

2015 Development Policy Financing Retrospective Consultation Meeting & Live Chat

FEEDBACK SUMMARY

Date: June 23, 2015

Location: Washington, D.C., United States (face-to-face and online)

Total Participants: 31 (plus an online audience)

The World Bank held a consultation meeting and live chat on the preliminary findings of the Development Policy Financing (DPF) Retrospective, which covers the period between April 1, 2012 and December 31, 2014. The objective of the consultation meeting was to seek feedback on the early emerging findings of the analysis, and share experiences and lessons.

This meeting was held with a live audience at the World Bank's Headquarters in Washington, D.C., where representatives from government, civil society, the private sector, and the World Bank's Executive Directors' offices attended (please see annex for list of these participants). The meeting was also streamed to global audiences through a <u>live chat website</u> [to view full video of event, please see http://live.worldbank.org/development-policy-finance], where participants could post comments and questions with the hashtag #DevPolicy.

Hart Schafer (Vice President, Operations Policy and Country Services) gave brief opening remarks and Edward Mountfield (Manager, Operations Policy and Country Services) presented the preliminary findings of the Retrospective. The meeting was moderated by Edith Jubinoh (Adviser, External and Corporate Relations) and closing remarks were made by Linda Van Gelder (Director, Operations Policy and Country Services).

Overview and general reactions:

The participants expressed their appreciation for the presentation and opportunity to share their views. There were a number of broad questions around DPF as a financing instrument as well as the Retrospective process. The participants – both online and those participating in person –also discussed a number of other topics, including social and environmental effects of reforms supported by DPF, mechanisms to support accountability in DPF, governance-related issues and recent Bank reforms.

This report provides a summary of the feedback received from participants.

Main issues raised

Broad issues covering the DPF instrument

Participants asked a number of general questions related to the DPF Retrospective and the role of DPF in the Bank's engagement with its clients , including the Retrospective's rationale and frequency; the percentage of Bank lending that is DPF; whether this percentage is set to increase; and what makes a country eligible for DPF. Participants also inquired about the integration of DPF in the Bank's new country engagement model.

There were a number of questions on the design of DPF operations, including the distinction between prior actions "conditionality"; and whether DPF only supports individual policy and institutional reforms, or also long-term implementation of such reforms.

A comment was made on the importance of having a comprehensive engagement with countries through the Bank's different financing instruments, taking advantage of the complementarity of these instruments.

Social and environmental effects of reforms supported by DPF

There were a number of questions raised on the analysis of social and environmental risks, including the documentation and transparency surrounding these assessments; the definition of short-term risks; whether DPOs undergo assessments of long-term risks; and whether Poverty and Social Impact Analysis are conducted for all prior actions, including those not likely to have significant effects.

There were questions raised on how the Bank works with countries to help manage adverse impacts, and how the Bank monitors whether adverse impacts actually materialize.

Several participants asked why development policy financing is not included in the safeguards review, and suggested stronger harmonization of environmental and social risk management across financing instruments. Others stressed the importance of understanding the differences between the Bank's financing instruments and their appropriate policies for managing social and environmental risks. Participants requested more information about how the treatment of environmental and social effects in DPF will be strengthened as a result of the Retrospective.

Participants asked how the learning product on managing social and environmental risk in DPF currently being prepared by the Independent Evaluation Group's (IEG) will be accounted for in the Retrospective. There was also a comment on lessons that may be derived from IEG's Project Performance Assessment Report for the Brazil First Programmatic Reform Loan for Environmental Sustainability.

Suggestions on how to make DPF more effective

A comment was made on the need to focus on accountability and checks and balances within a country. Specifically, a recommendation was made for the Bank to follow the example of the European Union, which uses a portion of the budget support provided to client countries for building the capacity of civil society, parliament, and other important stakeholders to strengthen accountability. There was a suggestion to link this type of effort to the work done by the Global Partnership for Social Accountability.

Other

A participant commented on the small share of DPF supporting prior actions in the area of environmental/natural capital management, and inquired about the prospects to increase this share.



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PARTICIPANTS LIST

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Location: Washington, D.C., United States

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| Participant Name | Organization Represented | Organization Type | Country |
|-----------------------|--|-------------------|----------------|
| Chelsea Linsley | Center for International Environmental | Non-Governmental | United States |
| | Law | Organization | |
| Vivian Fernandes | Center for International Environmental | Non-Governmental | United States |
| | Law | Organization | |
| David Marin | Center for International Environmental | Non-Governmental | United States |
| | Law | Organization | |
| Carla Garcia Zendejas | Center for International Environmental | Non-Governmental | United States |
| | Law | Organization | |
| Jorge Juan Sanz Levia | Human Rights Watch | Non-Governmental | United States |
| | | Organization | |
| Matthias Kranke | University of Warwick | Academia | United Kingdom |
| | | | |
| Rachel Bayly | U.S. Department of the Treasury | Government | United States |
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| Scott Morris | Center for Global Development | Non-Governmental Organization | United States |
|------------------------|---|----------------------------------|---------------|
| Carolin Vollmann | ITUC/Global Unions | Non-Governmental Organization | United States |
| Reto Gruninger | Office of the Executive Director, Switzerland, Azerbaijan, and Poland The World Bank | Government | |
| Rafael Dominguez | Office of the Executive Director, CRica/ElSalv/Guatem/Spain/Mexc/Venez The World Bank | Government | |
| Stefan Georg Denzler | Office of the Executive Director, Switzerland, Azerbaijan, and Poland The World Bank | Government | |
| Max von Bonsdorff | Ministry of Foreign Affairs, Finland | Government | Finland |
| Jochen August Hoettcke | Office of the Executive Director, Germany The World Bank | Government | |
| Nicolas Mombrial | Oxfam International | Non-Governmental Organization | United States |
| Gaia Larsen | World Resources Institute | Non-Governmental Organization | United States |
| David Beer | Office of the Executive Director, United Kingdom The World Bank | Government | |
| Jessica Evans | Human Rights Watch | Non-Governmental Organization | United States |
| Lawrence F. Connell | Conservation International | Non-Governmental Organization | United States |
| Vince McElhinny | Conservation International | Non-Governmental Organization | United States |

| Office of the Executive Director, France | Government | |
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| The World Bank | | |
| Sustainable Development and Climate Change | Private Sector | United States |
| The World Bank | Multilateral | United States |
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| The World Bank | Multilateral | United States |
| The World Bank | Multilateral | United States |
| | France The World Bank Sustainable Development and Climate Change The World Bank | France The World Bank Sustainable Development and Climate Change The World Bank Multilateral The World Bank Multilateral |