

# World Bank Group Directive

## Country Engagement

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**Content**

Directions for the World Bank Group's approach to Country Engagement

**Applicable to**

World Bank Group

**Issuers**

President, IBRD, IDA, IFC and MIGA

**Sponsors**

Operations Policy and Country Services (OPCS) Vice President; IFC, Asia Pacific (CAPVP) Vice President; MIGA, Vice President and Chief Operating Officer



## SECTION I – PURPOSE AND APPLICATION

1. This Directive provides direction on the development of a framework for each institution of the WBG to engage with member countries.
2. This Directive applies to the WBG.

## SECTION II – DEFINITIONS

The terms used in this Directive have the meanings set out below:

- a. Bank: IBRD and IDA.
- b. Board: the Executive Directors of each institution of the WBG, as applicable.
- c. Completion and Learning Review, or CLR: a completion and learning review, as defined below in Section III.
- d. Country Assistance Strategy: a country assistance strategy, as defined in the Bank Procedure 2.11, *Country Assistance Strategies*, dated November 2010.
- e. Country Engagement Note, or CEN: a country engagement note, as defined below in Section III.
- f. Country Partnership Framework, or CPF: a document setting out its country partnership framework with a particular country, as defined below in Section III.
- g. Interim Strategy Note: an interim strategy note, as defined in the Bank Procedure 2.11, *Country Assistance Strategies*, dated November 2010.
- h. IBRD: International Bank for Reconstruction and Development.
- i. IDA: International Development Association.
- j. IFC: International Finance Corporation.
- k. MIGA: Multilateral Investment Guarantee Agency.
- l. Performance and Learning Review, or PLR: a performance and learning review, as defined below in Section III.
- m. Systematic Country Diagnostic, or SCD: a systematic country diagnostic, as defined below in Section III.
- n. World Bank Group or WBG: IBRD, IDA, IFC, and MIGA.

## SECTION III – SCOPE

1. The CPF identifies the key objectives and development results through which the WBG intends to support a member country in its efforts to end extreme poverty and boost shared prosperity in a sustainable manner. It is the central tool that guides the WBG’s support for the member country’s development program.
2. The CPF, which is prepared by the WBG, starts from the member country’s vision of its development goals, which is determined by a country-owned and -led strategy process. Then, drawing on the analysis of an SCD, and reflecting the WBG’s comparative advantage and dialogue with the country, the CPF identifies the objectives and development results that the WBG expects to help the country achieve during the

implementation period.<sup>1</sup> The CPF then outlines a selective and flexible program – taking into account both ongoing and future indicative activities – that is tailored to the country’s needs.

3. In limited circumstances, the WBG may prepare a CEN instead of a CPF. CENs are appropriate for countries where the World Bank Group is unable to define detailed objectives, develop a program, or engage at significant scale in the medium term. A CEN may be appropriate in countries where the WBG is re-engaging after a long absence, in countries affected by conflict or fragility, or other situations that prevent the development of a medium-term program.

### **Systematic Country Diagnostic**

4. The SCD informs the strategic dialogue between the World Bank Group and its clients about priority areas for WBG engagement. The SCD is a diagnostic exercise conducted by the WBG in close consultation with national authorities, the private sector, civil society and other stakeholders. It presents a systematic assessment of the constraints a country has to address and the opportunities it can embrace to accelerate progress toward the goals of ending extreme poverty and promoting shared prosperity in a sustainable way. It is not limited to areas or sectors where the WBG is currently active or where the WBG expects immediate country demand.
5. The SCD presents the best possible analysis based upon available evidence. It includes a thorough discussion of the drivers of sustainable poverty reduction and the constraints the country faces in achieving the inclusive growth needed to attain a sustainable reduction in extreme poverty and increase in shared prosperity. The analysis of sustainability takes into account environmental, social and economic sustainability. The SCD identifies a set of priorities through which a country may most effectively and sustainably achieve the poverty reduction and shared prosperity goals and serves as the reference point for consultations when developing the CPF.

### **Country Partnership Framework**

6. The CPF is not an analytic document, but it is underpinned by the systematic and evidence-based analysis of the SCD. The CPF is a short document that provides an integrated and selective framework for the WBG’s partnership with the country. The degree of planned or actual engagement by individual WBG institutions may vary depending on the country’s challenges and opportunities and on the ability of individual WBG institutions to engage. As appropriate, the CPF may be complemented by joint implementation plans, which provide more detail on how the different institutions of the WBG intend to collaborate to support objectives in selected priority areas.
7. The CPF is normally prepared every four to six years for each country in which the WBG has planned or ongoing activities financed by IDA, IBRD or Bank administered trust funds. Its timing and duration are aligned with country conditions (e.g., the political cycle or national development strategy preparation). Some flexibility is permitted in the timing of the preparation of CPF and PLRs (see below), to take relevant country developments into account.

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<sup>1</sup> The CPF draws upon and discusses the findings of a gender assessment conducted by the WBG or other institutions if the WBG finds the assessment satisfactory (see OP 4.20).

8. The CPF identifies a select set of objectives and articulates how this selection is aligned with the priorities of the country's own development program, the priorities identified in the SCD and the WBG's comparative advantages. The CPF process involves a dialogue with the country authorities, as well as citizens and other stakeholders, about the country's development program. The CPF articulates a results-based engagement, centered on a results framework, that lays out the objectives that the WBG activities are expected to help the country achieve, and links those objectives to the country's development goals. The CPF objectives are derived from those country development goals that reflect the WBG's comparative advantage and are aligned with the goals of ending extreme poverty and increasing shared prosperity in a sustainable manner. The CPF indicates the expected lending volume, as well as possible instruments of engagement.
9. The CPF systematically evaluates risks and identifies any relevant high or substantial risks to achieving the CPF objectives, including any risk that the WBG engagement may result in unintended adverse country impacts. The CPF identifies how the WBG, working with the country, will manage these high or substantial risks.

### **Performance and Learning Review**

10. The WBG engages with the country in a continuous process of results monitoring and learning from implementation. Every two years during the implementation of a CPF, or at midterm, the WBG engages with the country and produces a PLR, which is summarized in a brief document. The PLR focuses on key country developments since the issuance of the CPF, and on program and portfolio progress and performance, with a view to drawing lessons learned from implementation and available evaluative evidence, introducing midcourse adjustments, updating the results framework, and extending the CPF period as necessary. At the end of an original CPF period, and if country and program circumstances warrant, a PLR may be prepared to extend the CPF period for up to two years (up to a maximum of six years in total).

### **Completion and Learning Review**

11. At the end of the CPF period, the World Bank Group engages with the country, completes a self-assessment, and issues a CLR that assesses CPF program performance using the results framework set out in the most recent PLR. If a PLR has not been prepared, the assessment is based on the original CPF results framework. The CLR also assesses CPF design and WBG performance. The CLR serves both as a way to enhance the WBG's knowledge to increase development effectiveness, and as a tool for accountability. The lessons derived from the CLR are reflected in the design of the following CPF or CEN. The Independent Evaluation Group validates the WBG's self-assessment and verifies findings. The results of this validation and other available independent evaluative evidence help inform the subsequent CPF or CEN.

### **Country Engagement Notes**

12. A CEN, a short focused note that describes a short-term engagement, is used while the WBG develops activities with medium-term impact. A CEN is normally prepared for a period of 12 to 24 months. It may be followed by another CEN only if the WBG remains

unable to define detailed objectives, develop a program or engage at significant scale in the medium term.

13. Given the short-term focus of the WBG engagement, neither a PLR nor an SCD is produced for a CEN. However, a CEN is based on sufficient analysis to support the preparation of the proposed engagement. While a CEN does not include a detailed results framework, the document describes objectives and the basis for assessing progress. The CEN also includes an assessment of risks to achieving its objectives, which discusses how these risks are to be managed, and indicates the WBG's contingency responses to changes in the country context.
14. The preparation of the subsequent CPF or CEN includes an assessment of the CEN and incorporates lessons learned. However, there is no separate CLR for a CEN.

### **Consultations and Partnership**

15. The CPF, the PLR, the SCD, and, to the extent possible, the CEN are developed in close consultation with the government, usually through several ministries and agencies at various levels. To better inform the CPF, the PLR, the SCD, and, to the extent possible, the CEN, the WBG engages through consultations with the private sector, civil society and other stakeholders. The WBG also seeks opportunities to support the process through collaboration that is suitable to country circumstances.
16. The WBG seeks to promote country-led assistance management and to increase selectivity in line with the WBG's mandates and comparative advantages. The WBG collaborates and coordinates with development partners to leverage resources and seek greater coherence across institutions and alignment with the country's development priorities.

### **Link with Operations**

17. For each lending operation, the Board documentation notes the date of the most recent CPF, PLR, or CEN and outlines how the proposed operation contributes to the results set out in the CPF, PLR, or CEN. If an operation deviates significantly from the CPF, CEN or PLR, the documentation explains why.

## **SECTION IV – WAIVER**

The Issuer delegates the authority to waive any of the provisions of this Directive to the Managing Director and Chief Operating Officer of IBRD. The Managing Director and Chief Operating Officer of IBRD can waive only with concurrence of the Sponsors.

## **Section VI – TEMPORARY PROVISIONS**

1. This Directive applies to all CPFs and CENs for which concept decision reviews are held on or after July 1, 2014, and to all Country Assistance Strategies and Interim Strategy Notes for which concept decision reviews are held prior to that date but which are distributed to the Board on or after January 1, 2015.

2. All midterm reviews and completion reporting undertaken after January 1, 2015, will also follow this Directive. Otherwise, the directions in effect prior to July 1, 2014 (i.e., Bank Procedure 2.11, *Country Assistance Strategies*, dated November 2010) apply to all Country Assistance Strategies and Interim Strategy Notes not covered by the preceding paragraph.

## SECTION VII – EFFECTIVE DATE

This Directive is effective July 1, 2014.

## SECTION VIII – ISSUER

This Directive is issued by the President of IBRD, IDA, IFC and MIGA.

## SECTION IX – SPONSOR

IBRD and IDA, Operations Policy and Country Services (OPCS) Vice President; IFC, Asia Pacific (CAPVP) Vice President; MIGA, Vice President and Chief Operating Officer.

## SECTION X – RELATED DOCUMENTS

1. World Bank Group Procedure, “Country Engagement,” July 1, 2014, Catalogue Number OPCS5.01-PROC.01.
2. World Bank Group, “Guidance to Staff for Country Partnership Framework Products,” July 1, 2014.
3. World Bank Group, “Interim Guidelines for Systematic Country Diagnostic,” January 10 2014.
4. Bank Procedure 2.11, *Country Assistance Strategies*, dated November 2010.

Questions regarding this Directive should be addressed to the Sponsors.