

**Coherence, Coordination and  
Cooperation among Multilateral  
Organizations**

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**2009 Progress Report**



## Table of Contents

<b>I.</b>	Background. . . . .	1
<b>II.</b>	Bank-Fund Collaboration . . . . .	3
<b>III.</b>	Multilateral Development Banks (MDBs) . . . . .	6
<b>IV.</b>	World Trade Organization (WTO) . . . . .	8
<b>V.</b>	Financial Stability Board/Forum . . . . .	9
<b>VI.</b>	United Nations and UN Agencies . . . . .	10
<b>VII.</b>	OECD and Development Assistance Committee (DAC) . . . . .	11
<b>VIII.</b>	European Commission and Other European Institutions. . . . .	13
<b>IX.</b>	Coherence, Collaboration and Cooperation in Responding to an Evolving Evolving Global Environment . . . . .	15
	i. Responding to the Food and Fuel Crisis . . . . .	15
	ii. Responding to the Financial, Economic and Human Crisis . . . . .	16
<b>X.</b>	Looking Ahead . . . . .	17
	Annex. Illustrative Matrix on Bank Collaboration with Multilateral Organizations . . . . .	19



# Coherence, Coordination and Cooperation among Multilateral Organizations *2009 Progress Report*<sup>1</sup>

## I. Background

1. The first report on “Coherence, Coordination and Cooperation among Multilateral Organizations”<sup>2</sup> (or CCC), discussed informally by the Bank Board in March 2003, was prepared at the request of the Development Committee<sup>3</sup> as part of the Bank’s follow up to the Monterrey Consensus, adopted at the International Conference on Financing for Development in March 2002. The paper provided background and reported on progress in strengthening cooperation between multilateral organizations in helping to deliver on the commitments made at Monterrey—especially with regard to the MDGs—from the perspective of the Bank’s development mandate.

2. Following the discussion, a framework was put in place facilitate periodic monitoring of the coherence and cooperation between the World Bank and a number of multilateral organizations, including the IMF, WTO, MDBs, UN/UN Agencies, OECD/DAC and the OECD.<sup>4</sup> This target group was subsequently expanded to include European development institutions and a comprehensive assessment of progress and identification of challenges related to the Monterrey objectives was undertaken using the agreed monitoring framework in April 2004 and again in April 2005.<sup>5</sup>

3. Much has happened since the last CCC update, including the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus held in Doha in November and December 2008. Occurring against the backdrop of food, fuel and financial crises, member states adopted the Doha Declaration on Financing for Development,<sup>6</sup> which emphasized the impact of the global crisis on development progress and prospects, and encouraged international financial and development institutions to “continue to enhance policy coherence for development, taking into account diversified needs and changing circumstances” (Box 1). The Declaration also noted that, while progress in reaching the MDGs had been made, many countries lagged behind expectations, and simply continuing with business as usual would not be enough to move the MDG agenda forward.

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<sup>1</sup> Prepared by Prepared by PREM/IPPG with inputs from regions and networks.

<sup>2</sup> “Coherence, Coordination and Cooperation among Multilateral Organizations”, SecM2003-0112, March 19, 2003.

<sup>3</sup> Development Committee Communiqué, September 28, 2002, paragraph 10.

<sup>4</sup> “Coherence, Coordination and Cooperation among Multilateral Organizations”, SecM2003-0380, August 21, 2003

<sup>5</sup> SecM2004-0152 and SecM2005-0158

<sup>6</sup> December 9, 2008, <http://www.ipu.org/splz-e/finance09/doha.pdf>

***Box 1: Doha Declaration on Financing for Development***

To support economic growth, poverty eradication and sustainable development worldwide, a broad consensus emerged at the UN Conference on Financing for Development in Monterrey in 2003 on the need to strengthen coordination and coordination of the UN system and among all other multilateral financial, trade and development institutions. The participants also noted the growing need for a more systematic and universal approach to track the quantity, quality and effectiveness of aid flows, giving due regard to existing mechanisms.

The Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus in December 2008 in Doha, Qatar reaffirmed these objectives, particularly in the context of low-income countries. A broad consensus emerged on the need for the relevant international and regional institutions, as well as appropriate institutions in donor countries, to increase their support for private foreign investment in infrastructure development and other priority areas, to complement national efforts. To this end, consideration should be given to a broad range of initiatives to provide export credits, co-financing, venture capital and other lending instruments, risk guarantees, leveraging aid resources, information on investment opportunities, business development services, forums to facilitate business contacts and cooperation between enterprises of developed and developing countries, as well as funding for feasibility studies.

Doha also called on international financial and development institutions to further enhance policy coherence in specific areas, taking into account diversified needs and changing circumstances. In this regard, to improve domestic resource mobilization, the outcome document specifically advocates increased cooperation to combat capital flight, illicit financial flows, money laundering and financing terrorism, by strengthening national and multilateral efforts to address the factors that contribute to it, for instance through the UN-WB StAR Initiative. The document also acknowledged the need to further promote IFIs cooperation in tax matters, and requests the Economic and Social Council to examine the strengthening of institutional arrangements, including the United Nations Committee of Experts on International Cooperation in Tax Matters.

The Doha Declaration also called for international financial institutions to foster the multilateral cooperation needed to restore and safeguard international monetary and financial stability and make available sufficient resources to help developing countries cope with the current crisis. The International Monetary Fund, in collaboration with an expanded and more representative Financial Stability Forum and other bodies, should work to better identify vulnerabilities, anticipate potential stresses, and act swiftly to play a key role in crisis response. Similarly, the World Bank can also play a significant role in mitigating the adverse impact on development objectives.

4. In many ways, the severity and scope of this sequence of global shocks has provided added impetus to improve collaboration between multilateral organizations. As a result, the extent of the Bank's engagement with the full range of its multilateral

development partners has been enhanced. This CCC Update reports on the evolution of the Bank's key multilateral relationships in light of these and other developments in the global arena.

## **II Bank-Fund Collaboration**

5. The relationship between the World Bank and its sister BWI, the IMF, has evolved substantially since the last CCC report in April 2005. This evolution, to a significant extent, reflects the Development Committee's desire for the Bank and Fund "to ensure that their institutional responsibilities continue to cover all the critical issues relating to reaching the MDGs within their mandates."<sup>7</sup>

6. A key milestone in the evolution of this relationship was the Report of the External Review Committee on World Bank-IMF Collaboration, or Malan Report.<sup>8</sup> The report concluded that "there are many examples of good collaboration between the Bank and the Fund and there have been significant improvements over the years... there is scope for further improvement in how the two institutions work together."

7. Collaboration between the Bank and the Fund has also been facilitated by the recent creation of a Low-Income Country Unit within the Fund's Strategy and Policy Review Department, providing the Bank with a focal point for dialogue on the issues facing low income countries. Fund staff now routinely share, and solicit Bank comments on, drafts of major policy papers in areas of mutual interest. Coordination and policy dialogue has also benefited from increased movement of personnel between the Bank and Fund, partly in response to the Fund's downsizing throughout 2008 and more recently through its scaling up in response to the current global crisis.

### ***Joint Management Action Plan***

8. The institutional response to the recommendations of the Malan Report was the Joint Management Action Plan (JMAP), which was based on extensive consultations and surveys of staff.<sup>9</sup> It was adopted by the managements of both the Bank and the Fund in September 2007 and subsequently endorsed by both Boards. The JMAP framework is built on more systematic coordination on country issues, better communication on thematic issues, and strengthened incentives and institutional support for staff cooperation. Specific actions to achieve objectives in each of these areas were summarized in an extensive implementation matrix. The JMAP called for an interim progress report to both managements after one year, with a full progress report to the Executive Boards of both institutions by the 2009 Annual Meetings.

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<sup>7</sup> See, for example, Development Committee Communiqués for April and September 2006.

<sup>8</sup> Named after the chair of the group, former Finance Minister of Brazil, Pedro Malan. The report is available at <http://www.imf.org/external/np/pp/eng/2007/022307.pdf>.

<sup>9</sup> "Enhancing Collaboration: Joint Management Action Plan--Follow-Up to the Report of the External Review Committee on World Bank-IMF Collaboration", September 20, 2007.

9. The interim progress report submitted to both managements in December 2008 noted that, while there continued to be many instances of good collaboration, tangible progress in implementing the specific JMAP measures had been limited, particularly with respect to middle-income countries. At the same time, the report noted that the JMAP was not intended as a static framework, and instead should evolve to reflect lessons learned and shifting priorities. In the context of extensive restructuring underway at the IMF at the time, which was largely instituted after the JMAP had been prepared, it was felt that future JMAP efforts should focus more sharply on priorities and actions where they can do the most good. The progress report also recommended improving incentives and disseminating information on good practices to ensure that collaboration did not become pro forma, viewed as more of a requirement rather than an opportunity.

10. In response to this interim assessment, Bank and Fund staff revised the original JMAP implementation matrix to enhance its relevance and to make it operational by setting clear priorities, monitorable deliverables, and stronger incentives for the next year. Quarterly joint meetings are being instituted, chaired by a Bank Managing Director and Fund Deputy Managing Director, in part to provide a clear signal of the priority placed by managements on good collaboration.

### ***Box 2: Bank-Fund Country-Level Collaboration in Africa***

In March 2007, under the guidance of the Bank's Managing Director and the Fund's First Deputy Managing Director, staff launched a series of pilot projects between the African Departments of both institutions to strengthen Bank-Fund country support in the areas of public financial management (PFM), financial sector reform, and natural resource management (NRM). Key findings which will feed into the JMAP monitoring exercise include the following:

- **Public Financial Management:** A well-established framework for joint activities already existed. Action matrices to summarize policy priorities and work programs helped in coordination and communication, especially where they derived from authorities' strategies and involved realistic timelines. Nevertheless, opportunities for the Bank and Fund to better harmonize analytic work, improve communication, and explore more joint or overlapping missions exist. Bank-Fund work also needs to be more cognizant of authorities' capacity limitations. Enhanced coordination required more resource inputs, especially where there are gains from the Bank and Fund assuming more leadership in the broader coordination of PFM work in a country.
- **Financial sector:** Collaborative efforts focused mostly on agreeing on country-owned strategy notes (FSSNs) to help clarify reform priorities and coordinate work programs. The FSSNs contained PFM-style action matrices. FSAP findings were key inputs. In some cases, the process of agreeing the FSSNs was drawn out, sometimes because of poor coordination within the authorities. However, teams and the authorities found the exercise worthwhile because it enhanced ownership and forced the Bank and Fund to be more flexible toward country preferences. Once strategies are established, better coordinated delivery of services does not appear to add significantly to resource costs. Good communication between Bank and Fund teams often needed to be facilitated by front office project coordinators.
- **Management of natural resources.** Efforts were focused in part on developing a framework for engagement. The framework is organized around the value chain in managing natural resources in order to clarify where work programs need to focus and harmonize. While good progress was made on key elements of the framework, work on several aspects is still ongoing. As concerns the experience in pilot countries, these confirmed results elsewhere on the importance of the authorities' commitment and ownership for reform progress and the benefit of some central facilitation of communication between teams.

These Africa-region pilot efforts, which have now been rolled into the JMAP exercise, confirmed that there is no one-size-fits-all template for enhanced Bank-Fund collaboration and it offers several insights into the prerequisites for effective joint engagement with country authorities—notably common institutional frameworks, strong ownership of reform programs, good internal communication and work planning, and coordination with other development partners. Among the outcomes of the exercise was a commitment to holding regular meetings between the front offices of the African Departments in both the Bank and Fund, a practice which is being encouraged between other regions.

### **III. Multilateral Development Banks (MDBs)**

11. While collaboration among MDBs has traditionally been strong, it received new impetus following the adoption of the MDGs at the U.N. Millennium Summit and the subsequent Monterrey Financing for Development Conference. In recent years the substantial role of the MDBs in the preparation and implementation of the agreements at the High Level meetings in Rome, Paris and Accra have been instrumental in solidifying cooperation on development effectiveness, alignment and managing for results both at the global and country level.

12. The heads of the institutions have taken an active interest in the work, playing a leadership role and launching initiatives to improve collaboration at the operational level and to move towards harmonizing institutional policies and procedures. The MDB presidents meet semi-annually to discuss the current situation and prospects for client countries, share information, and review progress for various MDB working groups. The heads have articulated joint positions on many major development challenges and most recently issued a statement to the G20 Summit, stressing the impact of the crisis on the poorest groups, identifying the unprecedented steps the MDBs have taken to date, and pledging to further increase the efficiency and effectiveness of MDB assistance.

13. MDB cooperation covers all major aspects of their operations, with special attention to efforts to make more effective use of development resources. As noted in the 2005 CCC report, the MDB Heads of Procurement, the MDB Financial Management Working Group and the MDB Working Group on Managing for Development Results had been successful in identifying best practice, differences in approaches and opportunities for greater harmonization. The Working Groups are now well established.

14. MDBs have deepened their cooperation related to the replenishment of their respective concessional loan windows notably through the MDB Working Group on Performance Based Allocation. Recent discussions have focused on (i) a comparison of the performance based allocation formulae being used by MDBs including recent changes in the formula; (ii) simplification and transparency of the allocation formulae; (iii) issues related to implementation, particularly allocation adjustments; (iii) implementation of the Debt Sustainability Framework (DSF) grants framework; and, (iv) emerging issues, including the impact of the Multilateral Debt Relief Initiative (MDRI) on future country allocations, and how MDBs are responding to the recent food and fuel price shocks as well as the ongoing global financial crisis.

15. Another important area of collaboration with the IMF and the AfDB has been arrears clearance, where in FY08 a closely coordinated approach resulted in the clearance of arrears by Togo, Liberia, and Cote d'Ivoire. Finally, in the area of sustainable lending practices, the World Bank has worked closely with the IMF, other MDBs, and the OECD Working Party on Export Credits and Credit Guarantees on a harmonized approach for the application of the Debt Sustainability Framework and in dealing with non-concessional borrowing.

16. Heads of Procurement of the MDBs (HoP) meets regularly to harmonize procurement policies and practices, including standardized procurement documents. A series of "master" procurement documents have been agreed and introduced for use by all the MDBs that harmonize bidding documents used under projects financed by the MDBs. Documents exist for procurement of goods, works and some specialized areas of procurement. (A full list of these documents is available on the OPCS/procurement website). Work has also been completed on harmonization of policies as reflected in Procurement Guidelines. A harmonized RFP is under development as well as additional standard documents for use in areas of specialized procurement. Work is also underway on treatment of ESRP in procurement documents. This follows work on harmonization of core labor standards. Harmonized policies with regard to handling of PPP are under development. The HoP group is also looking at harmonized approaches to debarment and sharing of information on sanctions.

17. In September 2006 the heads of the institutions adopted Uniform Framework for Preventing and Combating Fraud and Corruption in the activities and operations of their institutions, building on the work of a joint task force. The Uniform Framework agreed on a set of joint actions to combat fraud and corruption based on harmonized definitions of fraudulent and corrupt practices and common principles and guidelines for investigations as well as general integrity due diligence relating to private sector lending and investment decisions. The adoption of harmonized definitions and the Uniform Framework facilitated the first cross-debarment in MDB history. Based on the Bank's debarment of Lahmeyer International, GmbH in November 2006, in January 2007 the EBRD also debarred the company. Work on how compliance and enforcement actions taken by one institution can be supported by the others has continued. The integrity functions of the institutions are developing tools to facilitate coordination of investigations and increased information-sharing. Lastly, the institutions are also exploring potential ways in which to coordinate their sanctioning efforts.

18. In 2007, the heads of the institutions agreed on a common approach to improve collaboration in fragile situations based on agreed definitions, strong country ownership and cooperation with UN and other development partners. Modeled on the Bank's rapid response work and based on consultations among MDBs the focus is on common operational approaches to specific countries or situations. Key factors are country-level division of labor and coordination, on-going exchange of lessons learned and internal reforms (procedures, staffing approaches) and a communications protocol that identifies institutional contacts at HQ level for emergency and crisis situations.

19. In 2008, the MDBs partnered in supporting the design of the Climate Investment Funds, an effort to scale up assistance to developing countries to address the challenges of climate change and strengthen the knowledge based about responding to climate change in the development community. CIF are composed of two funds:

- a. *Clean Technology Fund* for scaling up investments in low-carbon technologies, and

- b. *Strategic Climate Fund* for supporting various programs to test innovative approaches to climate action (Pilot Program for Climate Resilience, Forest Investment Program and Program for Scaling Up Renewable Energy in Low Income Countries).

20. A key objective of the CIF is to generate lessons that could serve to integrate climate change considerations and solutions into the programs of the MDBs, to enhance learning and exchange of experiences among the MDBs, and to promote greater collaboration among the MDBs on climate change issues, building on the experiences of *the Investment Framework for Clean Energy and Development*. As part of the governance structure, an MDB Committee is a channel for equal voice of the MDBs in governance and policy development. The MDBs are also represented as a Member of the Trust Fund Committee for each fund. Investment plans/strategies at the country level are developed through joint missions involving all the concerned MDBs. This collaboration with the country is proving to be one of the strongest tools for promoting MDB collaboration at the country level. Other development partners, including UN and bilateral agencies, are also engaged at the country level in the work of the joint missions.

#### **IV. World Trade Organization**

21. The Bank's involvement with the WTO has deepened—and changed—since 2005, with an intensification of work at the staff level on aid for trade, trade financing, and trust funds designed to help developing countries. Over the last year, the stalemate in efforts to complete negotiations for WTO Doha Development Agenda has led the Bank to focus more on supporting the WTO's activities in aid for trade, the provision of technical assistance to the Least Developed Countries, and in the development of data and new knowledge. In aid for trade, the Bank is working closely with the WTO to identify indicators of trade-underperformance, the design of reporting instruments to the membership, and in the participation of WTO-sponsored regional conferences<sup>10</sup>.

22. The Bank will continue work with the WTO-led Enhanced Integrated Framework, on trade finance issues, on capacity-building efforts, and will look for ways to deepen participation in WTO-sponsored sub-regional conferences. High-level Bank participation is planned for the Second Global Review of Aid for Trade that will occur early in the next fiscal year. Joint Bank and WTO work on databases will soon lead to the development a new software platform that will help policymakers worldwide make more informed decisions about trade policy. Finally, the Bank intends to work more closely with the WTO the issue of trade and environment. Other organizations are also involved with these various efforts, such as the OECD on aid for trade, UNCTAD and ITC on data work, the ILO on trade and labor issues, and the ICTSD and UNEP on trade and environment.

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<sup>10</sup> See *Coherence in Global Economic Policy Making: Report by the Director-General*, World Trade Organization, WT/TF/COH/S/12, February 18, 2008 for more information.

23. In the context of the global economic and financial crisis, Bank-WTO collaboration is expected to broaden and deepen in the coming year (see Section IX(b)). The two institutions are working intensively together to monitor and expand access to affordable trade finance. This culminated in the announcement at the time of the G20 meeting of an additional \$50 billion in trade finance that the World Bank Group would mobilize through the Global Trade Financing Program (GTFP) and the Global Trade Liquidity Pool (GTLP) by leveraging IFC resources with contributions from bilateral donors and private banks. The Bank has also been working closely with the WTO to combat protectionist pressures by monitoring and drawing attention to countries that resort to protectionist policies to address the domestic impact of the global economic crisis.

## **V. Financial Stability Board/Forum**

24. The Financial Stability Board (formerly the Financial Stability Forum, FSF) is the central coordinating body for the effort for national authorities, standard setting bodies (SSBs) and international financial institutions to address vulnerabilities and to develop and implement strong regulatory, supervisory and other policies in the interest of financial stability. Originally established in 1999, the FSF expanded membership and accepted new responsibilities following the recommendations of the G20 leaders at their November 2008 and April 2009 Summits. To better handle these new demands, in April 2009 the expanded FSF was re-established as the Financial Stability Board (FSB), with a new governance structure and a broadened mandate to promote financial stability.

25. From its inception the Bank has coordinated closely with the FSF/FSB. Two senior staff participate actively in the Plenary as members. In addition, the Bank supports the work of the FSB through participation in the Secretariat, and actively participates in a range of committees that contribute to the reform effort under the FSB umbrella, including BCBS and IOSCO.

26. The Bank has on occasion produced analysis for FSF/FSB meetings. In recent months, for example, the Bank produced a report on banking developments in Asia (for a regional Plenary meeting and outreach to non-members in Hong Kong) and currently is leading the effort to develop principles for governance of institutions involved in macro prudential regulation, a key theme in recent efforts to strengthen the regulatory architecture.

27. Looking ahead, a key element of the FSB's work program will be enact members' commitment to pursue the maintenance of financial stability, maintain the openness and transparency of the financial sector, implement international financial standards (including the 12 key International Standard and Codes), and agree to undergo periodic peer reviews, using among other evidence reports from the joint Bank/Fund Financial Sector Assessment Program. In support of this effort, as well as part of the comprehensive reform and strengthening of the FSAP, the Bank will be intensifying its

financial sector assessment of the G-20 countries including an intensified focus on systemically important issues and vulnerabilities.

## **VI. United Nations and UN Agencies**

### ***Fragile States, International Peace and Security***

28. The Bank is actively involved with UN peace and security bodies (DPKO, DPA and others), the Security Council and the Peace Building Commission (PBC). The NY Office provides timely briefings to senior Bank management on the Council's upcoming discussions and decisions on countries in which the Bank has an interest (Kosovo, Iran), facilitates Bank participation in Security Council meetings on an *ad hoc* basis (e.g Haiti, DRC, etc.) and closely engages with the Peace Building Commission to ensure coherence with Bank activities. Additionally, the Bank has been heavily involved in the Secretary General's report on early recovery (to be presented to the Security Council in May). The NY Office, along with OPCFC colleagues, provided detailed comments on various drafts of this report and also ensured that references to UN/WB cooperation were in line with the UN/WB Partnership Framework Agreement signed in October 2008.

29. The Bank is heavily engaged with the UN to ensure that the upcoming Special High-Level Meeting of ECOSOC with the Bretton Woods institutions, the WTO and UNCTAD is successful. The Bank has circulated background papers, facilitated exchanges between executive directors and senior UN officials and organized several briefings for ECOSOC Ambassadors on Bank analysis on and response to the global economic and financial crisis and Bank governance reforms (“voice and participation”).

30. In June 2009, the UN will host a *High Level Conference on the Financial Crisis and its Impact on Development*. The Bank has been actively engaged in the preparations for this conference, and has participated in discussions of the scope of the Conference's goals and its agenda. The co-facilitators have asked the Bank for information and background documentation, including on the Vulnerability Fund and the Bank's assessment of the global financial crisis. The Bank is also following closely the work of the "Stiglitz Commission" (the *General Assembly's Commission of Experts on Reforms of the International Monetary and Financial System*).

### ***Climate Change***

31. The World Bank Group intensified substantially collaboration with UN agencies on the climate change agenda in course of 2008 - both in relation to numerous programmatic activities in developing countries, and in the context of a more coherent strategic approach to climate change by the wider UN family. As a co-convening agency with UNDP on climate finance within the UN system process, the World Bank Group is contributing in establishing a collective platform for the UN agencies to mobilize additional finance for climate action in developing countries. This effort has been further substantiated by more specific coordination of climate change programs with UNDP and UNEP.

32. The NY Office coordinates the Bank's input to UN climate change discussions, helping to bring climate change to the centre of UN debate. Strategic support is provided to the Bank President who is a member, along with other heads of UN Agencies, of the UNSG's Climate Change Team. NY Office works with the Chief Executives Board for Coordination (CEB) on climate change issues (e.g., through an extensive contribution to the Online inventory and publication *The UN Acting On Climate Change: UN System Delivering As One* as well as an on-going collaboration with the UNDP and UNEP.

### ***Health, HIV/AIDS, MDGs***

33. The theme of the July 2009 High Level Segment (HLS) of the ECOSOC substantive session is "Implementing the internationally agreed goals and commitments in regard to global public health." The NY Office has been working closely with UN officials to ensure that the HLS and the broader set of 2009 ECOSOC meetings are focused and substantive. To that end, the NY Office serves on the organizing committees of various high level ECOSOC events including those on Philanthropy and the Public Health agenda, the Private Sector and Innovative Financing, and Scaling up efforts on MDG 5. The NY Office also closely works with the Human Development Network and other Bank colleagues for technical support and high level participation at the actual events.

## **VII. OECD and Development Assistance Committee (DAC)**

34. Cooperation between the World Bank and the OECD is based on the common commitment to global poverty reduction, sustainable development, and economic growth. Relations have grown considerably over the past decade, and mutual interest in maximizing the benefits has been confirmed in a Memorandum of Understanding (1999), Joint Statement of Priorities (2000) and Joint Statement on Cooperation (2006) signed by the heads of the World Bank and the OECD.

### ***Box 3: Bank Engagement with Major Shareholder Groups***

The current global crisis has focused renewed attention on the need for the multilateral system to be better able to generate timely and effective responses to emerging problems. To this end, different shareholder groupings (e.g. G7/G7, G20, G24) make an important contribution and complement the activities of more formal institutions. To ensure that these various entities work together in a coherent manner, the World Bank and other institutions often participate on an ex-officio basis in the preparatory activities and formal meetings of various shareholder groupings.

Given its role as a development institution and its mandate to reduce poverty, the World Bank Group works to bring the developing country experience and perspectives to discussions within these groups. This is particularly important since developing countries, particularly the poorest, often lack a seat at the table but are frequently among the most severely affected by decisions taken in these fora. The Bank contributes as a participant in shareholder group meetings, including by preparing analytical papers in advance of meetings to help inform discussions. The Bank is often asked to assist or take the lead on global initiatives endorsed by major shareholder groups. This engagement helps maximize institutional leverage for the Bank and its clients and ensure that development objectives are given adequate consideration.

### *Development Assistance Committee*

35. The bedrock of World Bank-OECD cooperation is the Bank's longstanding participation as an observer in the OECD Development Assistance Committee (DAC), and involvement in the technical work of DAC subsidiary bodies and working parties. Over the past few years, examples have included joint leadership, with the DAC Secretariat, in efforts to develop analyses of issues related to the scaling up of aid to meet the Monterrey commitments; as well as vice chairmanship of the Working Party on Aid Effectiveness, which prepared the third High Level Forum on Aid Effectiveness held in Accra in September 2008 and will carry forward the DAC aid effectiveness agenda to the 4<sup>th</sup> high Level Forum to be held in Seoul; vice-chairmanship of the DAC Governance Network; co-chairmanship of the DAC Fragile States Group; and the joint launch of the Trust Fund for Statistical Capacity Building. The World Bank has also contributed to work programs of many DAC technical task teams, on issues ranging from environmental assessment and climate change adaptation, to gender mainstreaming, collective responses to corruption, financial management, procurement and results<sup>11</sup>, and principles of donor engagement in fragile states. In line with its involvement in the full spectrum of DAC activities, the Bank is part of the group of senior officials from the donor community currently participating in the DAC's Strategic Reflection Exercise, which is expected to deliver its report at the DAC High Level Meeting in May.

### *Other OECD Activities*

36. The Bank participates in meetings and work carried out by other Committees in which it has observer status, and which are particularly important from the perspective of policy coherence. Examples include the Trade and Agriculture Committee, the Environmental Policy Committee, the Investment Committee and the Committee on Financial Markets. The Bank also provides support to selected OECD "global forums" - meetings, generally held under the auspices of OECD Committees, which aim to stimulate policy dialogue between the OECD members and non-members from developing and transition countries. Most recently, the Bank has supported global forums on innovation, competition, financing and pricing water, and the post-2012 climate change framework. The Bank also supports the OECD-housed International Tax Dialogue, a collaborative arrangement which encourages and facilitates discussion of tax matters among national tax officials, international organizations, and a range of other key stakeholders.

37. While collaboration across both institutions is decentralized, annual reviews (led by PREM for the Bank) enable OECD and World Bank senior management to take stock of ongoing work and the changing global context, and to identify emerging areas of strategic importance. This senior management coordination mechanism has also enabled the organizations to move rapidly to convene senior level discussions of critical issues, including the recent OECD-World Bank-IMF seminar on the response to the global crisis held in Paris in February 2009 (which led to a joint communiqué) and an earlier OECD-

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<sup>11</sup> See "Following Up on Accra: A World Bank Action Plan on Aid Effectiveness", SecM2009-0107, March 2009.

World Bank-IMF workshop on the food and fuel price crisis in Washington in September 2008.

38. Over the past few years, the corporate dialogue has focused on possibilities for cooperation to support the middle income and emerging market countries which are increasingly critical global partners. Climate change, growth, innovation and business environment/investment climate have been identified as key thematic entry points for reflection on possible collaboration, eventually including joint work. Going forward, while continuing to pursue close cooperation with the DAC and its networks, as well as regular cooperation with other Committees, the Bank will continue to explore new avenues for collaboration with the OECD in areas of importance the middle countries.

### **VIII. European Commission and Other European Institutions**

39. The “**Partnership of Choice**” between the World Bank and EU institutions is a key relationship given the significance of EC aid volumes<sup>12</sup>, expertise, and willingness to innovate. The basis for collaboration has been a shared commitment to (i) fight poverty and reach the MDGs; (ii) focus on Africa and Europe’s neighboring region (ECA/MNA); (iii) promote country ownership and increase budget support mechanisms, and (iv) promote sound public finance management<sup>13</sup>. So far, EC has channeled close to US\$4.0 billion, or an average of about US\$500 million per year, through the WBG (US\$ 685 million in FY08 alone), making the EC one of the four largest contributors to the WBG. For the period FY01-08, contributions were mainly channeled to: post-disaster/post-conflict (29%), traditional sectors (mainly HNP, infra-transport, agriculture-environment (27%), and Financial Intermediary Funds (43%, mainly HIPC, GFATM and CGIAR). IFC received 1% of the total EC contribution.

40. The Bank’s partnership with the EU has matured considerably over the past years following the signature of a Financing Framework Agreement in 2001, which was recently renewed for another 10 years. The new Agreement takes as a point of departure the Paris Declaration and Accra Agenda on Aid Effectiveness. Its main purpose is to have in place an agreed set of overall principles, conditions, reporting requirements and responsibilities of the parties that will apply to future Trust Fund arrangements. Such an agreement avoids extensive negotiation for each trust fund to which the EC contributes. Consultations between the two parties are held annually, to review administrative and operational issues, discuss new mechanisms for joint financing (e.g., grant co-financing, blending), and assess the pipeline of proposals for the following year.

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<sup>12</sup> The EC is the world’s fourth largest provider of ODA, having provided \$84.3bn ODA (0.42% of EU GDP) in 2008 with the EU’s share of global ODA increasing from approximately 60% in 2007 to 70% in 2008. All EU aid is given in the form of grants. In 2008, ODA from the European Commission (EC) mounted to \$13.4 bn.

<sup>13</sup> World Bank and EC are founding members of the public expenditure and accountability framework (PEFA).

41. Increasingly, EU decisions that affect development cooperation with the Bank fall under the EU's co-decision process between the European Commission, the European Parliament (EP) and the Consilium (the Council of the Member States). The EP has taken strong interest in ensuring accountability to EU citizens, better visibility and more focus on human development and climate change while enhancing cooperation with the Bank. The Bank regularly engages with all three EU institutions. The Bank's EU partnership has been enhanced by several factors:

- **EU institutions have played a role in driving the EU's international commitments** made on ODA at Monterrey, and on sustainable development at Johannesburg.
- **The EC and the Bank are financing many joint operations.** Most financing is through parallel or trust fund arrangements and covers budget support and SWAPs, traditional infrastructure projects or interventions in post-conflict/disaster areas (Timor, Afghanistan, West Bank Gaza, Iraq, etc.).
- **The Bank and EC hold systematic dialogue on important policy issues (e.g., trade, migration, debt).** Alongside financial cooperation, policy dialogue and operational collaboration in the regions are moving from *ad hoc* information exchange to systematic alignment around country-based processes such as the PRSP. Staffs at both institutions are organizing annual programming consultations, and entering formal partnership agreements (agreements/MoUs exist with ECA, MENA, Africa, East Asia). The Bank has facilitated a number of EP missions to Bank headquarters to discuss issues of common interest including climate change, the MDGs, and the food and financial crisis. Bank senior management participates in various EP committees.
- **The Bank worked closely with the EU in the United Nations High Level Task Force (UN HLTF) on the food crisis.** Inter-agency collaboration responded to the overtures of the EC and EP in the context of the EC's euro 1 billion Food Facility (FF). The EC asked the Bank to disburse its FF funds in Ethiopia, Gambia, Guinea Bissau, Honduras, Kenya and Mali in its first batch of decisions in March 2009; further requests are expected.
- **The EC, the UN Development Group and the World Bank signed a joint declaration to increase coordination in assessing and supporting post-crisis recovery planning in September 2008.** The declaration aims to help the organizations plan and work together more effectively in countries recovering from conflict or natural disasters.

## **IX. Coherence, Collaboration and Cooperation in Responding to an Evolving Global Environment**

### ***Responding to the Food and Fuel Crises***

42. The emergence of the food and fuel crisis in 2007 generated both an increased need and many opportunities for collaboration between the Bank and many of its development partners. In April 2008, the Chief Executives' Board (CEB) of the United Nations established a High-Level Task Force (HLTF) on the global food crisis bringing together the Heads of United Nations specialized agencies, including the World Bank, to come up with a common strategy to confront the food crisis. The result was the *Comprehensive Framework for Action* (CFA) adopted by the HLTF in July 2008. To facilitate collaboration within the UN system, the World Bank has also seconded a senior specialist to the new HLTF Secretariat in Rome.

43. The Bank has intensified its relationship with the World Food Program (WFP), which is receiving assistance from staff in the Treasury's Banking & Debt Management team (BDM), the Agriculture & Rural Development department (ARD), and the Poverty Reduction and Economic Management unit (PREM) to improve the WFP's ability to manage price and exchange rate risk in the delivery of humanitarian food aid and in the development of a more predictable donor financing model. Working together, Bank and WFP staff have completed a draft diagnostic report identifying the most serious constraints to improving risk management, and presenting options to strengthen the framework. The relationship between the WFP and the World Bank is benefitting from the secondment of a WFP staff economist to the Bank for two years to work with the Bank's Global Food Crisis Response Program Secretariat.

44. With many developing countries faced large terms of trade shocks and/or fiscal pressures associated with protecting the poor and most vulnerable from historically high food and fuel prices, the Bank stepped up its collaboration with the IMF on a number of fronts, through greater information sharing and more regular meetings to discuss policy challenges. Together with the OECD, Bank and Fund participated in a joint workshop in September 2008 to share analysis on the impact of the crises on developing countries, policy responses to date and to discuss how to make work programs of the three institutions complementary, how to improve information sharing, and how to promote greater coherence in policy advice.

45. In response to the impact that high fuel prices were having on developing countries, the Bank began work with a range of multilateral partners on the Energy for the Poor Initiative (EFPI), part of a broader Vulnerability Financing Framework. Among other things, the EFPI is designed to reduce the vulnerability of poor populations to volatile fuel prices by co-financing investments in developing countries to enhance energy efficiency and improve energy access for the poor. The Initiative draws support from a range of multilateral organizations, including the OPEC Fund for International

Development (which coordinates activities for several bilaterals in the Gulf region), the Islamic Development Bank, and the Arab Bank for Economic Development in Africa.

### ***Responding to the Financial, Economic and Human Crisis***

46. The challenges presented by the onset of the financial crisis and its transformation into a global economic crisis created tremendous impetus for collaboration between the Bank and its partner organizations, including the re-energized G20, for which the Bank prepared several policy papers in an effort to ensure that the impact of the financial crisis on, and needs of, many of the most vulnerable countries were taken into account.<sup>14</sup> They also participated in all four of the G20 Finance Ministers' working groups on reform to aspects of the international financial, regulatory, and institutional architecture.

47. Senior management and experts from the IMF, the OECD, and the World Bank met in February 2009 to exchange views and co-ordinate responses to the global economic crisis.<sup>15</sup> The day-long consultations were part of the ongoing initiative to enhance inter-institutional co-ordination on pressing economic policy issues. Experts considered the implications of the evolving crisis for macroeconomic, fiscal, and social policy making in both advanced and developing countries, along with the priorities for regulatory and supervisory reforms. There was consideration on how to cooperate to engage most effectively in other fora (e.g. G20), and a joint statement was issued by all three agencies.

48. Engagement between the Bank and the UN and UN Agencies was also stepped up on account of the crisis, with Bank providing frequent briefings and participating in regular discussions on the impact of the financial crisis on developing countries. In April 2009, the Bank, in consultations with members of ECOSOC discussing reforms to the international financial and institutional architecture as well as how to address the needs of the most vulnerable countries. Bank staff also briefed the UN's Inter Agency Steering Committee Working Group Session on the Impact of Financial Crisis for Humanitarian Financing. The Bank's proposed Vulnerability Fund was formally endorsed by the UN System at the Chief Executives Board meeting in Paris in April 2009. The Vulnerability Fund is the first priority action the CEB agreed upon – where they are advocating and calling CEB members (especially WB and UNDP) to devise a joint World Bank – UN system mechanisms for the common articulation and implementation of additional financing (such as the VF).

49. In January 2009, the annual meeting of international organizations and bilaterals jointly organized by the Bank and the ILO to discuss social protection featured a session on the impact of the financial crisis. Agencies participating discussed the division of

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<sup>14</sup> See *Swimming Against the Tide: How Developing Countries Are Coping With the Global Crisis* (April 2009), *Global Financial Crisis: Responding Today, Securing Tomorrow* (November 2008), *Global Financial Crisis and Implications for Developing Countries*, (November 2008), all available at <http://www.worldbank.org/html/extdr/financialcrisis/archives.htm>

<sup>15</sup> See [http://www.oecd.org/document/7/0,3343,en\\_2649\\_33725\\_42177095\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/7/0,3343,en_2649_33725_42177095_1_1_1_1,00.html) for a summary of the discussions.

labor on analytical and data work and the potential to enhance collaboration going forward. A follow up meeting will likely take place after the OECD-DAC ministerial on social protection in May.

50. In February 2009, World Bank President Zoellick met in Tunis with the Heads of the other multilateral development banks and the International Monetary Fund to discuss the impact of the global financial and economic crisis on developing countries, the response of each institution, and the need for further action and resources. Their concerns were reflected in a joint statement issued at the end of the meeting, in which they called for coordinated international action and urged countries to avoid resort to protectionist policies.<sup>16</sup>

51. In preparation for the Summit of G20 countries, the Bank participated in the London Jobs Conference organized by the UK Department of Work and Pensions in March 2009 at which labor market experts from G20 countries met with representatives of international organizations to share analysis of labor market trends and examples of best practice in employment policy. They identified a number of principles and priorities to support G20 governments in their response to the current global downturn, including the need to help get people into productive employment to avoid the scars of long term unemployment and the importance of protecting the most vulnerable.

52. The Bank, through the International Finance Corporation (IFC), has been very active in responding to the shortage of affordable trade finance, a challenge for which the necessity of concerted and coordinated action is particularly pronounced. The IFC, working with various partners, has been organizing conferences to discuss its crisis response and to coordinate support among multilateral and bilateral partners. Recent discussions have brought together a diverse range of potential multilateral organizations, including the African Development Bank, Black Sea Trade & Development Bank, EBRD, European Commission, European Investment Bank, Norfund, and the OPEC Fund for International Development (OFID).

53. In February 2009, the largest multilateral investors and lenders in Central and Eastern Europe - the EBRD, the EIB Group, and the World Bank Group - pledged to provide up to €24.5 billion to support the banking sectors in the region and to fund lending to businesses hit by the global economic crisis. This initiative complements national crisis responses and will deploy rapid, large-scale and coordinated financial assistance from the international financial institutions to support lending to the real economy through private banking groups, in particular to small and medium-sized enterprises.

## **XI. Looking Ahead**

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<sup>16</sup> See <http://go.worldbank.org/00BS3FIIE0>

54. Considerable progress has been made in improving the coherence, coordination, and cooperation of the World Bank Group with other multilateral organizations since 2005. While official endorsements and mandates coming out of Monterrey and Doha have underpinned much of this progress, some of the best examples of effective collaboration among institutions have been driven by necessity rather than decree. The response to the food and fuel crises which affected developing countries in diverse ways, generating fiscal and balance of payments pressures and eroding progress on poverty reduction in many countries, brought the Bank into a closer partnership with a wide range of institutions. The emergence of a global economic crisis of unprecedented proportions drove home the realization that no single entity had the mandate, resources or expertise to “go it alone”. This provided the impetus for coordinated effort on a scale not seen previously. Initiative to enhance collaboration that began before the food, fuel and financial crisis, the Joint Management Action Plan (JMAP) between the Bank and IMF, for example, took on new urgency, increased focus and a renewed commitment to show results.

55. As the world responds to and moves beyond the crisis, the WBG, along with other IFIs, can and should play an expanded role in addressing the market failures that contributed to the severity and breadth of the crisis. For example, by fostering a common understanding of the reasons behind the drying of private capital flows, including trade finance, the IFIs can work with their members to design financing mechanisms (such as the GTLP and the GTFP) to address immediate needs and also provide a bridge until more normal conditions return to markets. The WBG can design instruments to assist countries to deal with uncertainty in the mobilization of budgetary and capital resources to help protect vulnerable communities from the impact of crisis and that infrastructure essential for development and growth is maintained and expanded. The IFIs, and the World Bank in particular, are well placed to provide a conduit through which the more robust global best practices being developed by regulators, fiscal authorities, and international standard setters can be disseminated and adopted by developing countries.

56. The challenge going forward, as the world emerges from the current crisis, will be to sustain the commitment to strengthened coherence, coordination, and cooperation between the Bank and its multilateral partners. Hopefully, experience derived through closer and more intensive interaction in responding to crisis will demonstrate the synergies that can be realized through greater coordination and a better integrated network of multilateral organizations will result. This will be key to enhancing progress in reaching the MDGs.

<b>Annex: Illustrative Matrix on Bank Collaboration with Multilateral Organizations</b>			
<b>Key Areas of Cooperation and Interface</b>	<b>Objectives/Challenges</b>	<b>Past Progress</b>	<b>Future Actions</b>
<b>I. Bank-Fund Collaboration</b>			
Implementing the PRS Approach	Assist low-income countries in the preparation and implementation of fully-owned PRSPs, and facilitate aligned support from the donor community.	As of end 2008, 53 countries had prepared full PRSPs, 29 which have come forward with a second PRSP.	Ongoing support to country teams to link the PRS with the budget, and develop M&E systems; study on M&E of PRS in fragile states is forthcoming in 2010/11.
	Jointly address implementation challenges by helping countries translate strategies into concrete action plans (public expenditure management, budget priorities); and helping countries build results-based frameworks and M&E systems.	Completed the 2005 <i>PRS Review</i> and the 2007 <i>Results-Based National Development Strategies: Assessment and Challenges Ahead</i> (2007) which updated 2005 report; in depth studies in priority areas such as building institutions for M&E (e.g., <i>Beyond the Numbers</i> (2006)), ( <i>Minding the Gaps</i> (2008) on PRS /budget links)	
Collaboration on Financial Sector work.	Agree on work program priorities and alignment, including on the joint FSAP, ROSC, and AML/CFT exercises.  Ensure systematic follow-up and expand support for capacity building.	• As of March 2009, about 143 developing and advanced countries have participated or agreed to participate in an FSAP assessment.	Joint review setting out priorities and proposals to strengthen FSAP to be discussed by both Boards before 2009 Annual Meetings. Strategy for strengthening FSLC as a forum for Bank-Fund collaboration on financial sector work to be articulated and implemented.
Observance of Standards and Codes.	Agree on work program priorities and alignment. Ensure systematic follow-up and expand support for capacity building.	As of end-December 2008, 1044 ROSCs modules have been completed (166 developing and advanced economies have either completed assessments or have ongoing assessments), of which 702 assessments have been published.	A paper on risk based ROSCs will be sent to the IMF Board for discussion.

Anti-Money Laundering (AML)/Combating Financing of Terrorism (CFT)	Agree on work program priorities and alignment. Ensure systematic follow-up and expand support for capacity building.	Completion of 12-month joint pilot assessments program started in October 2002 (33 countries assessed by the Bank and IMF). Review of the pilot program in March 2004; endorsement by IMF and Bank Boards of revised 40 Recommendations of the Financial Action Task Force (FATF) as the new standard for AML/CFT ROSCs, and of revised methodology to assess that standard. The Bank's "Global Policy Dialogue Series" has connected Bank and Fund staff and experts with policy makers and financial industry experts on (i) Combating Financial Abuse (ii) Strengthening Collaborative Process to Build Effective AML/CFT Regime (iii) New International Standards on AML/CFT. The AML/CFT program has become a mainstreamed endeavor of both IMF and the Bank. Both institutions continue to work on AML/CFT assessments, policy development and TA. Over the last year, the Fund has been reducing involvement in TA, but upcoming launch of its AML/CFT topical trust fund should reverse this trend.	Follow up to March 2004 review; about 30 assessments expected annually (about half conducted by Fund and Bank). In collaboration with partner organizations (UN Office of Drug Control, Commonwealth Secretariat, FATF and FSRBs, etc.) and bilateral donors, Bank and Fund continue to provide TA to help countries bring legal and regulatory systems up to international standards, building capacity for financial institutions, and improving inter-governmental coordination / regional cooperation.
Arrears clearance	Coordination of efforts among preferred creditors to clear arrears.	Cooperation with IMF and AfDB to ensure smooth and comprehensive arrears clearance processes for Liberia, Cote d'Ivoire and Togo in FY08 and on subsequent provision of new resources and debt relief. The Bank also played a role in lobbying shareholders to help finance the cost of clearing arrears to IMF. In the cases of Cote d'Ivoire and Togo cooperation has been strong with AfDB, including with respect to coordinating the timing of arrears clearance, and information-sharing regarding Bank modalities for clearance.	
<b>Collaboration with the UN and UN Agencies</b>			
<b>A. Intergovernmental Level</b>			
General Assembly (GA) and ECOSOC	<ul style="list-style-type: none"> <li>Maintain close dialogue with the UN intergovernmental bodies on development agenda and emerging issues. Adjust for differences in governance structures and tempo of negotiating processes, and take into account evolving discussions on roles within UN system and interface with the BWIs.</li> </ul>	1. Participation in relevant discussions of Committees of GA on a regular basis; 2. Spring ECOSOC-BWI dialogue; 3. Participation in full agenda of ECOSOC.	Close monitoring of PGA: Focus on: Democratization of UN, including evaluations of the work of Security Council and BWIs and revitalization of the General Assembly.

Security Council (SC)	<ul style="list-style-type: none"> <li>• Maintain close dialogue with permanent and elected Members of the SC and assess key threats to international peace and security and how these impact WB operations and work (Palestinian territories, Iran, Zimbabwe, DRC and Kosovo)</li> </ul>	Selective interface on conflict and post-conflict countries. WB, UNDG and EC signed MOU on ways to assess post-crisis situations and plan recovery	WB collaboration with Peace-Building Support Office.
<b>B. UN Secretariat</b>			
Interface with Executive Office of Secretary-General (EOSG) and Department of Economic and Social Affairs (DESA)	<ul style="list-style-type: none"> <li>• Closer dialogue and cooperation on strategic agenda and implementation</li> </ul>	1. Close interaction with top management and through NY office 2. Ongoing participation in SecGen's Climate Change Team (of which RBZ is a Principal); 3. WB input to publication on "Acting on Climate Change: The UN System Delivering As One" .	
Chief Executives Board for Coordination (CEB) and High Level Committees on Programs (HLCP)	<ul style="list-style-type: none"> <li>• Common challenge of shaping coherent and effective multilateral system</li> <li>• Bank participates selectively in Executive Committee on Peace and Security where Bank has agenda related to Conflict and Development.</li> </ul>	2. HLCP met in Geneva (Feb 2009) and CEB met in Paris (April 2009). Key discussions focused on financial crisis and climate change and creation of Joint Crisis Initiatives (WB and UNDP are lead agencies for Initiative 7 ("Initiatives and Advocacy for Securing Effective and Additional Financing for the most Vulnerable to Address the Immediate Effects of the Crisis, e.g. Vulnerability Funds"))	
Office of High Rep. for Least Developing, Landlocked and Small Island States (OHRLLS); Office of Special Adviser on Africa (OSAA)	<ul style="list-style-type: none"> <li>• Active engagement on African issues and issues affecting LDCs and Small Island States</li> </ul>	1. Mainstream/strengthen ongoing mechanisms of consultations. 2. Participation in High Level meetings during GA 2008 (Africa's Development Needs)	Close consultations and meetings on Follow-up to TICAD, NEPAD, LDC IV Conferences
Office of Legal Affairs (OLA)	<ul style="list-style-type: none"> <li>• Dialogue on international law issues and identify windows of collaboration</li> </ul>	Bank participation in OLA meetings and on issues related to international law of the Seas.	WB is currently preparing a contribution to a Report on Conservation and Sustainable Use of Marine Biological Diversity Beyond Areas of National Jurisdiction.
<b>C. UN Agencies/Programs</b>			
UN Development Group (UNDG)	<ul style="list-style-type: none"> <li>• Active engagement in UNDG, which sets operational policies of UN Development Agencies</li> </ul>	1. Management attention to, and regular attendance at, UNDG meetings; WB, UNDG and EC signed MOU on ways to assess post-crisis situations and plan recovery	

UNDP	Maintain close dialogue on development agenda and policy, and close cooperation on the ground with UN country-based teams (UNDP, UNICEF, UNFPA, and other UN Funds/Programs/Agencies); Ensure consistent implementation of agreement on cooperation in the field.	Monitor/assess collaboration on PRSPs and country monitoring; Active cross-participation in Bank-led Consultative Groups and UNDP-led Roundtables; Close collaboration on countries affected by conflict and post-conflict support, and on general approach to LICUS; Close collaboration on strengthening support for statistical capacity in low-income countries; Upstream consultations on WDR and UNDP's Human Development Report	WB and UNDP are discussing having an MOU that would cover collaboration of work in the field; Implement joint support for capacity building and coordinate respective platforms. Recently launched initiative with UNDP to develop the Capacity Development for Development Effectiveness forum (initially with AsDB focusing on Asia)
UNCITRAL (United Nations Commission on International Trade Law)	Represent the perspective and interests of developing countries on matters relating to modernization and reform of domestic and private international commercial laws (including Secured Transactions, Insolvency, Procurement, Electronic Commerce, Electronic Signature Protocols, Commercial Arbitration).	The office of the General Counsel has participated in expert working groups in areas of strategic importance to the Bank and has worked closely with the legal office of the Fund and other MDB counterparts in developing UNCITRAL legislative guides.	Strengthen participation to address the need for international guidance and coordination on matters relevant to financial sector and commerce. Work towards a protocol for collaboration on provision of technical assistance in areas of mutual interest.
OHCHR	Collaboration and dialogue on human rights and development	Participation in Expert Group on Human Rights Indicators 2005-2008; Expert Consultation on MDGs and human rights 2008; informal collaboration on Climate Change and Human Rights 2008-2009	Proposal for further work on human rights indicators under Nordic Trust Fund. Ongoing project on Climate Change and Human Rights
UN Office of the High Representative for the Least Developed Countries	Improve accessibility to developed markets by landlocked developing countries	Support to implementation of Almaty Program of Action; Report "Improving Trade and Transport for Landlocked Developing Countries: Mid-term Review"	Ongoing
UNICEF	Advocate and communicate need for sanitation, support governments to prepare action plan and commitments to improve sanitation	Regional sanitation conferences are held every two years in each Region in collaboration with UNSGAB and UNICEF, AsDB, AfDB, and IDB	Planning underway for FY10-11
<b>Collaboration With World Trade Organization</b>			
Aid for Trade	Help WTO expand amounts and quality of aid for trade	Wrote paper on indicators for Sept Experts meeting of CTD; Advised WTO staff on indicators; provided revised data set for World Bank Aid for Trade numbers ; Participated in OECD Aid for Trade events; Participated in Lusaka Regional Conference	May participate in ECOWAS and So. Africa Aid for Trade meetings; RBZ to attend Global Review in July 2009

	Capacity building and education	Held half-dozen seminars in FY09; Participated in WTO training courses	Will expand program in FY10
Enhanced Integrated Framework	Partnered with donors, WTO and 5 other agencies to provide TA for LDCs	Offered advice on projects, monitoring and evaluation	Will continue to participate on Board and work in country on programs, if financing mechanism is acceptable to donors
Support to Doha Trade Round	Provide technical analysis for specific negotiating problems	Undertook analysis of the Special Safeguards Mechanism; Conducted seminar with ICTSD on SSM	
Public goods: data on trade, standards development and policy analysis	Help WTO/UNCTAD/and ITC improve data on trade and trade policy	Formed three agency partnership to improve data; Financed software development to provide negotiators, analysts and country delegations with access to data bases; Working with 3 agencies in non-tariff measures to improve data	Software platform available in 2010 and Bank will continue to work with partnership; Hope to conclude classification of measures in 2010.
<b>Collaboration With OECD</b>			
<b>1. OECD Development Assistance Committee (DAC)</b>	Work with bilateral donors to achieve consensus concerning the evolution of the donor community, donor policies, and aid flows.	Participation in Senior Reflection Group on Future of DAC, report expected May 2009. Co-chair/vice-chair of DAC subsidiary bodies and working parties including Fragile States Group, Governance Network, Working Party on Aid Effectiveness.	
(a) aid effectiveness	- Partner with OECD/DAC, multilateral partners, bilateral and non-DAC partners, and partner governments in working towards achieving and monitoring targets of the Paris Declaration and Accra Agenda for Action- Support partner country efforts in more effectively managing for development results, strengthening and use of country systems (e.g., procurement and financial management), capacity building for partner country aid management	As vice-chair of Working Party on Aid Effectiveness, played significant role in the HLF3 and elaboration of Accra Agenda for Action (September 2008); active Bank participation in the OECD/DAC Joint Ventures related to aid effectiveness-- MfDR, procurement and financial management-- and in support of the DAC effort to monitor Paris Declaration and DAC work on aid effectiveness in infrastructure, and staff incentives.  Lead coordination and management of the African Community of Practice in MfDR (AfCoP); supported the Third Roundtable on Managing for Development Results in Hanoi in 2007.; developed 'SourceBook for Emerging Good Practice in MfDR' to capture and share MfDR experiences globally.	Co-vice chair of Working Party on Aid Effectiveness and its Executive Committee: continue to participate in "clusters" which have been established to carry out work program to implement AAA (including on MfDR, financial management, procurement, aid predictability, aid effectiveness monitoring, South-South cooperation); contribute to shaping agenda for HLF4 (Korea, 2011).  Continue Secretariat functions for AfCoP; participate in planning and coordinating global and regional fora for MfDR;

(b) cooperation with non-DAC donors	Support DAC efforts to explore and put into practice new ways of working with non-DAC donors	Facilitating and supporting dialogue between the DAC and the Arab Coordination group, including in the preparation of the May 2009 Dialogue with Arab Donors (Kuwait); DAC dialogue meetings with non-DAC and/or "emerging" donors (Istanbul, 2006; Seoul, 2007)	Enhanced participation in the China-DAC Study Group, focused on lessons for Africa from China's economic cooperation and development experience with Africa. Bank involvement coordinated by the China Country Office.
(c) conflict and fragility	Contribute to donor community efforts to build a platform for dialogue and consensus on donor community efforts in post-conflict and fragile situations	Co-chaired Fragile States Group 2007-2008	Co-Chair 2009-2010 of International Conflict and Fragility Task Team on Aid Financing
(d) governance and anti-corruption		Vice Chair of Govnet in 2007-2008, when Govnet produced the DAC Agenda for Collective Action against Corruption and Principles for Donor Action in Anti-Corruption	Support Govnet efforts to operationalize and implement DAC anti-corruption commitments, and to develop new work on taxation and domestic accountability.
(e) environment and climate change	Share perspectives on environment/development challenges and participate in analytic efforts related to areas of common interest	Participated in first joint high-level meeting of Development and Environment Ministers (2006). Active participation in elaboration of guidance on Strategic Environmental Assessment. Regular collaboration on modeling environmental impacts and other common analytic concerns.	Increasing dialogue on good practice in integrating climate change adaptation into development assistance and other change-related areas of common endeavor. Collaboration in promoting greater coordination and harmonization of environmental analytical work at the country/donor group level.

(f) statistics on aid and statistical capacity building	Cooperation with PARIS21 on statistical capacity building. Improved reporting of aid statistics.	Bank and OECD/DAC were founding members of PARIS21 (1999) and participate on its Steering Committee. As a major funder of PARIS21 activities, the Bank supports the core work program and, through a DGF grant, supports two satellite programs - International Household Survey Network and Accelerated Data Program.	PARIS21 has an ongoing program of regional workshops on statistical practice and policy making; support on preparation and implementation of National Strategies for Statistical Development; and further support of the satellite programs. Revisions to ODA reporting to be discussed in the context of the International Aid Transparency Initiative.
<b>2. Other OECD work</b>	Ensure strategic approach to OECD-Bank cooperation through senior management review	Senior management decision to focus dialogue on climate change, innovation, investment climate, growth; Conference on Innovation and Sustainable Growth in a Globalised World (November 2008); OECD-World Bank-IMF workshop on food and fuel crises (September 2008); OECD-World Bank-IMF seminar on the response to the crisis and exit strategies (February 2009, Paris).	
	Bring developing countries into increased contact with OECD policy work in selected areas.	Supported developing country participation in Global Forums through DGF grants (e.g., Conference on Innovation and Sustainable Growth in a Globalised World (November 2008), Global Forum on Competition, (February 2009), Financing and Pricing Water: The Roles of Government Policies, the Private Sector and Civil Society (December 2008) and Key Issues of the Post-2012 Climate Change Framework (March 2009)).	
Trade Committee	Collaboration with Development Assistance and Trade Committees in trade-related areas of importance to developing countries	Worked with Trade and Agriculture Directorate on quantification of agricultural support policies in developing countries. Supported pilot project in MENA to measure trade restrictiveness indices for services. Collaboration on measuring impacts of aid for trade	Continued collaboration on issues related to aid for trade (including input for OECD second Review of Aid for Trade, July 2009); development of trade restrictiveness indices for services; agricultural support policies and other trade/development issues.

	Maintain working relationship with the OECD ECG group and share data on financing to LICs	Agreement was reached for data to be shared periodically with the Bank and the IMF; Established a website entitled LendingToLICS@worldbank.org to provide timely feedback on whether proposed ECA lending would be consistent with IDA/IMF concessionality policies.	Follow up on the comprehensiveness and timeliness of data provided by ECAs; Continued monitoring of the website and provision of responses to inquiries received.
Analytic work on the aid architecture	Collaborate on analytic work related to the international aid architecture, including issues such as donor proliferation, aid fragmentation, earmarking, and aid allocation	Published paper on "Aid Architecture: An Overview of the Main Trends in Official Development Assistance" (February 2007). Joint analytic work on aid effectiveness as it relates to global programs and emerging donors	
<b>Collaboration With Regional Development Banks</b>			
Increase joint analytical and advisory work for governments.	Strengthen country ownership of development agenda, build coherence in advice and provide coordinated support for greater effectiveness.	Joint study with AfDB on Water Supply & Sanitation sector in 16 African countries; Country Status Overview Reports issued in 2006; Joint study with AsDB on Economics of Sanitation	Country Status Overview of 30 countries underway; Studies in additional countries underway
Harmonized and coordinated institutional approaches	Share strengths and lessons in measuring and managing for results among MDBs; Follow common approaches and frameworks in measuring and monitoring results; Provide mechanism for common reporting on results to stakeholders	Regular meetings and video conferences of MDB Working Group on Managing for Development Results (MfDR); Use common framework to self-assess performance and effectiveness of public and private sector operations of 7 MDB's in managing for results (COMPASS). Since 2007 COMPAS also covers the MDB's private sector activities.	Continued collaboration and cross-learning among MDBs through Working Group on MfDR, and coordination with OECD/DAC MfDR initiatives; Publication of 2008 COMPAS report in May 2009; future annual reports to incorporate new indicators.
Collaboration on thematic issues	Introduce standardized core sector indicators and mechanisms in measuring results in MDBs and ensure a cohesive approach among MDBs	Several MDBs have defined standardized core sector indicators to measure outputs/outcomes, and shared them with each other	Engage MDBs in collectively reviewing the standardized set of core sector indicators in measuring results towards a consistent approach
Financial Practices	Review financial management challenges and practices with AfDF, AsDF and IFAD to exchange 'best practices', advise of new approaches/ products under preparation, and assist other MDBs to adopt suitable elements of IDA's financial management framework.	Successfully advised other MDBs on IDA's updates to its liquid asset management framework; successfully conveyed information on IDA's innovative foreign exchange risk hedging approach; shared with other MDB's IDA updated compendium of financial policies; hosted visiting MDB staff at WB headquarters for hands-on demonstrations of IDA's long-term financial projections model and liquidity tranching model.	Will continue with periodic meetings with the Treasurers and key finance staff of MDBs; planning to discuss a possible transfer of IDA/ Trust Fund IT systems knowledge from the World Bank to the MDBs.

Concessional/Sustainable Lending	Outreach to MDBs on the DSF and the importance of providing financing for LICs on appropriately concessional terms.	An increasing number of MDBs are incorporating elements of the DSF into their own financing terms. The AfDB, the AsDF and IFAD have adopted a grant allocation system almost identical to that of IDA. AfDB has adopted a Non-Concessional Debt Accumulation Policy that is closely aligned to the IDA Non-Concessional Borrowing Policy.	Further encouragement of other MDBs to harmonize classification of countries to ensure similar treatment. Continued sharing of information on DSAs and concessionality requirements. Continued collaboration on cases of non-concessional borrowing, ensuring consistency across institutions.
Legal Harmonization Initiative (LHI)	Harmonize legal tools among donors and partner countries. Facilitate joint financing through common legal requirements. Forum for exchange of good practices and ideas on legal and policies issues	First Roundtable held in February 2008 involving the Bank, MDBs/IFIs, 11 bilateral aid agencies, the European Commission and 3 UN agencies (UNDP, UNESCO and UNICEF). Working group formed on joint financing arrangements. Rapid Response Mechanism (RRM) established to facilitate quick resolution of legal issues in joint financing and MDTFs	Develop common guidance and templates for joint financing arrangements. Make RRM fully operational. Move forward on common approaches to fraud and corruption in co-financed operations, facilitating MDTFs, and legal aspects of the use of Country Systems
Strengthen Engagement with the Arab World	Enhance relationship with the Islamic Development Bank (IsDB) including through co-financing operations, knowledge sharing and capacity-building activities.	In 2002, the IsDB signed MOU with the World Bank. Joint co-financing activities currently being implemented in Ghana, Yemen, Jordan, Djibouti, and Mauritania. Joint support also provided to the Arab Water Council and Arab Water Academy, to PEP MENA, Corporate Governance Training, and workshops on community-driven development, youth education and employment	Over the next year, the Bank and IsDB will collaborate through a joint working group on Islamic Finance.