

*2015 Development Policy Financing Retrospective
Consultation Meeting*

FEEDBACK SUMMARY

Date: May 14, 2015

Location: Warsaw, Poland

Total Participants: 4

The World Bank held a consultation meeting in Warsaw on the preliminary findings of its 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 with stakeholders. The participant list is included in the Annex.

Marina Wes (Country Manager for Poland) gave brief opening remarks and Jasmin Chakeri (Senior Economist, Operations Policy and Country Services) presented the preliminary findings of the Retrospective. The meeting was moderated by Ewa Joanna Korczyk, Country Economist at the World Bank office in Poland.

Overview and General Reactions

The participants expressed their appreciation for their overall experience with Development Policy Financing (DPF), noting that it is a well-designed instrument that is flexible in responding to the needs of high income countries like Poland. In particular, they stressed the usefulness of the Bank's technical expertise and its role as an "honest broker". They value the Bank's flexibility to respond during the financial crisis and to tailor its support to the context of EU member countries. Participants also noted some possible areas for improvement, including more flexibility in extending DPO eligibility to entities beyond national governments without a sovereign guarantee. Their experience regarding the social and environmental aspects of DPOs were also discussed, where participants noted that under EU rules, Poland has to adhere to very strict environmental requirements.

Main Issues Raised

General Experience with Development Policy Financing

Overall, the participants characterized their experience with DPOs in Poland as a positive one. They noted the different periods of DPO engagement in Poland. Initially, this engagement began during the

financial crisis, where the World Bank responded very effectively to the needs of Poland. The collapse of the markets created a very difficult reform environment. The first set of DPLs in 2008-2010 enabled Poland to continue implementing reforms while stabilizing the economy. The participants noted that as the economic situation in Poland improved, they continued their engagement with the Bank through DPOs, which helped them facilitate further reforms and obtain access to favorable financing.

The participants also found the dialog and technical assistance provided by the Bank to be very useful, especially when dealing with less popular reforms. They felt the success of this engagement had a lot to do with two different elements: (1) the strong support of the local country office in Warsaw, where they had access to Bank experts that were open and responsive; and (2) a good understanding on the part of the government on the instrument and importance of reforms.

Along with the financial support, the participants continued to emphasize the value of the Bank's technical assistance, which in their view is as valuable as the financial support that DPOs provide. Compared to the private sector, the World Bank is known to be an honest broker with global experience. They also noted that the Bank's expertise and perspective has been tremendously useful, especially for internal discussions among various factions of the government.

In all, there is great interest from participants to continue engaging with the Bank through DPOs.

Areas of Improvement

In general, participants felt that DPOs are a well-designed instrument that is effective in responding to clients' needs. However, there are some elements that could be improved. For instance, there could be more flexibility to extend DPOs to entities other than the national government to reach local level governments or other institutions that have a large social impact, especially in transition economies with a legacy of inefficient state owned enterprises. They felt there was good financing available for investments, but there was currently no instrument to support policy and institutional reforms in these entities without a sovereign guarantee.

Social and Environmental Aspects of Development Policy Financing

The participants emphasized that the context for handling the social and environmental effects of policy reforms is different in Poland than in some other countries that the Bank engages with. The country already has existing social and environmental provisions that apply to policy reforms and are required for EU member states. For this reason, the social and environmental policies are strong part of the existing framework in Poland, including requirements for consultations and multiple other standards that need to be complied with.

Despite having existing systems for managing social and environmental issues, the participants noted an enormous value of using DPOs. They felt that as part of the policy dialogue associated with DPOs, the Bank has provided much analysis and advice on the economic impact of policy reforms, especially those

related to the environment. Specifically, they noted effective engagement on issues concerning climate change and energy policies.

Annex:



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PARTICIPANTS LIST

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Participant Name	Organization Represented	Organization Type	Country
Mr. Jacek Dominik, Adviser to the Minister	Ministry of Finance	Government	Poland
Mr. Dominik Prokop, Senior Specialist	Ministry of Finance	Government	Poland
Dorota Kowalska	The World Bank	Multilateral	Poland
Uwi Basaninyenzi	The World Bank	Multilateral	United States