening*	4.5
Somalia	Emergency Livestock Disease Surveillance and control	0.9
Somalia	Support to Extended Program of Immunization	0.5
Somalia	Private Sector Development**	5.0
South Sudan	Strengthening Core Functions for Managing Resource Dependence	3.3
Sudan	Peace-Building for Development (two phases)*	7.6
Sudan	Sustainable Livelihoods for Displaced and Vulnerable Communities *	2.6
Togo	Private Sector Revitalization	1.1
Zimbabwe	Beitbridge Emergency Water Supply and Sanitation Project	2.6
Zimbabwe	Agricultural Inputs	4.8
Zimbabwe	Agricultural Inputs	4.8

* project part of a Strategic Initiative; ** transfer to other multi-donor trust funds

SOUTH AND EAST ASIA

Country	Project Title	Amount (mn USD)
Papua New Guinea	Inclusive Development in Post-Conflict Bougainville	2.5
Philippines	Encouraging More Resilient Communities in Conflict-affected Areas in the Philippines	2.5
Solomon Islands	Mining Sector Technical Assistance	0.9
Solomon Islands	Rapid Employment	3.5
Thailand	Piloting and Expanding Community Approaches	6.5
Regional	Opportunities and Challenges for Aid Delivery in Sub-National Conflict Areas	1.8
Regional	Rebuilding Livelihoods through CDD approaches in Conflict Settings in South Asia	0.4
Nepal	Demand for Good Governance	4.0

LIST OF SPF-SUPPORTED PROJECTS

MIDDLE EAST AND NORTH AFRICA

Country	Project Title	Amount (mn USD)
Iraq	Consultative Service Delivery Program (two projects)	10.0
Jordan	Enhancing Legal Aid Services to Iraqi and Palestinian Refugees	2.1
Jordan	Emergency Services and Social Resiliency – Syrian displacement**	10.0
Lebanon	Lebanon Syrian Conflict Trust Fund**	10.0
Lebanon	The National Volunteer Service Program	2.0
Lebanon/Jordan	Mitigating Socio-Economic impact of Syrian Displacement	3.2
Libya	Transitional Assistance to Libya	3.0
Tunisia	Participatory Service Delivery for Reintegration	5.0
West Bank and Gaza	Water Supply and Sanitation Improvements for West Bethlehem	3.7
West Bank and Gaza	Masar Ibrahim/ Abraham Path: Economic Development across Fragile Communities	2.3
<i>** transfer to other MDTF</i>		

EUROPE AND CENTRAL ASIA

Country	Project Title	Amount (mn USD)
Armenia	Promoting Youth Inclusion*	1.0
Georgia	Internally Displaced Peoples Community Driven Development	2.0
Georgia	Youth Inclusion and Social Accountability*	0.5
Kosovo	Second Kosovo Youth Development	4.0
Kosovo	Social Inclusion and Local Development	4.9
Kyrgyz Republic	Social Cohesion through Community Development*	2.0
Russia	Promoting Youth Inclusion in the North Caucasus*	1.0
Nepal	Demand for Good Governance	4.0
<i>* project part of a Strategic Initiative</i>		

LATIN AMERICA AND CARRIBEAN

Country	Project Title	Amount (mn USD)
Colombia	Protection of Land and Patrimony of Internally Displaced Persons	6.0
Haiti	Rural Water and Sanitation	5.0
Haiti	Haiti Reconstruction Trust Fund**	2.2
Honduras	Regional Program for Municipal Security*	1.0
Guatemala	Regional Program for Municipal Security *	1.0
El Salvador	Regional Program for Municipal Security *	1.5
Regional	Regional Program for Municipal Security – Knowledge Platform*	1.0
<i>* project part of a Strategic Initiative; ** transfer to other multi-donor trust funds</i>		