



Recommendations for Guidelines for Systematic Country Diagnostic December 2015

We have been keenly following the World Bank Group's (WBG) roll out of the new Country Engagement Approach (CEA) in various countries. We commend the Bank on its move toward engagement in countries set upon a foundation of rigorous analysis and the inclusion of citizens as active stakeholders in the process. On the basis of our observations of the CEA rollout, our experience in multiple countries where the Bank operates, and our work monitoring and engaging in several Bank operations and policies, we present a series of recommendations that we hope will be considered by the WBG as it refines its Systematic Country Diagnostic (SCD) Guidelines and other related documents.¹

While we understand there is no formal consultation process through which to officially submit these recommendations, we hope that you will nevertheless take them into account. Moreover, we urge the Bank to make public its draft SCD Guidelines for comment and any associated tools and analytic approaches that Task Team Leaders are expected to use when conducting an SCD process.

As discussed below, we set out our recommendations focusing on three areas: (1) the purpose of the SCD -- namely as an upstream risk and opportunity assessment; (2) the content of the SCD; and (3) the process for conducting the SCD. In sum, we recommend that the World Bank Group:

- Utilize the SCD guidelines to set minimum standards, both in terms of process and substance, for conducting the SCD.
- Standardize the use of assessments conducted by teams conducting the SCD.
- Conduct Strategic and Environmental and Social Assessments consistently to ensure that environmental and social considerations are taken into account in the selection of alternatives, so that cumulative, large-scale and transboundary environmental and social

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impacts are assessed and addressed, and that a participatory approach is applied in engagement with project-affected communities and other stakeholders.

- Assess, articulate and address the enabling environment for civil society participation, as part of the environmental and social assessment in the SCD.
- Systematically include analysis of land and climate risks.
- Conduct strong inequality analysis that looks at the income extremes at the top and the bottom.
- Consistently look at access to, and quality of, essential public services such as health and education.
- Ensure systematic and consistent access to information on the SCD preparation process and to all relevant documents.
- Clarify SCD disclosure requirements according to the Access to Information Policy and ensure public disclosure prior to the start of CPF consultation process.
- Stress that consultations at the SCD phase are mandatory, clarify purpose of stakeholder consultations on the SCD, and set clear minimum standards for consultation.
- Clarify sole World Bank ownership of the SCD process and document, and clarify the role of the borrowing government in this process.

1. THE PURPOSE OF THE SCD

As it currently stands, the stated purpose of the SCD is to “present a systematic and evidence-based assessment of the constraints a country has to address and the opportunities it can embrace to accelerate progress toward the goals of ending extreme poverty and promoting shared prosperity in a sustainable way.”

However, it should be stated clearly that the SCD should include upstream risk and opportunity assessment with respect to environmental, social, human rights and governance-related risks. The [Country Engagement Directive](#) states that the “SCD presents the best possible analysis based upon available evidence.” Considering that the risks noted above are integral aspects of development and as such cannot be divorced from it they must be considered in any analysis looking at key drivers and barriers to achieving the Bank’s twin goals. Given the importance in understanding these types of risk and opportunities at a country-wide level, the SCD is also the appropriate vehicle through which to do so. It is a significant opportunity missed *not* to include such analysis at the SCD stage.

The SCD “informs the strategic dialogue between the World Bank Group and its clients about priority areas for WBG engagement” according to the CEA directive. We see this as a valuable input to discussions at the CPF level, but urge the Bank to see the SCD’s utility beyond the CPF. With the right analysis, the SCD can be an exceptionally useful reference guide when Bank teams are identifying projects, identifying their risks, and planning accordingly. This is precisely because the SCD aims to take a view of the country broader than its own historical programming in a country. Although not every problematic area or opportunity identified in the SCD will find

its way into the CPF, all projects within the Bank’s subsequent portfolio for that country could benefit from the SCD analysis. This is true for a range of operations from Programming for Results and Development Policy Finance to Technical Assistance and Investment Project Finance.

If, for example, the SCD were to identify that there was unequal access to education across a country, regardless of whether or not education is then prioritized in the CPF, if the Bank were to be financing a project or advising the government on fiscal policy reform, the Task Team Leader could look back to the SCD as one reference document and subsequently have the opportunity to consider promoting equal access to education through fiscal reform measures. The SCD should be used as an opportunity for more holistic programming. See the next section for more examples on linking analysis at SCD level to project-level opportunities and risks.

With the Bank’s proposed shift towards scaling up the use of Borrower Frameworks in place of the Bank’s own policies be they procurement or environmental and social safeguards, the SCD should also be seen as an opportunity to help inform the decision for if and when to use Borrower’s frameworks, by providing a baseline assessment of the capacity of key institutions and policy frameworks.

Finally, another focus which could be integrated better into the SCD guidelines, is the role of the SCD with respect to promoting the ambition of “working as One World Bank Group (WBG) as articulated in the [WBG’s 2013 corporate strategy](#). Too often, the International Finance Corporation (IFC) makes investments where the development impact is unclear. The IFC’s interventions (in the CPF and at the individual project investment level) in a country must clearly respond to the SCD’s analysis of the opportunities and barriers for sustainable development. In order to emphasize this mandate and make sure Bank staff consider this systematically, it is important for all relevant documents including the SCD guidelines to make explicit that the goal of the SCD is to develop analysis and pose potential entry points for the World Bank Group to achieve its twin goals through *both* the public and private sector.

2. THE CONTENT OF THE SCD

In this section, we provide recommendations on the type of analysis that the SCD should prioritize and then highlight several areas, which are fundamentally linked to poverty reduction and for which a robust analysis is critical.

Consistent Use of Strategic Environmental and Social Assessments to Inform WBG Interventions at Strategic and Project Levels

We would like to reiterate the importance of comprehensively assessing risks and programmatic opportunities at the stage of SCD, an approach that is consistent with the WBG’s increased focus on evidence-based lending. However, the efficacy and legitimacy of the SCD as a tool depends,

in large part, on the extent to which it is a rigorous, objective diagnostic tool of the constraints and opportunities to achieving the WBG's twin goals.

Environmental and social impact assessments (ESIAs) done at the project level are essential to improving project design while preventing and mitigating risk. However, by the time a project has reached the preparation stage (i.e., when these ESIAs are done), plausible alternatives to addressing the same development priorities are not considered. Rather, risk analysis and mitigation measures are limited to the project already in preparation.

The SCD should be seen as an opportunity to take a step back and do country-wide analyses on issues such as climate or forests, or doing sector-wide risk and opportunity analysis on sectors that the SCD identifies as being key drivers or barriers of economic development, such as energy or transportation, which will help make the SCD and CPF even more useful planning tools. To date, there is no requirement for the Bank to conduct risk assessment at a strategic country or sector level prior to individual project conception but doing so would allow the Bank to assess the risks and opportunities associated with sectors writ large and make programmatic decisions accordingly.

The WBG can improve its practices by ensuring that the SCD Guidelines set minimum standards, both on process and substance. Further, the WBG should standardize the assessments conducted by its country teams when they complete an SCD. These measures will increase the clarity and predictability of the process for country teams and external stakeholders.

There are several instruments that can be used to conduct such assessments, but we contend that using a strategic environmental and social assessment (SESA) type instrument is best practice. A SESA can ensure that environmental and social considerations are taken into account in the selection of alternatives, that cumulative, large-scale and transboundary environmental and social impacts are assessed and addressed, and that a participatory approach is applied in engagement with project-affected communities and other stakeholders. Moreover, a SESA can better contribute to effective integration of environmental, human rights and governance considerations in the preparation of country-level, regional-level, and sub-regional-level development plans. Given the stated objective of greater selectivity and focus, SESAs or other similar instruments can better direct Bank interventions towards eliminating key constraints to poverty reduction.

The use of strategic environmental and social assessments is common, including among the European countries.² In addition, other countries may not have mandatory strategic

² In 2001, the EU passed the Strategic Environmental Assessment (SEA) Directive (2001/42/EC) in order to expand the reach of environmental impact assessments. The EU Environmental Impact Assessment (EIA) Directive (2001/92/EU), adopted in 1985, applies to individual projects. The SEA Directive expanded upon this to encompass plans and programmes. Members of the EU were required to incorporate the SEA Directive into their national legislation by June 2004. See, e.g., *Strategic Environmental Assessment—SEA*, EUROPEAN COMMISSION, available at: <http://ec.europa.eu/environment/eia/sea-legalcontext.htm>; Thomas B. Fischer, *THE THEORY AND PRACTICE OF STRATEGIC ENVIRONMENTAL ASSESSMENT: TOWARDS A MORE SYSTEMATIC APPROACH* 106 (2007).

environmental assessments at the national level, but nevertheless have a history of conducting them.³ Notably, the Bank already uses this instrument in certain sectors to help identify risks and programmatic opportunities. For instance, the Bank has piloted Country Environmental Analyses in at least 24 countries. Moreover, the Bank has supported SESA processes in various sectors from forests (for example through the Forest Carbon Partnership Facility) to the mineral sector.⁴

At least two of the first SCDs contained a reference to either a previous SESA⁵ or a country environmental analysis.⁶ However, neither SCD adequately articulated to what extent those assessments informed the SCD's conclusions. These analyses should be used and integrated properly into all SCDs. Finally, and equally important, these assessments need to remain relevant and should be used in shaping project selection, design, and assessment downstream of the CPF.

Analysis and Articulation of Risks Related to Land and Climate

Given its fundamental link to food security and sustainable livelihoods, all SCDs should include analysis of communities' and especially women's right to land, indigenous land rights and more generally land tenure systems, to better understand to what extent such factors are driving poverty and inequality in a country. Doing such analysis can provide the Bank with potential entry points for programming, but it will also help ensure that the Bank is factoring in land-related risks when engaging at the project level.

Similarly, reflecting the Bank's own research linking climate and poverty,⁷ it is inadequate to analyze the key opportunities and constraints to poverty alleviation without systematically including strong analysis on climate change in a country. The Bank should also consider existing

³ Brazil, for example, has carried out at least 35 strategic environmental assessments in the past 15 years, but these have all been voluntary. See Anne Caroline Malvestio & Marcelo Montano, Effectiveness of Strategic Environmental Assessment Applied to Renewable Energy in Brazil, 15(2) J. ENV. ASSMT. POL. MGMT. (2013). By way of further illustration, India has voluntarily applied strategic environmental assessments to plans, programs, and policies, including in projects where there was outside funding from donors, like the World Bank. See Asha Rajvanshi & Vinrod B. Mathur, Integrating Biodiversity into Strategic Environmental Assessment: Case Studies from India, 1 (2005). South Africa likewise does not require strategic environmental assessments, but has applied them to plans, policies and programmes. See Catherine Laurence, South Africa, Oxford Brookes University (2011).

⁴ See e.g., World Bank, *West Africa Mineral Sector Strategic Assessment, An Environmental and Social Strategic Assessment for the Development of the Mineral Sector in Mano River Union*, March 31, 2010 (focusing on three Mano River Union countries - Guinea, Liberia and Sierra Leone); see also World Bank, *Sierra Leone Mining Sector Reform, A Strategic Environmental and Social Assessment*, July 10, 2008; World Bank, *TA for Hydropower and Mining AF (Lao PDR), Strategic Environmental and Social Assessment of Mineral Sector*, June 10, 2015, available at: <http://www.worldbank.org/projects/procurement/noticeoverview?id=OP00033019> and Bank's own guidance on preparing SESAs in the mining sector, available at: <http://documents.worldbank.org/curated/en/2010/03/11983054/mining-sector-strategic-environmental-social-assessment-sesa>.

⁵ For example, according to the Mali SCD, a SESA was conducted for Mali in 2009 under OP 4.01 for the Mali Growth Support Project (this report was released in 2015). There is, however, no reference or clear evidence of integration of this assessment in the SCD.

⁶ As another example, the Madagascar SCD cites a 2013 Madagascar Country Environmental Analysis.

⁷ World Bank, *Shock Waves : Managing the Impacts of Climate Change on Poverty*, 2015.

climate change commitments that the country may have (especially post-COP21) such as Intended Nationally Determined Contributions (INDCs), and discuss through its programming how the Bank can support such commitments, as well as ensure its projects are not causing further climate impacts. Most importantly, the Bank must put communities, especially the most vulnerable, including women and children, at the forefront of its climate analysis.

Analysis and Articulation of Human Rights Risks that could impact Development

We are encouraged by the WBG's focus on increasing stakeholder engagement within the development process, and we urge the WBG to lend its voice and analysis—through such processes as the SCD—to opening up a space for CSO participation and social accountability.

An active civil society is indispensable for ensuring that development processes respond to people's needs, are accountable, and respect human rights. Unfortunately, the democratic space for public participation within development processes is steadily shrinking. According to Civicus, in 2014, civil society was under threat in over 96 countries.⁸ In 2015, several countries passed legal restrictions against associations and CSOs. With the increasingly shrinking space for civil society in many countries and the WBG's commitment to increase its interventions in fragile and conflict-affected states, it is more likely that the WBG will operate in contexts where governance is extremely weak and/or where environmental and human rights defenders face the risk of reprisals.

We recommend that, as part of its analysis on social inclusion, the SCD should assess, articulate and address the enabling environment for CSO participation. In at least one of the first SCDs, the WBG assessed the issue of the enabling environment for CSOs; however, this practice should be standardized for all SCDs. Specifically, the SCD for Azerbaijan assesses and articulates factors that either expand or reduce the space for meaningful CSO participation. In the discussion on “social capital,” the SCD references that the environment for civil society has recently become more restrictive, noting that while “[c]ivil society in Azerbaijan has been steadily developing . . . [n]evertheless, the recent stance of the government towards civil society appears to be limiting the activities of civil society in Azerbaijan, though on paper it seems to strive to transparency and accountability.”⁹ Unfortunately, based on our reading, the other SCDs in that region fail to assess or articulate factors that determine the enabling environment for meaningful public participation.

⁸ Civicus, *Civil Society Rights Violated in 96 Countries*, June 18, 2015, available at: <http://www.civicus.org/index.php/en/media-centre-129/news-and-resources-127/2245-new-civicus-report-civil-society-rights-violated-in-96-countries> (noting that “the two regions of highest concerns for defenders of civic space are Sub-Saharan Africa and the Middle East and North Africa).

⁹ World Bank Group, *Azerbaijan Systematic Country Diagnostic*, June 3, 2015, at pp. 63-64, available at: http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2015/06/07/090224b082f0192b/1_0/Rendered/PDF/Azerbaijan000S00country0diagnostic0.pdf.

An assessment of the enabling environment for civil society should include, among other considerations, an analysis of whether there are repressive CSO/NGO laws, or anti-terrorism legislation that is used against activists, journalists, and other critics of the government and/or development; whether there are laws or practices that prevent people from peacefully demonstrating; a pattern of illegal surveillance; barriers for citizens to access information, or a pattern of internet blocking; and a pattern of activists being arbitrarily detained or journalists subject to extra-judicial killings.

The SCD guidelines should provide detailed guidance to inform this assessment, while considering that in countries where civil society faces limited space in which to operate, accurately assessing these limitations and including civil society voices in that assessment will be more difficult.

The SCD should draw from existing best practice to assess the enabling environment for CSO participation. For example, the *Monitoring Matrix on Enabling Environment for Civil Society Development*¹⁰ elaborates standards that have been identified as critical for the existence of a supportive enabling environment for CSOs. The matrix addresses issues considered to be core to the existence of civil society¹¹ and based on these principles, sets forth a list of indicators for both legislation and practice. Additionally, the Coalition for Human Rights in Development's (CHRD) human rights due diligence tool provides indicators that could be used to assess the enabling environment for CSOs. (See Annex 1, for examples from each of these methodologies.)

It is worth noting that it is already the practice of some international financial institutions to assess and articulate the enabling environment for CSOs in their country strategies. For instance, the European Bank for Reconstruction and Development's country strategies for the Russian Federation, Mongolia, and Georgia contain assessments of "civil society, [the] media and participation."¹²

The SCD should also include systematic analysis around corruption, especially understanding the impact that that has on access to essential services such as health and education. This would also be important analysis to consider as the World Bank looks towards scaling up the use of Borrower Frameworks, for example, with respect to procurement policies or environmental and

¹⁰ Balkan Civil Society Development Network, et al., *Monitoring Matrix on Enabling Environment for Civil Society Development, The Tool-Kit*, available at: http://ecnl.org.hu/dindocuments/438_MonitoringMatrix%20on%20Enabling%20Environment%20and%20Toolkit.pdf. (See Annex 1 for an excerpt of this toolkit.)

¹¹ According to the Balkan Civil Society Development Network's Monitoring Matrix, the following freedoms have been recognized as essential to the enabling environment for CSOs: freedom of association; freedom of expression; freedom to communicate and cooperate; freedom of peaceful assembly; the right to seek and secure resources; freedom of information; participating in decision-making.

¹² See, e.g., European Bank for Reconstruction and Development, *Russian Federation Country Strategy* (2013), at p. 51; European Bank for Reconstruction and Development, *Country Strategy, Mongolia* (2012), at pp. 33-36; European Bank for Reconstruction and Development, *Country Strategy, Georgia* (2013), at pp. 27-31.

social safeguards. Assessing Borrower Frameworks must happen at the project level given that each project will have its own set of competencies required, but the SCD could provide a pretty strong basis for assessment. Should time and resources be provided, the SCD could for example, also include an assessment of policies, practices, and human rights track record of key government agencies likely to be implementing World Bank projects. Conducting such an assessment of key government agencies would also provide an important baseline in cases in which the Bank's future support to that country were to include institutional capacity building and reform.

Analysis and Implications of Poverty and Inequality

In order to prepare an analysis which delves into the question of shared prosperity, it is crucial to include a comprehensive analysis of inequality. Looking at the income of the poorest 40 percent and comparing that to the rest is useful but comparing it to the top 10 percent, five percent or one percent provides a clearer and more precise understanding of the context of a given country. This is because of the significant concentration of incomes accruing above the 95th percentile. Within the richest ten percent across countries, we see that the 90th – 95th percentiles capture about ten percent of national income on average. However, the richest five percent captures nearly double this.

Looking at this extreme tells us a different story – one in which there's often an acceleration of extreme wealth concentrations at the very top. If the data tells us that story, it is critical to know why this is happening, and how this is affecting income or wealth distribution below at different percentiles. The Bank should look more at extremes at the top and bottom, but also those at risk of falling into or back into poverty.¹³

We recognize that a big challenge is the lack of poverty data and we support using the SCD also as an exercise in identifying the data gaps. What data one considers important enough to consider “a gap” is also of importance though. While household budget data can serve some analyses very well for example, it is well established that such data does not capture information about the richest strata. This [Oxfam blog](#) outlines the implications of the choice of data on arriving at inequality analysis to help ensure policy makers are responding to real development dynamics and priorities.

The SCD should also include disaggregated data on individuals who may be particularly vulnerable due to gender, age, disability, ethnicity, or other factors with an analysis of how such groups experience poverty. Understanding the experience of vulnerable individuals is critical to identifying factors that perpetuate extreme poverty and serve as barriers to shared prosperity.

¹³ For a report highlighting the importance of such analysis, see Oxfam's September 2015 report “Privileges that Deny Rights: Extreme Inequality and the Hijacking of Democracy in Latin America and the Caribbean,” available at: https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/cr-privileges-deny-rights-inequality-lac-300915-summ-en.pdf.

At the moment, one of the main questions the SCD asks is: *"What are the critical factors [in the country] determining the inclusiveness of growth, namely increase in welfare of the poor and less well-off?"*

However, the question should be restated; it is not just about welfare, but also about increasing the chances of the poor/less well-off to participate in the economy and take advantage of/contribute to economic opportunity. In addition to improving the well-being of the poor or less-well off, providing them with the tools to prosper through life is critical to that. It is therefore critical to look at access to, and quality of, essential public services such as health and education so as to understand their impact on the longer-term trajectory of the country in terms of growth and stability. Such analysis should be done through a gender lens to study girls and women's access specifically, and should also consider factors such as SOGIE,¹⁴ disability, race, ethnicity, and other factors that might limit certain groups' access to these services. To get to solutions one must also look at the policies in place which impact on access to such services, particularly the fiscal regime of a country. A progressive fiscal regime will raise more in direct taxation from the richest individuals and corporations, raising more revenues for public investment in public services for all, including social protection programs. The SCD must assess to what extent fiscal policies are contributing to or mitigating economic inequality.

3. THE PROCESS OF PREPARING THE SCD

In this section, we draw recommendations from the experiences of non-governmental stakeholders that BIC has communicated with and who participated—through accessing documents online, participating in face-to-face consultations, or providing comments via the website—in the early countries for which an SCD was prepared under the interim guidelines. Based on those experiences, we have identified several areas that should be further clarified or systematized in the guidelines to improve the ease and effectiveness of stakeholder participation.

Systematized and accessible information on the SCD and CPF

To date, the information about the SCD/CPF preparation process available to stakeholders on the Bank's external website (including scheduled consultations, draft documents, and description of the process) has been inconsistent from country to country and from phase to phase of the process. Information on SCDs in particular has been widely unavailable to the public during their preparation. In Egypt's case, for example, consultation dates and relevant documents for the CPF preparation were provided in English and Arabic on a dedicated consultation page on the Bank's Consultation Hub. However, dates for a stakeholder meeting held on the SCD were not posted. Moreover, once Egypt's SCD document was finalized it was not posted on the Consultation Hub, nor on the country page, and as of November 2015 was only available on the Bank's "Documents" website in English. (See Annex 2, which discusses CSO experiences from the Egypt SCD process.)

¹⁴ Sexual orientation, gender identity, and expression.

The Consultation Hub is a logical central location for information on the preparation of SCD and CPF documents, should include information on all SCD/CPF consultation processes underway with clear info on how to be involved, and a link to the Hub should be clearly visible on the relevant country page. Not all countries going through a CPF or SCD process currently have a dedicated page on the Consultation Hub, and information provided on the Hub pages is not consistent between countries. The lack of consistency means that although information may be available, it is not easy or intuitive for stakeholders to locate. Guidelines for staff should include specific requirements for publicizing information about SCD and CPF preparation process, including information about consultations, in order to facilitate more systematic access to information about these processes.

Disclosure of SCD and CPF documents has also not been consistent. The status of the SCD document in the Access to Information (AI) Policy should be reviewed to ensure that the SCD, as a diagnostic exercise that includes significant rationale for the programs and pillars identified in the CPF, is shared with stakeholders to inform SCD consultations and that the final version is systematically disclosed before the start of CPF consultations. Designating the SCD as Environmental and Sector Work undervalues the specific role that the SCD plays in the country engagement approach. Ultimately, the rationale behind the designation is not clear in the [Interim SCD Guidelines](#).

Consultations

The new guidelines must clarify that consultations on the SCD are mandatory. Early SCD processes show that there is not clarity in the interim guidelines that consultations on the SCD are mandatory. Civil society organizations that BIC communicated with were told repeatedly by Bank staff in the Tunisia office that consultations on the SCD are not mandatory, while a senior economist in the MENA department stated that the Bank would conduct peer reviews but did not need to conduct consultations on the SCD. Meanwhile, OPCS informed us that consultations were indeed mandatory at the SCD stage. The new guidelines should leave no ambiguity on the consultation requirement, and the guidelines must be reinforced with clear guidance and training for staff both at headquarters and country level.

Similarly, the revised SCD guidelines and associated guidance for staff should clarify the purpose and role of consultations on the SCD, and minimum standards should be detailed in the guidelines as to what a “consultation” entails (as opposed to a dialogue or informational meeting for example), information that should be provided to participants, accessible language and format of sessions, and allowing sufficient time before the session to send invitations and materials to permit preparation that will lead to informed and productive participation. According to CSOs BIC was in touch with, it was not clear in advance in Egypt what type of feedback was being sought for the SCD, and whether stakeholders were truly being *consulted*, rather than informed and given the opportunity to discuss the findings. In addition, consultations should be both open to any interested participant as well as aiming to specifically seek the input of key groups of

stakeholders. Closing the feedback loop is also a key aspect of consultation, and participants should be informed as to how their feedback was or was not incorporated in the SCD with clear explanation. CSOs BIC was in contact with who participated in the consultations in Myanmar expressed a lack of clarity as to what feedback was being sought from them during the consultations, and did not receive feedback after the consultation as to how their input had been used. (See Annex 2, for experiences from CSOs in Myanmar and Egypt.)

When conducting consultations, care must also be taken to consider the country context, in particular in fragile states, as well as states where one or more groups may have less access or voice that may not necessarily be classified as fragile states. Staff must receive clear training and direction as to the purpose and minimum standards of consultations on the SCD.

SCD timing and ownership

The SCD, as a key document which is meant to provide evidence and analytical basis for the directions taken in the CPF, should be finalized and publicly available before the start of CPF development, and at the very latest must be available to stakeholders before consultations on the CPF are held. The revised SCD guidelines and associated staff guidance should clarify requirements and milestones for how the SCD and CPF processes should intersect.

The revised SCD guidelines must also stress the sole Bank ownership of the SCD document in order to maintain objectivity, and clarify what (if any) role the government may play in the preparation, approval, and disclosure of the SCD.

ANNEX 1

Listed below are excerpts from methodologies for assessing the enabling environment for civil society organizations.

Example 1: Balkan Civil Society Development Network, et al., *Monitoring Matrix on Enabling Environment for Civil Society Development, The Tool-Kit*, p. 21.

STANDARD: CSO representatives, individually or through their organizations, enjoy freedom of expression.

INDICATORS:

Legislation:

- The legal framework provides freedom of expression for all.
- Restrictions, such as limitation of hate speech, imposed by legislation are clearly prescribed and in line with international law and standards.
- Libel is a misdemeanor rather than part of the penal code.

Practice:

- CSO representatives, especially those from human rights and watchdog organizations, enjoy the right to freedom of expression on matters they support and they are critical of.
- There are no cases of encroachment of the right to freedom of expression for all.
- There are no cases where individuals, including CSO representatives, would be persecuted for critical speech in public or private.
- There is no sanction for critical speech, in public or private, under the penal code.

Example 2: Coalition for Human Rights in Development, *Human Rights Due Diligence Tool*

Risk Indicator Questions for FREEDOM OF EXPRESSION

- Is freedom of expression protected in national law? What is the actual status of the right to freedom of expression in the country? Are there restrictions on freedom of expression or crackdowns on opposition parties or views?
- Are there any limitations on internet, satellite, or digital broadcasting and use in the project/program area?

- Are there media monopolies and other structural restrictions on the press in the project/program area? Does the national government make use of journalist or media censoring?
- Have there been any documented reports of systemic criminalization of human rights defenders, or criminalization of protest in the project/program area?

Risk Indicator Questions for FREEDOM OF ASSEMBLY

- Is the right to freedom of assembly recognized under national law?
- Are there reports of restrictions of freedom of assembly or broader restrictions on public protest?
- Is there unrestricted access to the Internet and other communications media?

ANNEX 2

Below we provide select experiences from CSO participants in SCD consultation events held in Egypt and Myanmar. Experiences from both countries are based on BIC staff contact with select CSOs who participated in consultations in these countries. It is our view that Bank made efforts to engage civil society in both countries - likely even more so than in other countries. Despite those efforts, several CSOs still felt there was much room for improvement in both countries and we hope that this documentation can be viewed in that light.

Egypt's Systematic Country Diagnostic process

Timeline:

June 18, 2014: [SCD information notice](#) released on World Bank documents website

September 25, 2014: SCD event held at World Bank office in Cairo

March 2014-October 2014: Egyptian CSOs submit recommendations and studies to be considered in the SCD

September 2015: The SCD document is published on the “documents” website in English

December 2015: The SCD document is published on the Egypt country page in English, and the Executive Summary is posted on the Egypt country page in Arabic

Experiences and issues from the consultation process:

The following insights come from representatives of multiple Egyptian civil society organizations who engaged with the Bank throughout the SCD preparation process and participated in a 2-hour event held on September 25, 2014 in Cairo to discuss the findings of the SCD and to receive feedback.

- It was unclear from invitations sent to civil society stakeholders whether the event would be considered an official consultation on the SCD.
- Invitations were sent to stakeholders just 5 days before the event date.
- Stakeholders requested that an Arabic-language draft of the SCD be made available before the presumed consultation event, per the Access to Information (AI) policy designation as Environmental and Sector Work, which specifies that the draft document, at the discretion of the Bank, can be disclosed for consultation purposes. No draft document or any other materials were provided prior to the event, but correspondence with the country director after the event suggested that this event was not considered a “consultation” and that further consultation on the material was planned, at which time a draft would be released (to date this additional consultation did not occur, and in the SCD final document the September 25 event is listed as a consultation).

- The format allowed for discussion, but time allotted for discussion was much too limited. The event began with a 1.5 hour powerpoint presentation that covered the primary findings and hypotheses of the SCD. The remaining half hour was allocated for open discussion, and both Bank and CSO participants present agreed that the discussion during this period was relevant and robust, though very limited due to the time constraint.
- Participants were primarily from government or quasi-governmental CSOs.
- After the consultation event, participants did not receive any indication from the Bank team as to whether their comments had been taken into consideration.
- Information about this SCD discussion event was not available on the Bank's dedicated [consultation website for the CPF preparation process](#).

Myanmar's Systematic Country Diagnostic process

Timeline:

February 2014: The [CPF consultations hub](#) is released on World Bank website.

February 26-27, 2014: Initial round of SCD consultations held in Yangon.

May 16-23, 2014: Second round of SCD consultations held in Yangon, Nay Pyi Taw, and five other cities in Myanmar.

July 2014 and August 2014: Consultations on the CPF held in six cities in Myanmar, Chiang Mai and Mae Sot in Thailand, and Washington, DC.

September 12, 2014: Civil society groups in Myanmar sent [a joint submission](#) of their recommendations on the SCD/CPF process to Dr. Kim, World Bank EDs, and Senior Management.

December 10, 2014: Following several months of delay, World Bank country staff shared the [final SCD report](#) in English along with an [Executive Summary statement translated into Myanmar language](#) with stakeholders via email, followed by a formal launching of the document in Yangon a week later.

Experiences and issues from the consultation process:

The following insights come from representatives of civil society organizations who engaged with the Bank throughout the SCD preparation process in Myanmar.

- Invitations were sent to stakeholders just 5 business days before the first consultation with civil society on February 26, 2014. As a result, representatives from only 8 civil

society groups showed up to the event. After civil society groups registered their frustration, the Bank responded and extended the notice period for the next consultation to two weeks.

- Consultation attendees felt that they could not participate meaningfully because of the limited prior knowledge of the substance of the SCD or the content of the meetings themselves. They also felt that the two hour allotted for the consultations was not enough to get into depth because of the lack of prior knowledge.
- By conducting the consultations separately among government, INGOs and local CSOs, the opportunity for CSOs to be heard by government and other stakeholders was lost. It would be helpful to have opportunities to gather a wider range of stakeholders, while also providing a separate space for each group to be able to speak freely.
- After the consultations, participants did not receive any indication from the Bank team as to whether their comments had been taken into consideration.
- There were improvements in the second round of consultations, which were welcomed by CSOs: The World Bank responded to recommendations from IFI Watch Myanmar and other CSOs during the second round of SCD consultations, most notably in moving from no provision of relevant documents with invitations to the provision of documents in both Myanmar and English language with the invitations. In addition, reasonable transportation and accommodation costs for one invited participant per organization attending consultations in the townships outside Yangon was reimbursed upon submission of receipts.