

Update on World Bank Group

DCED Annual Meetings
July 9th, 2014
Geneva

- x “Solution World Bank Group”
- x Refocused IFC
- x New IFC Results Measurement Framework
- x WBG Results Measurement and Evidence Stream
- x Focusing on Jobs

“Solution World Bank Group”

Building a Stronger, more connected “Solutions World Bank Group”

- ✘ **New goals:** April 2013, WBG Board endorsed two new goals for the WBG: ending extreme poverty by 2030 and boosting shared prosperity by promoting growth among the bottom 40 percent of the population in developing countries.
- ✘ **New Strategy:** October 2013, Bank/Fund Annual Meeting endorsed WBG Strategy: financially strong WBG, recognized leader in knowledge and talent, fast and responsive, internally integrated, globally connected and locally engaged; and focused on achieving its underlying mission.
- ✘ **Three Priorities** for a “Solutions World Bank Group”:
 - Delivering Results for our clients: strengthening focus on country programs, shifting to more informed operational risk taking (eg, transformational engagements; mechanisms to better assess and monitor risk); global engagements and partnerships; operating as one WBG; scaling up knowledge; world class talent; 14 GPs and 5 CCSAs.
 - Strengthen our Financial Foundation: new Finance and Risk Framework, financial sustainability of IBRD and maintain and accelerate IFC and MIGA growth; scaling up and ensure profitability and financial stability; expenditure review.
 - Leadership, culture and values: realign leadership, culture, and values to foster collaboration, client solutions and results.
- ✘ **Next Steps**
 - On July 1, 2014, begun to work differently
 - Set a global community of experts in all major areas of development
 - Providing best services: keep strong presence in country offices and global solutions to local problems
 - “fit for purpose” playing a bigger role in the global efforts to end extreme poverty in a generation

14 Global Practice Groups



5 Cross Cutting Solution Areas



Refocused IFC

Refocused IFC

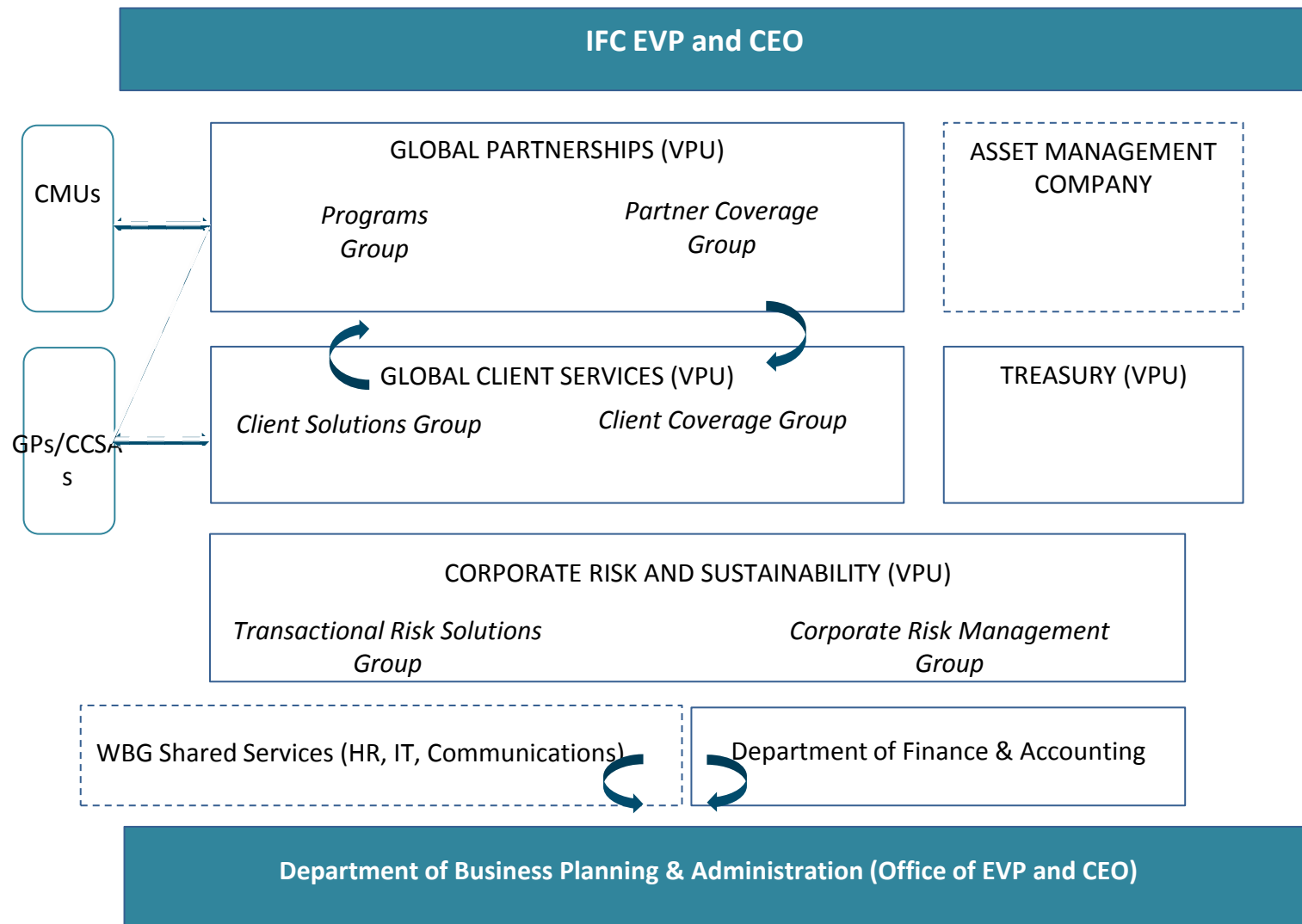
✖ What are we trying to achieve?

- A simpler organizational structure with effective engagement as part of the WBG
- Clearer accountability
- Deeper and broader engagement with partners and clients
- Putting the organization and its mission ahead of individuals

✖ What will be achieved for key stakeholders?

- **For our mission and overall agenda, we will:**
 - Increase our convening power
 - Spread innovation across our development platform
 - Achieve greater focus on key objectives such as FCS
- **For our clients and partners, we will:**
 - Deliver broader solutions for their long-term needs
 - Dedicate our best experts to find solutions
 - Minimize duplication and create true ownership of relationships
- **For our staff, we will**
 - Enjoy richer professional development and opportunities for career progression
 - Reduce administrative burdens
 - Set the stage for greater efficiency and more meaningful incentives, breaking down organizational boundaries

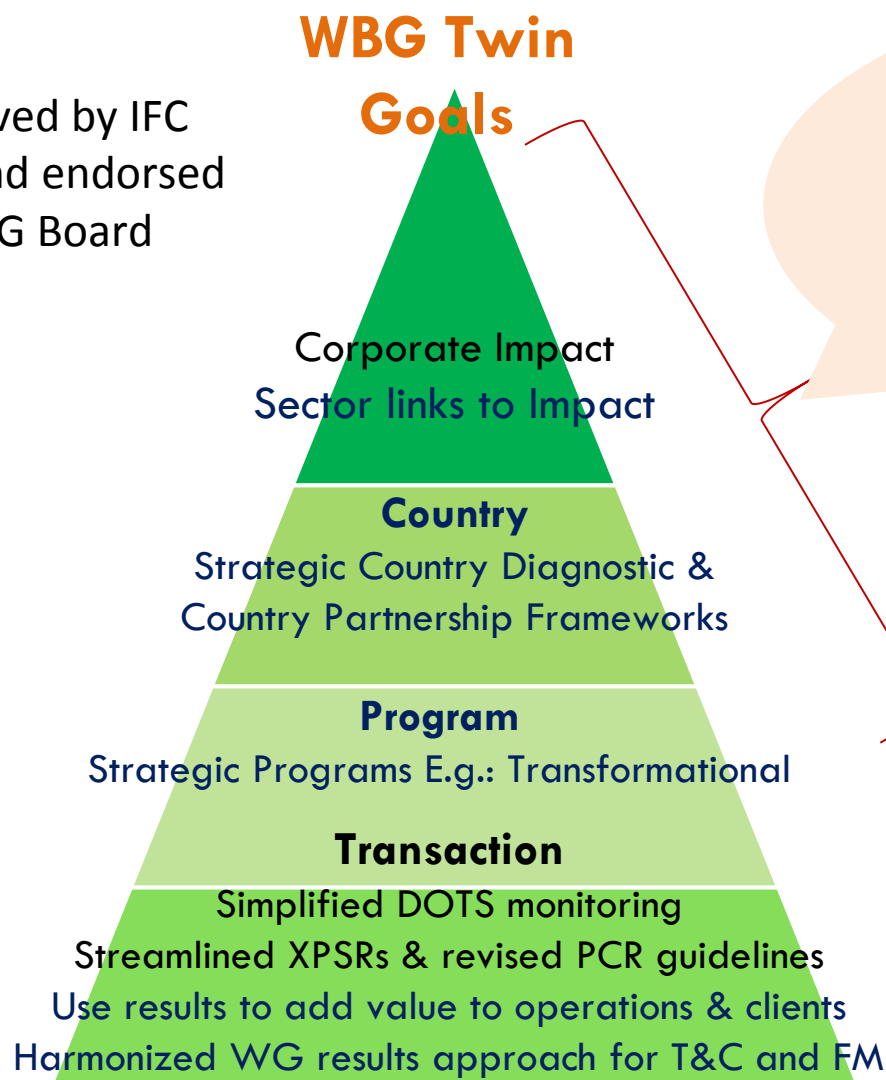
New Re-focused IFC Structure



New IFC Results Measurement Framework

New IFC Results Measurement Framework

Approved by IFC
mgt and endorsed
by WBG Board



NEXT-GENERATION RESULTS:

- ✦ Link to Impact
- ✦ Raise unit of analysis
- ✦ moving from reach to impact

CURRENT FOCUS:

- ✦ Simplify
- ✦ Streamline
- ✦ Harmonize
- ✦ Modernize



Understanding Impact on Jobs & Growth by Sector:

WBG
Collaboration

From an ad-hoc to a structured approach, with emphasis on qualitative assessments

SME

Market Gaps

- SME Finance gap analysis in SCDs (F&M GP)
- Understanding gaps addressed beyond reach

Effects on Jobs & Growth

- Existing methods for estimating jobs effects (F&M, Jobs CCSA)
- Cross country research: Effects of finance on SME performance & employment (DEC)

Beneficiaries Assessment

- Expanded IFC appraisal & supervision
- Improved Micro case studies (DEC)

Manufacturing & Agribiz

Multipliers for Indirect job creation in value chains

- Automotive, GTSF Apparel & Chemicals (Jobs CCSA)

Socio-economic profile of client value chain

- Poverty Scorecard for GAFSP investments (Poverty GP)

Assessing sector growth impact

- Commodity traders in agriculture

Power

Multiplier Effects

- Global Power Sector Multipliers (Jobs CCSA, Energy GP)

Beneficiaries Assessment

- Infra Meta-Evaluation

Effects on Eco Growth & Jobs

- Philippines Power
- Bujagali & Umeme Power (Uganda)
- Powerlinks Transmission (India)

Potential collaboration with WB GPs, CCSAs, DEC

□ To be replicated across projects over time

WBG

Results Measurement and Evidence Stream (RMES)



WBG Results Measurement and Evidence Stream (RMES)

→ One of the key issues identified by WBG mgt in July 2013 was:

Fragmented efforts to support results measurement in the World Bank and missed opportunities to learn.

→ IFC has a Results Measurement Network that, over the last three years, has demonstrated a business case and lessons on how this experience can be brought to the WBG.

→ On June 18, RMES was established (endorsed by WBG senior management, within the implementation of the WBG Change Management) with **three overarching goals**. To:

- Promote and develop a world-class cadre of results measurement professionals
- Foster a Holistic Approach to Results Measurement and Evidence
- Advance the frontiers of operational knowledge about key technical aspects of M&E to help the World Bank Group and its clients to adopt cutting-edge

→ **Vision:**

- The World Bank Group Results Measurement and Evidence Stream (RMES) is the staff cadre for talent, knowledge, innovations, standards and operational solutions on measuring and evaluating results.
- It provides the World Bank Group and its Clients with world-class know-how to maximize the achievement of the World Bank Group's goals by making decisions based on evidence.

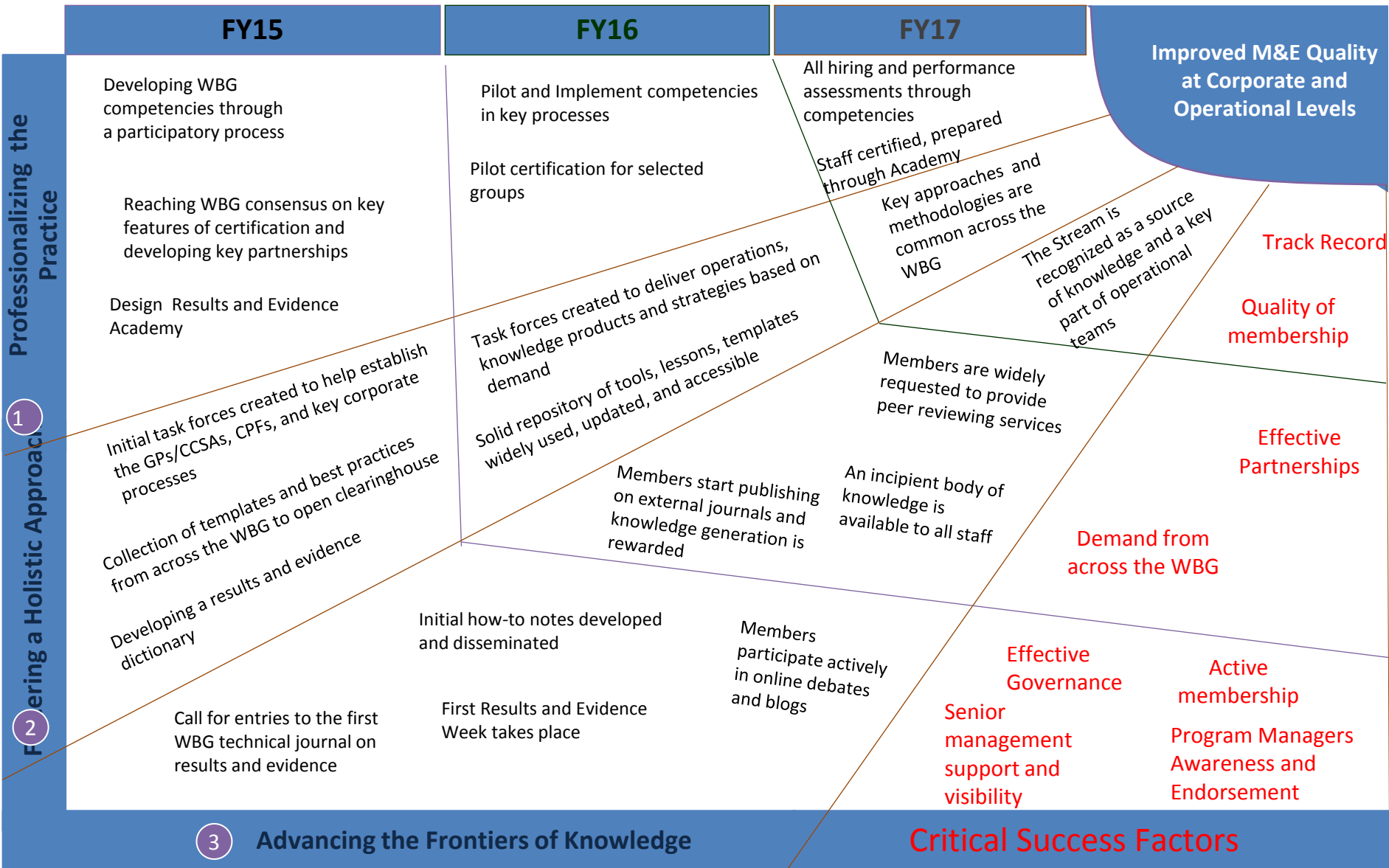
→ **Membership:**

- Requires Managerial Approval
- Is Determined by Job Function and Assumes Basic M&E Skills
- Criteria – Staff who spend at 25% of selected core M&E activities

→ **Governance:**

- Advisory Council to be jointly chaired by IFC (Karin Finkelston) and WB (Kyle Peters).
- A Secretariat will be established to run the day-to-day operations of the RMES

→ **Products:** dictionary, lessons notes, methodologies, competencies, conferences



Focusing on Jobs



A Global Partnership to Create **More** and **Better** Private Sector Jobs

www.letswork.org

Thanks to the donors supporting Lets Work Partnership:





At the launch of the IFC Jobs Study (2013), 28 IFI's agreed to collaborate and signed a Joint IFI Communique to:

- Use expertise and act in a coordinated way to maximize impact.
- Learn from each other and spearhead efforts in knowledge and methodologies.
- Complement high-level international efforts to promote job creation and improve quality of jobs.
- Work together towards addressing the creation of **more & better** jobs, which requires joint efforts for lasting solutions
- Commitment to promoting quality jobs and the inclusion of vulnerable groups, such as women, youth, and the poor.



Let's Work was created as a partnership of donors, IFIs, development organizations and private sector to work together on the jobs agenda.
(coordinated by the IFC)



Ministry of Foreign Affairs of the
Netherlands



International
Labour
Organization



**AFRICAN DEVELOPMENT
BANK GROUP**
Building today, a better
Africa tomorrow



Asian Development Bank
FIGHTING POVERTY IN ASIA AND THE PACIFIC



Private Infrastructure Development Group



Schweizerische Eidgenossenschaft
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Federal Department of Economic Affairs FDEA
State Secretariat for Economic Affairs SECO



wbcscd



IDB

Inter-American Development Bank



European
Investment
Bank



**International
Finance Corporation**
World Bank Group



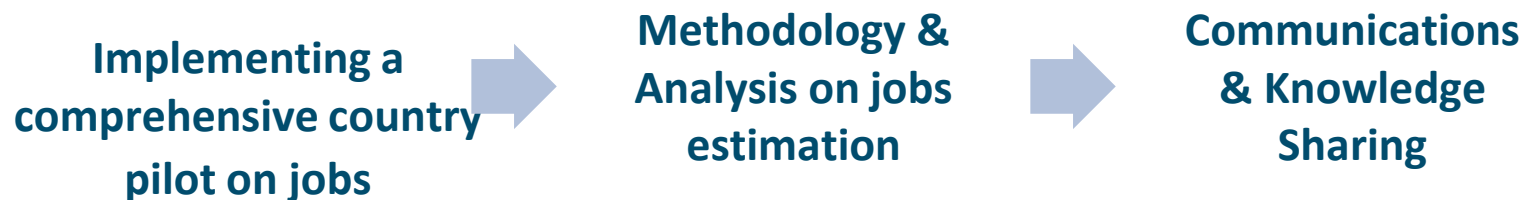
WORLD BANK GROUP

July, 2014

3 pillars of the Work Program



LET'S WORK
A global partnership to create
more & better private sector jobs





Annexes

Pillar 1: Implementing a comprehensive country pilot on jobs

- Select pilot countries. For each pilot country:*
- Pull together existing diagnostics, conduct additional diagnostics if required.
- Identify overall cross cutting constraints to job growth
- Select 2- 4 strategic sectors which have highest potential for creating more and better jobs and where country has competitive advantage .
- Identify key stakeholders and their existing activities, priorities, projects.
- Conduct an initial stakeholder consultation with key stakeholders, government, private sector, development organizations, civil society in order to build consensus on way forward.
- Conduct deep dive on each priority sector – a) identify key constraints b) conduct mapping of potential partners and clients c) consult with key stakeholders in each sector -bringing in private sector players and sector -specific lessons from other countries.
- Develop 3 year comprehensive implementation plan for developing each sector - taking a value chain approach to be implemented jointly by partners
- Set up a multi partner- coordination group that will meet twice a year (including once face to face).
- Establish baselines and targets, agree on methodology. Agree on how each partner will contribute to overall goal
- Business development- Develop pipeline for each priority sector and its value chain
- Implement** (jointly with partners) a comprehensive implementation plan that includes investment and advisory projects in priority sectors , especially addressing key constraints. This comprehensive approach will include:
 - a) Investment projects: investment projects in priority sectors and their value chain, infrastructure, training & skills, access to finance etc.
 - b) Advisory projects that could include Investment Climate projects addressing key regulatory constraints for the country or more specifically for the priority sectors, SME linkages programs that develop the value chains, address SME constraints like access to finance, training & skills especially to expand supplier capacity that increases local content, integration of Gender in all sectors and also the value chains
- Continuously track progress and course correct. Build a multi partner platform for coordination on jobs at country level.
- Organize annual workshops among operational staff of all partners in each country to ensure close coordination and sharing of lessons.

**The timing in each country will vary depending of whether diagnostics are already available. The launch of country pilots might be phased depending on availability of resources and to ensure ongoing incorporation of lessons from the early starters.*

*** The implementation would carry on beyond the 3 year period since full effects would typically show up in the medium to long term.*

Years 1 and 2

Years 2, 3 and beyond

Pillar 2: Methodology & Analysis

Develop ways to better understand, estimate and strengthen job effects at project, sector and country level.

- **Agreed on how to measure creation of direct jobs, next step is to agree on how to measure indirect jobs.**
- **Focus areas:**
 1. **Business case for better working conditions**
 2. **Sector-based studies: (a) FM – initial focus identifying methodologies, SMEs; (b) infrastructure – initial focus power; (c) specific sectors (e.g. initial focus agribusiness; also: extractives; automotives; textiles; tourism; ICT; cement and construction materials)**
 3. **Data availability, quality and analysis (e.g. enterprise surveys, input-output models, Better Work data, etc.)**
 4. **Develop tools (e.g. “how-to” measure job creation, incorporate jobs lens in strategies and operations, case studies, videos, etc.)**

Work Plan for Pillar 2

Component	Details	Team	Deliverable	Timeline
Business Case for Working Conditions				
Set of 5-8 case studies that establish the business case for better working conditions. <i>Potential sectors identified for work plan for 3 years 1) agribusiness 2) extractives 3) automotives 4) ICT/IT 5) tourism 6) construction/cement?</i>	Member IFIs would identify one or more projects in their institution for such a study. PCU could help coordinate the development of common ToRs and methodology and the final compilation. The set of case studies will include an analysis of data from the IFC-ILO Better Work program	Team will include interested IFIs, PCU, ILO, perhaps WBCSD clients and an academic expert	1) LW report published 2) Workshop with companies, stakeholders and experts to launch the report . 3) <i>Toolkit for operational staff on methodology /approach to measuring such effects in their projects</i>	Launch report at IFI CEO event at the Annual Meetings October 2014
Estimating indirect job effects in real sector projects				
Set of 5-6 case studies per sector that measure indirect effects of real sector projects.	Launch case studies in 2 sectors- agribusiness and ...? Conduct a set of studies to be carried out by IFI members but with a common TOR and methodology. PCU to help develop template and methodology with inputs from TAG and other experts.	Team will include interested IFIs, PCU, TAG	1) Publishable report on 2 sectors 2) Workshop to 2 sectors to discuss findings and 3) <i>Toolkit /guidance note for operational staff to conduct such studies and measure indirect effects</i>	Launch report November 2014. Separate stand alone studies on website earlier
Estimating job effects for infrastructure projects				
Launch 4 studies on power . <i>Launch studies on other sectors (e.g. ICT and ports) in years 2 and 3</i>	1) 3-4 case studies like Powerlinks but conducted in different countries to develop multiplier ranges for power projects 2) Sector level study of how a collection of power projects by the private sector contributes to jobs and economic growth e.g. Philippines along with ADB; 3) Cross-country econometric study on the effect of improved power supply on jobs and growth.	Interested IFIs, PIDG, ODI, PCU, and other infrastructure experts from DEC, academia etc.	1) Publishable report 2) Workshop to discuss findings and 3) Toolkit /guidance note for estimating job effects of power projects	<i>Launch report January 2015</i>
Estimating job effects for Financial Sector projects				
	Commission a study that puts together the various approaches and methods that have been used, including a discussion on what works best in what context.	PCU, DEG? With inputs from WB/DEC, academic experts	1) A study that compiles approaches and methods 2) Agreement on an approach for IFIs going forward (operational)	1) Literature review/study to be completed by June 2014. 2) Agreement on way forward /preparing toolkit, guidance note by September 2014
Skills				
	Commission a study to collect best practices and innovative ways that the private sector uses in different countries to close skills gaps.	With IFI client companies, WBCSD	A report launched a big event with private sector companies	August /September 2014

Parts in lighter color indicate workplan for next year

Pillar 3: Communications & Knowledge Sharing

Maximize the global public good aspect of the lessons that are learned through events, central website and collaboration workspace.

- **Communications focal points were identified for each partner institutions and formed a working group.**
- **Creation of Let's Work website (www.letswork.org): Phase II is currently being developed – interactive site –.**
- **Several press and multimedia opportunities highlighted the partnership's work (e.g. print media, video interview, podcast).**
- **Various knowledge sharing and communications tools and platforms are being developed with partner inputs.**