



WORLD BANK GROUP PROPOSED NEW FRAMEWORK FOR COUNTRY ENGAGEMENT

March 4, 2014

OVERVIEW

- Core elements of the new approach
- Additional elements of the new approach
- Implementation timeline



CORE ELEMENTS OF THE NEW APPROACH

SENIOR MANAGEMENT TEAM (SMT) DECISIONS ON A NEW APPROACH TO COUNTRY PARTNERSHIP

Objective

- To establish processes, instruments and structures to enable our country teams and their clients to deliver programs that will have the greatest impact on reducing poverty and increasing shared prosperity in a sustainable manner

Decision

- On July 22, 2013, the SMT endorsed several proposals that, collectively, will **create a new model for client engagement**:
 - A **new Systematic Country Diagnostic (SCD)**
 - A **new Country Partnership Framework (CPF)**
 - **Performance and Learning Reviews** that will continuously improve how we deliver solutions and build knowledge
 - A **regional World Bank Group (WBG) coordination mechanism** to improve coordination between WBG elements and decide joint approaches to SCDs and CPFs

THE NEW APPROACH TO COUNTRY ENGAGEMENT



The new approach:

- Is unified across the World Bank Group
- Builds upon current country-driven model but strengthened with a more systematic, evidenced-based and selective approach to prioritization and goal setting
- Supports a member country's efforts to end extreme poverty and boost shared prosperity in a sustainable manner, taking into account client demand and the WBG's comparative advantage
- Is flexible to accommodate all types of client countries, lessons from implementation experience and changing circumstances



Step 1: What are the biggest constraints to reducing poverty and building shared prosperity in a sustainable way?

Systematic Country Diagnostic

- Identifies a select group of high impact areas that will focus efforts to support a country accelerate sustainable progress towards the twin goals
- The SCD will draw upon all available evidence and will identify knowledge gaps that must be filled
- The analysis is not limited to areas where the WBG is currently active or expects immediate country demand
- The comprehensiveness of SCDs will vary across countries based upon data availability – for example, fragile states may have less extensive SCDs

(continued)



Systematic Country Diagnostic (continued)

- Prepared by the WBG country team in close consultation with national authorities and other stakeholders as appropriate
- Completed early in the CPF process
- Subject to the same robust and contestable review process as other high visibility regional Economic Sector Work. Meetings chaired by Regional Vice Presidents with active participation of all WBG institutions, the Global Practices, Cross-Cutting Solutions Areas, Corporate units and in the initial phase the SCD advisory group
- Interim Guidance on SCDs was issued in January 2014



Step 2: What are the most important contributions the World Bank Group can make?

Country Partnership Framework

- Starts from the country's own development goals and draws upon the SCD to focus engagement on high impact areas
- The CPF is a partnership plan, not a country diagnostic. It is underpinned by and builds upon the evidenced-based country analysis found in the SCD
- Reflects the intersection of the WBG goals, the client demand and the WBG's comparative advantage
- Enhanced focus and selectivity for highest impact – while recognizing that “transformational” opportunities are not always immediately present and may need to build on prior, more thinly spread “foundational” investments



Country Partnership Framework (continued)

- Results focused; centered around a select group of objectives that the WBG program will help the country achieve
- Flexible and can be revised to reflect changes in country priorities, country circumstance and learning from implementation
- Given uncertainties, such as experienced in fragile states, WBG activities in the outer years may not be well defined in the initial CPF but can be updated later. Similarly, the expected results of the WBG support can be revisited and updated
- Normally 4-6 years and can be extended before the end of the CPF period to take into account implementation experience and country circumstances



Step 3: How are we doing?

Performance and Learning review

- The main vehicle to draw lessons from implementation, introduce mid-course adjustments, update the results framework and extend the CPF as necessary
- Reflects a continuous process of results monitoring and learning from implementation by the WBG, country and other stakeholders
- Undertaken every two years, or at mid-term, with the country and other stakeholders
- Incorporates review of the portfolio as well as drawing links from portfolio performance to results, which helps ensure a stronger results focus (a separate Country Portfolio Performance Review is no longer required)



Step 4: What did we learn?

Completion and Learning review (CLR)

- Both a means to enhance the WBG's knowledge to increase development effectiveness and a tool for accountability
- WBG engages with stakeholders to assess CPF program performance, WBG performance and alignment of CPF with the WBG twin goals. Self-assessment validated by Internal Evaluation Group
- CLR lessons learned are reflected in the follow-on strategy
- Global learning enhanced by systematic collection of information on CPF outcomes and development of WBG's knowledge base so that successful approaches that can be used across regions
- Regular CPF retrospectives will be undertaken to strengthen the WBG's country engagement framework and consolidate lessons at regional, sectoral and thematic levels



ADDITIONAL ELEMENTS OF THE NEW APPROACH

OTHER ASPECTS OF WBG COUNTRY ENGAGEMENT MODEL

- Country Engagement Note
- World Bank Group Coordination
- Systematic Accounting of Risks
- Citizen Engagement and Partnerships

COUNTRY ENGAGEMENT NOTE (CEN)

- The CEN will replace the Interim Strategy Note (ISN), which had become overused and poorly differentiated from the mainstream Country Assistance Strategies (CASs)
- Short time period (so no PLR) – 12-24 months, no requirement to be preceded by an SCD and does not include a formal results matrix (so no CLR – lessons learned are captured in the next CEN or CPF). Much shorter than CPFs (and than most current ISNs)
- Used only when WBG cannot commit to a program with medium-term impact. May be appropriate when the WBG is re-engaging, there is an ongoing conflict, there is no clear government program or other situation that prevents the WBG from developing a medium-term perspective
- However, in uncertain situations where the WBG can nevertheless formulate objectives and engage in activities with medium to long-term impact, teams will prepare a CPF

WORLD BANK GROUP COORDINATION

- All CPFs will be WBG documents, reflecting the Group strategic framework in the country. (SCDs will also always be joint.)
- Degree of involvement by individual WBG entities will depend on the country's challenges and opportunities and on individual WBG entities' ability to engage
- In countries where two or more parts of the Bank Group are heavily engaged in the same sector, teams may prepare joint implementation plans for the sector as a part of the CPF process. These plans are not sent to the Board since they are management tools elaborating on the CPF
- Regional coordination mechanisms, comprising regional management from the IFC, MIGA and Bank, and, when appropriate, management from corporate units, meet quarterly to determine the level of engagement in each region



SYSTEMATIC ASSESSMENT OF RISK

- CPFs will include a systematic assessment of risk, underpinned by a standardized approach that ensures CPFs consider all major risks of the program
- The overall risk of the program will be summarized by a single overall risk rating (H, S, M or L), with more management attention/budget and more expectation of failure for programs deemed higher risk
- Focus is on the client's risks associated with the operational engagements in the CPF program
- CPF will summarize how serious risks will be managed and how the program will adjust in case these risks materialize

CITIZEN ENGAGEMENT AND PARTNERSHIP

- The SCD, CPF, PLR and, to the extent possible, the CEN are produced in a collaborative process involving citizens, government, the private sector and other stakeholders
- In developing the CPF and CEN, the WBG collaborates with development partners to increase coherences across institutions and alignment with the country's development priorities

ELIMINATING MANDATORY PRSP/JSAN PROCESS FOR IDA COUNTRIES

- The new poverty-focused engagement approach and the SCD obviates the need for a mandatory Poverty Reduction Strategy Paper (PRSP)/Joint Staff Advisory Note (JSAN) as the basis of Bank engagement in IDA countries
- Countries may opt to continue to prepare their national strategies in the form of PRSPs; and the Bank may continue to prepare JSANs with the IMF upon request of the authorities (e.g. where required for remaining Heavily Indebted Poor Countries (HIPC) cases or under IMF financing facilities)
- However, the Bank will no longer expect IDA countries to transmit a PRSP to the Bank ahead of the Country Strategy; and the preparation of JSANs will no longer be standard practice for IDA clients
- We will drop footnote 2 on PRSPs and JSANs from OP 1.00 (Poverty Reduction); and will work closely with the IMF to adjust associated guidance so as to maintain close Bank-Fund collaboration

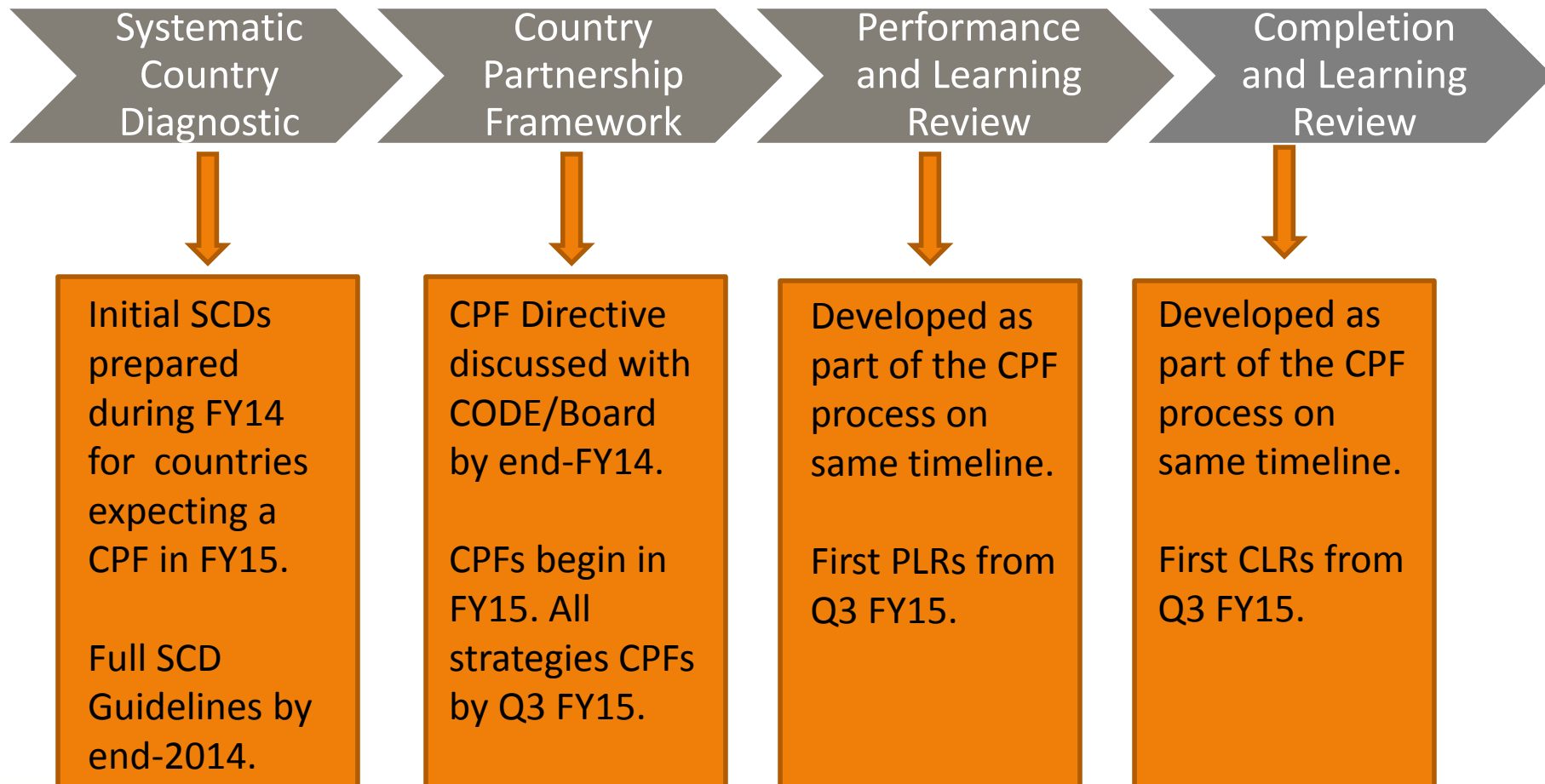
OTHER CHANGES PROPOSED TO OPERATIONS MANUAL

- Retire BP2.11 (Country Assistance Strategies): to be replaced by the new CPF Directive
- Retire OP/BP 13.16 (Country Portfolio Performance Reviews, CPPR): including a portfolio review as part of PLR process eliminates the need for a separate CPPR
- Remove references to ISN from OP/BP 2.30 (Development Cooperation and Conflict): the new Directive will consolidate all guidance on CENs, which replace ISNs
- Other editorial changes to OPs/BPs and guidance to reflect the move from CAS/CPS/ISN to CPF/CEN; and to clarify those sectoral and thematic issues that are required to be reflected in CPFs only as appropriate
- As now with CASs, OP 4.20 (Gender and Development) will require that all CPFs draw on and discuss the findings of a gender assessment



IMPLEMENTATION TIMELINE

PRELIMINARY TIMELINE FOR IMPLEMENTATION



TIMELINE FOR OPERATIONALIZING NEW CPF PROCESS

Milestone	Expected Date
Formal discussion with WBG Committee on Development Effectiveness	March 12, 2014
Consultation period on CPF Directive and new approach	March/April 2014
Board Discussion of new approach	May 22, 2014
Publish new WBG Directive and procedures on CPFs	June 2, 2014
Publish guidance for review of CPFs and SCDs	June 16, 2014
Complete initial CPF guidelines and templates	June 31, 2014
Initiate first CPF Concept Notes	Q1 FY15