

A New Approach to WBG Country Engagement:

Updated External Consultation Summary

Consultations Undertaken

1. To inform the design of the new approach to country engagement, between March 17, and May 22, 2014, the World Bank Group (WBG) consulted with and received feedback from a wide range of interested stakeholders (all feedback is available for viewing at ...). To seek online feedback, the draft Board paper, including the draft Directive, along with a slide presentation, was posted on the WBG's consultations hub. This material was translated into six different languages and also distributed to country offices for them to share with and discuss with their counterparts.
2. During the Spring Meetings, a World Bank Live event was undertaken on April 8, where the new approach was presented to a large audience of meeting delegates, staff from development partners and WBG staff. The event was live-streamed on the web in Arabic, Spanish, French, English, with a strong online presence in all four languages. It was viewed by more than 1,500 people, with a substantial number of comments received.
3. A strong effort was made to reach out to CSOs. Consultations were undertaken with a number of organizations during the consultations period, including holding video conferences with CSOs in Europe, as well as meeting with groups during the Spring Meetings. The WBG team held a session as a part of the CSO Forum where the new approach was discussed with representatives from more than 30 organizations. Discussions on the new approach were also held with a group of parliamentarians attending the Spring Meetings.
4. As the new approach is implemented, it will be improved through a process of learning by doing and as a part of the learning effort the WBG will continue to welcome further stakeholder insights..

Summary of main issues received from stakeholder feedback

5. Overall consultations have revealed widespread support for the new approach. Commenters were particularly appreciative of the focus on the poverty and prosperity goals, the commitment to work as one World Bank Group, and support for a more evidence-based approach with the Systematic Country Diagnostic. Consultations also revealed a number of concerns about the new approach.
6. Consultation and Citizen Engagement: Feedback on how the Bank Group would consult throughout the CPF/SCD process was a major focus: Concerns were raised about the inclusiveness of engagement throughout the SCD/CPF process, including ensuring that vulnerable and marginalized groups are included in discussions. It was recommended that the WBG consultations for the new approach make it mandatory to ensure that consultations are as inclusive as possible with sufficient lead time provided for interested parties to be involved in meaningful consultations. Feedback providers recommended the Bank Group adopt the WBG

Consultation Guidelines for use in the SCD/CPF consultation processes. It was suggested that CPFs should be simultaneously disclosed when they are distributed to the Board, and that the Bank Group involve local institutions, including think tanks, in the preparation of the SCD. There were also questions about how the SCD/CPF would link to the proposed Citizen Engagement Strategic Framework.

- **Bank Response:** The new approach will include stakeholders throughout the process. The SCD will be conducted in cooperation with local institutions and other development partners which, in addition to direct consultations, will ensure that views of a range of stakeholders are considered in the diagnostic.
- Consultations under the new approach will follow the existing WBG Consultation Guidelines so as to best ensure that vulnerable and marginalized groups are included. Formal “Information Notices” will be issued early in the preparation of SCDs and CPFs (and CENs/PLRs) so that interested stakeholders will have sufficient time to express their interest in participating in the consultation process. The option for simultaneous disclosure (i.e., before Board Discussion) that is available under the Access to Information Policy will also be encouraged under the new approach.

7. *Human Rights, Environment, and Governance Issues.* SCDs should include assessments of the roots of poverty and vulnerability, governance structures and power dynamics, institutional capacity; corruption cases and risks, especially related to the natural resources sector; a review of natural resource sector transparency; climate risks; and comprehensive assessments of environmental, social, human rights and governance related risks, including looking at vulnerability of specific groups. Some feedback providers said the Bank Group should mandate Environmental and Social Action Plans in every CPF.

- **Bank Response:** We agree that these issues matter for poverty reduction, inclusion and sustainability. The SCD will be organized around the corporate goals of poverty/prosperity in a sustainable manner. Our CPFs will support objectives that are aligned with these goals also, as well as the country's own development goals. In this way, we contribute in a manner that is in keeping with a wide range of human rights principles that are relevant to our mandate. While a stand-alone risk assessment is not mandated during the SCD process, we see this range of issues as cross-cutting concerns and, are working with teams currently undertaking an SCD to reflect them where appropriate.
- Further to this point, environmental sustainability is inherent to the WBG goals, and governance is expected to be an important thread running throughout the diagnostics as well as the focus areas recommended by the SCD. Teams will also be looking at issues of fragility, barriers to inclusion, and voice and agency when applicable. We certainly welcome the use of existing tools and social/environmental assessments to inform the SCD as appropriate, and, as we learn what works from the first set of SCDs, we will look

to include lessons and best practices in the more final set of guidelines for the SCD going forward.

8. Accounting for Risk: A number of commenters raised concerns that the SCD and the CPF properly account for risks to development. While a major focus of the feedback was on environmental risk, the risk posed by corruption, poor governance, abuse of human rights and other social issues were also raised.

- **Bank Response:** The SCD will examine the major constraints and opportunities to achieving the twin goals in any given country. Sustainability will be emphasized and consequently any significant risks to sustainability in achieving the goals will be assessed. Increasing the capacity of the country to deal with risks, particularly those related to natural disasters, will continue to be an important element of the WBG country engagement.
- The CPF will include a new, more systematic approach to risk based on a standardized operations risk-rating tool currently being developed. This new approach ensures that CPFs contain a candid discussion of risk that may affect implementation of the WBG strategy. It also is designed to increase transparency by better informing stakeholders of risks.

9. Working in Fragile States: The WBG work in fragile states received a number of comments, with observers wanting to know how the new approach will be implemented in Fragile and Conflict-Affected Situations (FCS) and if it will be flexible enough to respond to changing circumstances. Others noted that the language related to CENs in the directive should be more specific.

- **Bank Response:** The new approach to country engagement is well suited to FCS environments. The SCD will be a rigorous analysis that will be informed by a fragility assessment where appropriate. The CPF is flexible, with a continuous process of monitoring and evaluation that allows it to adjust to changing circumstances and learning through implementation (and reflected in the PLR).
- For situations where the WBG is unable to commit to medium-term goals, the introduction of the CEN will help organize the WBG's program. Fragility or uncertainty *per se* do not justify the use of a CEN. Where, for example, uncertainty is expected to persist over an extended time period and the WBG can support activities with a long or medium-term impact, the WBG will develop a CPF incorporating approaches to address this uncertainty. The CEN is not intended to be a substitute for a full CPF, but bridges a gap until longer-term objectives can be developed and a SCD/CPF prepared.

10. Reflecting WBG vs. Country vs. Stakeholder Priorities: In addition, it was often noted that the CPF should reflect the country's priorities and not just the WBG's. Along the same lines, a related concern was what the WBG would do in cases where the government's priorities differed from what the Bank Group heard from civil society and citizens. A related issue concerned the extent to which the new approach was flexible enough to adapt to changing country circumstances.

- **Bank Response:** The CPF begins with the country's own development plans, which are developed through sometimes quite extensive dialogue in the country. The new approach builds on this, and requires specific consultations on the CPF itself. The new approach seeks to build ownership and to balance the WBG's goals with country priorities.
- One of the main benefits of the new SCD is that it will provide unbiased data and analysis on the major challenges to achieving the twin goals. Where views among stakeholders differ, the SCD can be a focal point of dialogue that can help promote consensus or further dialogue on priorities. We do not expect that we will achieve perfect alignment among all stakeholders through this effort. We do expect to promote a more informed debate, greater alignment among stakeholders over time, and better focused WBG efforts.
- Flexibility is embedded in the Performance and Learning Review (PLR), which will be undertaken and discussed by the Board every two-years or at mid-term. The PLR provides the WBG with the opportunity to engage with stakeholders and assess the continued validity of the CPF. To remain relevant and effective, the PLR can modify the WBG country strategy to reflect changing country circumstance or priorities.

11. *Leveraging Development Partners:* Development partners commented on the need to explain how the Bank Group would work with the array of development actors in a country. Others feedback providers noted the importance of leveraging the WBG's own resources by effectively partnering with other public and private financial institutions.

- **Bank Response:** The Directive makes clear that working with development partners and leveraging their resources remains a core principal of the WBG's approach to country engagement. Teams will seek to bring in partners early in the SCD process since jointly diagnosing development challenges and opportunities will enable coordination of activities and interventions. Our country engagements will increasingly leverage the WBG's resources.