Past and Future - Bank-IFC Cooperation at the Country Strategy Level

Abbreviations and Acronyms

AAA	Analytical and Advisory Assistance
CASCRR	Country Assistance Strategy Completion Report Review
CEDP	Competitiveness and Enterprise Development Project
CLR	Completion & Learning Review
CPE	Country Program Evaluation
CPS	Country Program Strategy
DOTS	Development Outcome Tracking Data
EAP	East Asia Pacific
ECA	Europe and Central Asia
IBRD	International Bank for Reconstruction and Development
IEG	Independent Evaluation Group
IFC	International Finance Corporation
IDA	International Development Association
IPP	Independent Power Producer
ISN	Interim Strategy Note
KPLC	Kenya Power Lighting Company
LAC	Latin America and the Caribbean
MENA	Middle East and North Africa
MIC	Middle-Income Countries
MIGA	Multilateral Investment Guarantee Agency
OPCS	Secretariat, Operational Policy and Country Services
PCG	Partial Credit Guarantees
PRG	Partial Risk Guarantees
PLR	Performance & Learning Review
PPP	Public-Private Partnership
PSD	Private Sector Development
RAP	Results and Performance of The World Bank Group
RICRP	Rwanda Investment Climate Reform Program
SAR	South Asia Region
SCD	Systematic Country Diagnostics
VPU	Vice Presidency Unit
WBG	World Bank Group

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IEG has assessed the development effectiveness of IFC operation at the country level through Country Program Evaluations (CPEs), Country Assistance Strategy Completion Report Reviews (CASCR-Rs), and annual Results and Performance of the World Bank Group (RAPs). These evaluations and reviews also assessed Bank-IFC cooperation. This Learning Note examines the past experiences of Bank-IFC cooperation at the country level, discusses key findings from IEG evaluations, and presents prospects and challenges of the new country-focused approach to intra-World Bank Group (WBG) cooperation.

This paper, co-authored by Takatoshi Kamezawa and Kutlay Ebiri, is one of the IEG's learning notes to make evaluation evidence easily accessible to key audiences. Under the new Country Partnership Framework (CPF), the Bank and IFC have committed to work more closely together at the country strategy level. IFC's participation is expected to increase in all stages of the CPF process.

Introduction: Shifting Priorities at Client Countries

The needs of World Bank Group (WBG) clients have been changing with the private sector increasingly becoming the engine of growth, and the governments' attention shifting from public projects to dealing with the growing private sector: regulating it, establishing partnerships with, and/or transferring certain economic activities to it. In this new landscape, the best way to optimize the WBG's development impact, promote its overarching goal of eliminating extreme poverty and boosting shared prosperity in a sustainable manner is to put the array of private sector instruments into full use, bringing enhanced cooperation between the World Bank/International Development Association (the Bank) and IFC at the country level to the forefront.

Cognizant of the changing needs of client countries, the WBG has decided to overhaul the Group's approach to country engagement with a view to increasing its effectiveness and development impact. An important tenet of the new approach is to bring in IFC's private sector expertise into the fold of country operations to take advantage of potential synergies that can be generated by the Bank and IFC working in a coordinated fashion, and hand-in-hand in certain sectors and projects. In the past, the Bank and IFC operated in public and private domains, respectively, largely independent of each other, although there were instances and projects where they worked together (e.g. public-private partnerships, privatizations, regulatory reforms) or had overlapping activities which sometimes led to "turf" disputes (e.g. credit lines). The different characteristics of public and private sectors, concerns over conflicts of interest, and the lack of familiarity of the Bank and IFC staff of each other's operational objectives and ongoing activities presented obstacles to effective cooperation at the country level.

As emphasized in the various statements by WBG management, and in the new organizational directives transforming the process of building country strategies, the Bank and IFC are expected to work more closely together from diagnosis to strategy formulation, solutions design, execution, evaluation, and learning. This would help ensure that the private sector's role in addressing the challenges of development is fully embedded and the WBG's assistance is integrated throughout the spectrum by capturing the benefits of knowledge exchanges and joint operations across the Bank and IFC.

Changing long-established patterns in any institution presents challenges. If the Bank and IFC staff regard the new directions as cooperation being a goal by itself, rather than an instrument to improve the effectiveness and impact, not much may change in terms of development outcomes, and the efforts may lead to an increase in further bureaucracy and longer processing times.

The evidence from the recent past shows that a realistic and selective approach to Bank-IFC cooperation, based on appropriate resource allocation and staff incentives, may yield significantly better outcomes. Thus the challenges of the new Country Program Framework (CPF) process are to (i) identify where and when cooperation is likely to improve efficiency and development outcome; (ii) redefine job descriptions of various administrative units and re-assign existing staff resources; and (iii) provide staff incentives for joint work.

1. WBG's Country Engagement Model under CAS

The Country Assistance Strategy (CAS) and Country Partnership Strategy (CPS) have been the overarching strategy document for the WBG country level operations. CPSs/CASs lay out the Bank Group's medium-term priorities as discussed with country authorities and, in most cases, with the representatives of various stakeholder groups, including the academe, civil society organizations and, in fewer cases, the private sector. For the Bank, the CAS process[1] has been the primary vehicle for delivery of the activities to client countries. The CAS has had clear budgetary implications for operational units of the Bank, thus it has been influenced by supply driven inter-departmental negotiations as well as by the countries' developmental needs. The budgets of the Bank's networks depended on the loans and Analytical and Advisory (AAA) activities assigned to them by the CAS process.

The Bank's performance is monitored and self-evaluated throughout the CAS cycle, including in the CAS Progress Report and CAS Completion Report (CASCR). Nearly all of the Bank's lending and AAA activities are included in the results framework under the CAS. CASCRs are also reviewed and validated by IEG.

Over the last decade, most CASs became "joint" for IFC and the Bank (and where appropriate, MIGA), to define a WBG strategy at the country level. In FY01, less than half of CASs were joint; by FY10-12, more than 83% of CASs and Interim Strategy Notes (ISNs) (63 of 76) were joint. However, most joint CASs appear to have played a limited role in defining IFC's country engagement relative to the manner CASs determine the Bank's county programs. In many cases, "jointness" usually meant listing IFC's forward-looking investment and advisory projects in the relevant country.

IFC strategies are set in a top down and bottom up approach at the institutional[2], regional, and industry levels.[3] IFC's *de facto* country strategies inform IFC's regional strategies which are summarized for each region in the IFC's Road Map. In some large exposure countries, IFC has country level strategies included in the regional strategy discussions in the Road Map. In addition, IFC regions present country level strategy updates to IFC management in a few sectors or countries to inform the discussion of upcoming large projects, especially when IFC is near its country exposure limits. There are numerous factors which make it difficult, if not impossible, for IFC to plan over a four-year time frame on specific projects or program in the same way the Bank does it. The most important of which is that IFC's investment opportunities are determined by market demand from different private sector players and not by an agreement with the government up to four years ahead.

[1] For this Note, the terms "CAS" and "CAS process" also include the more recent CPS process such as CPS, CPSCR, and IEG's CPSCR reviews.

[2] IFC Road Maps identify IFC's institutional, regional and sectoral priorities and define the instruments (loans, equity, and technical advice) to be used to execute these strategies.

[3] Examples of regional and sector level strategies are LOTS strategy for the LAC and Financial Market strategy for EAP.

An increased effort for Bank-IFC cooperation at the country strategy level would require IFC to focus more on its program delivery at the country, as opposed to regional or departmental, level. Under the CPF, IFC's participation is expected to increase from the Systematic Country Diagnostics (SCD), which will be prepared by a multi-sector team under the direction of the country management, CPF, Performance & Learning Review (PLR), to the self-assessment of Completion & Learning Review (CLR) at the end of the CPF cycle. After the SCD is prepared with IFC's inputs on private sector development (PSD) issues, Bank and IFC teams will jointly determine the instruments to be used by the WBG in its assistance to the country.

The CPF aims at increasing the selectivity of WBG activities. A recent board presentation on WBG's new country engagement identifies the key issues as fostering better collaboration among WBG institutions and placing greater emphasis on leveraging the private sector to provide solutions to development problems.[4] IFC senior management has already endorsed the CPF, which is to replace the CAS, as an important vehicle for cooperation within the WBG,[5] and recently announced a new corporate structure, which will become effective from FY15.[6] Under this new structure, IFC created a Global Partnership Vice Presidency Unit (VPU). One of the main functions of this VPU is to increase cooperation between the Bank and IFC. Reflecting that coordination between WBG institutions was sometimes *ad hoc* and depended to a degree on individual teams in the CAS process, regional coordination mechanisms will be instituted under the new CPF process, including quarterly meetings of regional management teams from each WBG institution.

Selective cooperation between the Bank and IFC has the potential to improve the effectiveness and efficiency of WBG operations and its development impact. Cooperation offers the possibility for the Bank and IFC to complement their relative strengths, and offset relative weaknesses, in pursuit of shared development goals. The Bank has vast resources of economic and sector analysis and substantial country knowledge, especially of the public policy sphere. Combined with IFC's long experience in working with private companies and worldwide expertise in project development and financial structuring, valuable synergies can be generated by Bank-IFC cooperation.

Strengths of the Bank include its: (i) close policy dialogue, often supported by program loans with client governments, the key to promoting regulatory change and helping improve the business environment; and, (ii) expertise in designing and overseeing the implementation of public investment projects, which often provide a foundation for developing public-private partnerships (PPP).

Strengths of IFC include its: (i) knowledge of, and relationship with, the private sector, which allows IFC to better inform the Bank and client governments of the impact of regulatory reforms on private industries and companies; (ii) valuable operational expertise, including in marginal, less developed markets, particularly in countries which are considered high risk such as fragile and conflict countries (FCS) to attract private

[4] World Bank Group, A new Approach to Country Engagement, April 29, 2014.
[5] IFC Road Map FY15-17 Implementing the World Bank Group Strategy, IFC/SecM2014-0028, March 20, 2014.
[6] This new structure was announced during IFC town hall meeting on April 23, 2014.

investment; (iii) expertise in designing, structuring and implementing investment and advisory service projects with private sector engagement.

Potential benefits of cooperation depend on the sector and the stage of its development. For some sectors, especially infrastructure, coordination between the Bank and IFC is desired for some countries because policy-making institutions have not yet developed. Institutional capacity also needs to be improved, in particular at the subnational level, for the participation of the private sector. Understandably, IFC may be inclined to distance-itself from a policy-making role in order to avoid the perception of conflict of interest, whereas the Bank's policy dialogue with the country enables it to help develop these institutions.

Senegal and Uganda electricity sectors are good examples where Bank-IFC cooperation generated synergies. The Bank established regulatory frameworks and supported capacity building in these regulatory bodies, and IFC followed with its investment in the power sector. For countries, such as Bhutan, where the market has recently opened for private sector development, the coordination of activities between the Bank and IFC is critical to have a better development outcome. The FY10-14 CAS for Bhutan defined complementary roles for the Bank and IFC in support of water and transport through PPP projects. This was also the case for a number of FCS countries where re-building of the public sector capacity was essential for increasing participation of the private sector.

Cooperation is also required for new areas of private sector financing as new rules have to be set by the public sector. In many middle-income countries (MICs), the main infrastructure sectors, such as transport and power, PPPs are often prepared and launched with the Bank and IFC playing their respective roles. PPPs in social sectors, such as health and education, are relatively new areas where performance-based contracts are increasingly used to bring in private sector efficiency.

The Bank can provide its global knowledge and expertise to set new rules of the private sector engagement in social sectors such as health and education, while IFC can provide transaction advice and financing to PPPs. For example, under the FY08-11 CAS for Brazil, the Bank generated strategic analytical work to support broadening health sector financing, and facilitated reforms at subnational levels, including the use of PPPs, while IFC's advisory services worked with providers of diagnostic and health services designed to serve poor and middle-income groups. Similarly, in Senegal under the FY13-17 CAS, the Bank and IFC aim to strengthen the PPP framework, beyond the infrastructure sectors, through capacity building initiatives and best practice PPP transactions in the social sector.

Cooperation between the Bank and IFC is not necessary for every sector and every country. In a number of countries, for example, Bank-IFC cooperation in the financial sector does not necessarily enhance the WBG's development impact. Unless the sector is at an early stage of development (for instance, as mentioned below, in Afghanistan), Bank-IFC coordination is not always a requirement. In many MICs and in some IDA countries, regulatory frameworks for the financial sector have been well developed, making coordination redundant. In such situations, the financial market teams of IFC and the Bank may benefit from information exchanges and a clear understanding of which institution is best suited to deal with specific projects to avoid getting in each other's way, as seen in some cases where the Bank extends credit lines to private sector institutions at subsidized rates.

For example, Brazil's financial market is functioning with proper regulatory oversights. The FY12-15 CPS for Brazil recognizes that the country has successfully restructured, strengthened, and modernized its financial system since the late 1990s. IFC has planned to increase its activities in the financial sector, without necessarily cooperating with the Bank, which would not add significant value. The same applies to a sub-sector such as microfinance. In Colombia, microfinance is an important part of IFC's financial markets strategy given its impact on low-income communities, women, and minorities. IFC microfinance portfolio consists of seven projects totaling US$41 million, which accounts for 10 percent of its financial markets portfolio in Colombia. As the proper regulatory framework is in place for the microfinance subsector, the FY12-16 CAS does not discuss the need for the Bank-IFC cooperation in this sub-sector.

2. Planned (*Ex Ante*) Cooperation in Country Assistance Strategies

The nature of country-level Bank-IFC cooperation in CASs varies significantly. IEG reviewed 50 past CASs prepared between FY12 and FY14 (Annex I). Some CASs only made a brief reference of IFC's program for the private sector development (e.g. the Gambia FY08-11 CAS and Guinea-Bissau FY04-13 CAS), while other CASs referred to individual IFC investment transactions and advisory service projects that will be implemented during CAS period (e.g. FY08-11 Zambia CPS[7] and FY10-12 Philippines CAS). Several CASs set investment volume targets for IFC operations during the implementation of CAS (e.g. FY10-14 Pakistan CPS and FY10-12 Philippines CAS).[8]

Reflecting the uncertainty of IFC investments during the initial strategy-setting period, most CASs lack selectivity and list all sectors where IFC investment operations and advisory services could potentially take place during the implementation period without much analysis on which sector and the modes in which IFC can add the most value to the development needs of the country. The majority of CASs concentrate on describing IFC's operational strategy during the CAS as a stand-alone WBG institution, i.e. what IFC plans to do in which sector, while providing very limited details regarding potential cooperation between the Bank and IFC.

Despite these limitations, the majority of joint CASs identify areas, at a general level, where the Bank and IFC have the potential to cooperate. Of the 38 joint CASs reviewed by IEG between FY12-14, 84% of CASs for IBRD countries included planned Bank-IFC cooperation. For 12 non-joint strategies, only the Congo Republic (FY10-12) referenced

[7] The FY08-11 CAS for Zambia listed two major IFC investments as potential projects in Zambia. However, neither project materialized. Kafue Gorge Lower hydropower project was one of these two projects. The CAS included IDA's partial risk guarantee as an options to finance the transaction, and it was a potential collaboration project between IDA and IFC. The project failed to reach financial closure. No reasons and analysis of this failed project was given in the CASCR.
[8] IEG's CASCR-Rs find that IFC did not meet this investment volume target for Pakistan for FY10-14 period and for the Philippines for FY10-13 period.

cooperation. By country lending category, IBRD referenced planned cooperation in 88% of CAS, while IDA referenced cooperation in 71% of CAS. Latin America and the Caribbean Region (LAC), Middle East and North Africa (MENA) and South Asia Region (SAR) all mentioned planned Bank-IFC cooperation at country level, while the Europe and Central Asia Region (ECA) region included planned cooperation in 75 percent of country strategies.

The majority of CASs, however, lacked specific proposals to implement WBG cooperation. Of the 50 CASs reviewed, the majority did not define the instruments (investment and/or advisory operations of IFC) to be used, the timeline or target indicators to be achieved through cooperation. The discussion lacked a clearly defined structure and implementation plan. Cooperation was often presented without quantifiable metrics or a discussion of planned division of labor between the Bank and IFC, or expected outcomes. Of the remaining country strategies, references to Bank-IFC cooperation, when included, are organized within the CAS pillars, sectors or sub-sectors. However, references often consist of a cursory description without any specific outcomes. For example, FY09-12 Guatemala CAS describes the planned Bank-IFC cooperation as follows, "It is expected that operations in energy and tourism will be coordinated between IBRD and IFC. The IBRD and IFC worked closely to identify areas where they can exploit synergies and leverage investments."

CAS results framework does not usually capture the impact of IFC activities. This has been frequently identified as a shortcoming by CASCR-Rs. Effective monitoring and evaluation of IFC activities is hindered by the fact that most CASs do not include the expected outcomes or the indicators of IFC projects. There are, however, good examples of CAS results frameworks where IFC's contributions to CAS objectives have been well documented. The FY10-12 Philippines CAS has results framework with detailed outcome indicators for IFC investment and advisory activities and it also incorporates IFC's project monitoring indicators from IFC's Development Outcome Tracking Data (DOTS) into IFC's outcome objectives.

Building upon the CAS, the Philippines' CASPR and CASCR results matrixes, respectively, capture the impact of IFC activities by detailing IFC outcome milestones, which include quantified details for IFC investment progress to date. The CASPR also factors in the latest results from DOTS and development outcomes of the investment projects from IFC's self-evaluation system of Expanded Supervision Reports (XPSRs) to assess the outcome of IFC operations in the country.[9] In part, this level of detail reflects the CAS's comprehensive discussion of Bank-IFC collaboration which is embedded throughout the document itself. Therefore, joint Bank-IFC activities may help to improve IFC results measurement as joint projects, which share common development outcome objectives, help the incorporation of IFC activities into the results matrix itself.

The FY08-13 Mexico CASCR provides the results of the IBRD-IFC joint program and includes a comprehensive assessment of all elements of the WBG program. The CASCR also includes an analysis of IFC DOTS measurement data for the FY08-13 period. In turn, these lessons and recommendations were incorporated into the subsequent country

[9] XPSR is IFC's self-evaluation system to review development and other outcomes of IFC's investment projects.

strategy. In fact, the FY15-19 Mexico CAS incorporates many of these recommendations into its results matrix, which shows a higher level of detail in capturing the expected IFC development outcomes as compared to the FY08-13 CAS.

Recent joint CPSs indicate that the Bank-IFC cooperation is becoming an important objective for the WBG management team. Both FY14-19 CPS for Mexico and FY15-19 CPS for Pakistan emphasized Bank-IFC cooperation (Box 3.1).

Box 3.1. Joint CPSs for Mexico and Pakistan

Mexico: The FY14-19 CPS consultations included the private sector, and devoted substantial attention to Bank-IFC collaboration, mapping out the areas where the two institutions would coordinate their programs. The CPS defined Bank-IFC cooperation based on each institution's respective core competencies. In the technology sector, the Bank would continue to support capacity building and programs to encourage public–private collaborative research, while IFC would provide complementary financing in support of technologically innovative companies. IFC anticipates working on a pilot project in conjunction with Instituto Nacional del Emprendedor to invest and provide technical support for innovative SMEs. In infrastructure, the CPS calls for joint IBRD, IFC, and MIGA activities to help maximize the WBG's collective impact in the sector.

Pakistan: The FY15-19 CPS emphasizes increased Bank-IFC cooperation, particularly in the energy sector. Energy security and the development of the power sector are recognized as the top priorities and necessary conditions for growth in Pakistan. The CPS defines a cooperative WBG approach in its Transformational Energy Initiative to support new investments and reforms in the power sector. The Bank has committed US$600 million to energy in its Development Policy Credit (DPC), while IFC plans to engage with domestic and international sponsors to finance large private hydropower and renewable power projects. The Bank and IFC anticipate collaborating in bringing Central Asian power to Pakistan through Afghanistan. The Bank and IFC also plan a joint program to promote private sector development, with the Bank's DPC directed to fiscally sustainable and inclusive growth to be complemented by IFC's Investment Climate and PPP advisory activities.

Source: Mexico FY14-19 CPS *and Pakistan* FY15-19 CPS.

3. Actual (Ex Post) Cooperation Findings from IEG Reviews and Evaluations

CPEs and CASCR-Rs identify a few planned or unplanned instances of cooperation with positive results in selected areas where Bank-IFC cooperation has led to better development results. The extent and form of the cooperation have varied markedly across countries. Of the eighteen CPEs, 55% found evidence of cooperation that had been achieved during the CPE evaluation period with strong positive development outcomes (Annex 3). The evaluations also point to some missed opportunities because of the lack of cooperation.

For instance, under the Colombia FY08-11 CAS, IFC and the Bank closely coordinated their support to improve the infrastructure in the country, particularly in areas of transport and basic services. This was complemented by investments to improve water and sanitation services, solid waste management, urban housing development, as well as renewable energy and energy efficiency. In Peru, Bank-IFC cooperation was focused on specific outcomes around each institution's core competencies to improve effectiveness. Strategic coordination in the implementation of complementary interventions by the Bank and IFC was a critical element in achieving CAS goals in areas such as enhancing competitiveness and improving business climate, providing SMEs access to financial markets, developing capital markets, and infrastructure development both with the private sector and at the municipal level.

A joint team throughout the CAS process facilitated coordination, and helped to define the respective roles of the Bank and IFC. In the Philippines, the FY10-12 CAS sought to improve coordination in response to IEG's evaluation and government feedback. The CAS called for stronger WBG coordination with the understanding that the development challenges the Philippines faced needed both public sector engagements to improve policies, institutions, and incentives, as well as private sector investments. A joint team developed the strategy based on the shared assessment of the country needs. At the Bank-IFC strategy meeting in Manila in December 2008, the team identified infrastructure, agribusiness, and the financial sector as the priority areas of the joint program. For the water sector, the CAS identified the specific roles for both institutions, and how the WBG could effectively help catalyze private sector participation in household water service delivery. For the transport sector, the joint team assessed whether the country had enabling policies and better institutional processes and arrangements to launch PPPs and how IFC could add value through its advisory and investment projects to prepare and implement PPP projects.

The Philippines was one of the six joint CAS pilot countries. In early FY09, the IDA-IFC Secretariat, Operational Policy and Country Services (OPCS), and IFC's Strategy Department initiated a joint CAS pilot with an aim to improve the existing joint CAS process. IDA-IFC Secretariat came up with the five recommendations as summarized in Box 4.1.

The Bank's representative on a program's governing body is responsible for overseeing program activities, but the Bank lacks selection criteria, terms of reference and reporting channels for these representatives. Terms of reference and training would help clarify the roles, responsibilities, and accountabilities of Bank staff serving on the boards of partnership programs and bring needed clarity. Bank management has proposed (in July 2013) a Management Framework for partnership programs and Financial Intermediary Funds that articulates principles of engagement. If implemented, this Framework could provide the basis for more consistent decision-making related to Bank participation in partnership programs.

Box 4.1. Recommendations by the IDA-IFC Secretariat on Bank-IFC Cooperation

1. Early IFC involvement coupled with a smaller core joint CAS team would enhance IFC's engagement in the CAS process. Moreover, by linking its country strategy to the joint CAS and Progress Report, IFC would further enhance its influence.

2. The potential for Bank-IFC cooperation is primarily at the sector level. Therefore, joint discussions, as led by Bank and IFC CAS Task Team Leaders, should emphasize key sectors that are important to the country and where teams agree that cooperation is likely to add value.

3. IFC planned engagement should be reflected in the results matrix. The CAS should include a minimum number of investments, with development targets to be set or updated at the CAS progress report stage.

4. Cross-learning and awareness should be improved. Face-to face sessions and workshops provide an opportunity for structured strategy discussions and to build interpersonal relationships to better understand Bank and IFC comparative advantages and anticipated gains from cooperation.

5. Joint dissemination, implementation, and results monitoring should be planned and pursued systematically with structured reviews either quarterly or semi-annually. Similarly, the CAS Progress Report and the CAS Completion Report should also be prepared jointly.

Models of Joint Strategy Formulation. FY2009, IDA-IFC Secretariat, World Bank Group, March 2010.

In Mexico, the FY08-13 joint CAS explored the possibility of Bank-IFC coordination by combining IFC's advisory work and the Bank's capacity building work at the subnational level. The CAS envisioned that IFC's advisory projects would improve the business environment at the subnational level, complementing the Bank's efforts to raise the efficiency of public sector institutions. The CAS sought to combine multi-sectoral capacity building by the Bank and IFC's business process simplification advisory services, providing a complete package of advisory services to the subnational governments. A rolling business plan was prepared to account for all financial and knowledge products and packages in real time both at entry and exit, helping to maintain program monitoring and selectivity. The CASCR noted that the constant monitoring of the business plan confirmed the effective selection of the Bank Group's engagement and instruments at the subnational level, and helped assess the realism of the expected outcomes and the quality of the results framework.

In Brazil, the FY08-11 CPS defined how the financial sector team could support the operations of IFC and the Bank. The exchange of information and operational experiences between IFC and the Bank was intended to maximize the WBG impact in the area of housing finance. Under the Philippines FY10-12 CAS, the Bank and IFC defined potential expertise and cross-country experience in the areas of fiscal and financial risk assessment and management, crisis response, managing insolvencies, and advice on risk reduction strategies and capital market development

Strong government ownership fosters and facilitates cooperation between the Bank and IFC. In China and Russia, governments sent strong signals to the WBG to coordinate their activities. In China, FY07-12 CAS emphasized the importance of the Bank's advisory services, anticipated a more active IFC role, and noted the need for selectivity and specialization while recognizing that the size and diversity of Chinese economy would draw the Bank into a wide range of issues and activities. It also encouraged WBG partnerships with other donors, the private sector, and civil society. For the FY03-05 Russia CAS, IFC took a comprehensive approach to develop the market for investments in energy efficiency, renewable energy, residential energy efficiency, and resource efficiency in coordination with the government. The Bank and IFC worked closely with the Russian government on policies to facilitate investment in the energy-efficiency sector, including publication of a major policy study discussed at the highest levels of government. Also, the Egypt CPE indicates that the government's insistence on better Bank-IFC cooperation led to Bank and IFC working together effectively.

Regular consultations and joint social events helped the Bank and IFC country teams to understand their counterparts' activities and programs, leading to improved cooperation. In the Philippines, IFC's country manager participated in the Bank's bi-weekly management meetings, while in China, there was frequent communication between the country offices of the Bank and IFC. For the EAP region as a whole, Bank and IFC regional vice presidents established close communication and working relationships, which led to selective and effective coordination in country offices across the region. In Brazil, the Bank appointed a water specialist to liaise with IFC to coordinate activities in the water sector. In turn, these consultations helped to support Bank-IFC coordination with the federal government and helped to maximize each institution's comparative advantages.

Strong and explicit support from the Bank and IFC senior management teams helped drive enhanced cooperation. Under the FY09-12 joint CAS for India, joint teams worked on an advisory project for the Chennai metro, and supported the Maharashtra State Electricity Transmission Company through the joint subnational lending program. The Bank-IFC collaboration improved markedly, yielding positive results. IFC's commitment to increase its business in low-income states and its priority on climate change contributed significantly to key achievements in the overall WBG strategy. The WBG's country program in India indicates that cooperation was most successful when each institution was able to draw upon its comparative strengths.

Appropriate sequencing of Bank-IFC operations was beneficial for sector development. The Afghanistan CPE (FY01-11) found that complementary engagements and good sequencing by IDA and IFC played a significant and influential role in the information and communications technology sector in assisting the government to restructure and liberalize the sector and make it attractive for private investments. An IFC investment and MIGA guarantees supported the entry and expansion of mobile network operators to increase competition and expand coverage from 50 percent to 80 percent of the population. In microfinance, the Bank focused on the Microfinance Investment Support Facility for Afghanistan, an apex institution to increase and improve the sustainability of microfinance funding. Four years later, building upon the groundwork the Bank had done, IFC investment and technical assistance supported the establishment of a new microfinance bank, which provided an additional mechanism for mobilizing funds and delivering microfinance services. CPE concluded that without IFC's efforts, the microfinance industry in Afghanistan would have suffered greatly.

The engagement in private sector development issues in Rwanda by the Bank and IFC provides another example where proper sequencing of Bank-IFC operations benefited the client country (Box 4.2). IFC supported reforms to improve the regulatory environment, build institutions, and attract private sector participation in key sectors with its Rwanda Investment Climate Reform Program (RICPP I and II). The Bank helped set the foundation of the reforms aimed at improving the business and legal environment through two projects: Competitiveness and Enterprise Development and Governance for Competitiveness Technical Assistance. The Bank and IFC consolidated the success of their collaboration by building upon the Doing Business Reform, leveraging each institution's comparative advantage. Senior Bank leadership also provided opportunities for Bank-IFC consultations through retreats and conferences, which helped to facilitate knowledge-exchange and led to joint Bank-IFC operations.

Similarly, the Peru FY03-09 Country Program Evaluation indicates the value of project sequencing. The WBG engagement in several sectors reflected effective sequencing and complementarities of activities among WBG institutions. For example, the Bank helped establish appropriate regulatory environments and public oversight in the financial sector and extractive industries, and IFC followed by supporting private investment that helped stimulate growth, broadened participation in economic activities, and increased attention to environmental and social issues. There was good coordination between the Bank's Property Registration Project and IFC's investment in Mibanco, the largest microfinance Bank in Peru. The Bank project supported large-scale property registration in urban areas, which then enabled Mibanco to expand its lending in these areas through use of property collateral.

Sector level cooperation is more feasible and effective than that of country level cooperation. The Brazil CPE, which covered the FY04-11 period, found that the Bank and IFC coordinated their programs in the water sector, and generated sector-level synergies. Under the joint subnational financing program, IFC extended loans to water utility companies in Sergipe and Santa Catarina to improve their operational efficiencies. This involved close collaboration with a sector specialist from the Bank, who was instrumental in linking the IFC team with potential subnational clients, supporting coordination with the federal government, and contributing to analyses on sector-specific technical issues during the project development phase as the co-leader of the joint team. Bank's sector expertise proved to be particularly valuable, given IFC's relative unfamiliarity with the water sector in Brazil.

Box 4.2 Bank-IFC Cooperation in Rwanda

Rwanda offers an example of successful Bank (IDA)-IFC cooperation at the country level. . The Bank supported the post-genocide government's efforts to improve the business environment with a full set of instruments: Competitiveness and Enterprise Development Project (CEDP) provided support towards institutional strengthening for investment, enterprise and financial sector development activities including establishment of legal and regulatory framework for micro-finance institutions, modernization of the payment systems, re-structuring and capitalization of a public bank; privatization of utilities and tea plantations, also bringing in IFC advisory teams to help set up leasing facilities. Encouraged by their joint success, the Bank and IFC expanded their cooperation to other fields such as special economic zones, tourism, and Doing Business reforms. The success of Bank-IFC cooperation in Rwanda has been brought about by these factors:

- personal familiarity between the teams;
- frequent consultations and joint missions, which led to a good understanding of the Bank and IFC activities for PSD;
- good coordination as Bank TTL acted as an overall PSD coordinator for both Bank and IFC;
- joint meetings and retreats, including the participation of weekly Bank meetings by IFC;
- strong advocacy of joint Bank-IFC work by a results-oriented Bank country manager;
- distribution of labor according to each institution's comparative advantages (close government contacts for the Bank and process expediency for IFC);
- co-location (although the effective cooperation was taking place even before IFC opened its office in Rwanda as the Bank acted as a liaison for both public and private sector clients for IFC); and,
- government counterparts who were interested in seeing the Bank and IFC work together.

The close cooperation has also been reflected at the country strategy level. The Bank and IFC jointly draft, discuss and approve private sector related aspects of the WBG's Rwanda CAS. This exercise provided an opportunity to learn the operation of the Bank and IFC.

Source: CASCR Rwanda FY09-FY13, IEG CASCR-R, staff interviews.

Kenya energy sector presents another good example where the Bank, IFC and MIGA collaborated successfully. To support independent power producer (IPP) projects, IDA offered a partial guarantee against the off-taker risk of Kenya Power Lighting Company (KPLC) which provided comfort to private investors without sovereign guarantees, while IFC worked with project sponsors to finance two IPP projects. The collaboration resulted in four IPP projects, even exceeding the CAS targets in results framework (Box 4.3). Bank and IFC staff participated in each other's investment decision meetings. IDA-IFC-MIGA Boards met in one single meeting to approve all projects, saving considerable time.

Box 4.3. WBG Collaboration in the Kenya Power Sector

In Kenya, collaboration among WBG institutions helped increase private investments in the energy sector. WBG was successful in supporting IPPs by a division of labor with each institution playing its role. The Bank offered partial credit guarantees (PCG) to backstop the payment obligation of the public utility Kenya Power and Lighting Company (KPLC). PCG provided comfort to private investors and lenders without sovereign guarantees as the IMF stand-by would not have allowed the government to extend guarantees to KPLC. The Bank provided PCGs to four IPP projects. Building on its existing relationships with sponsors, IFC financed two IPP projects. MIGA provided political risk insurance cover for the two IPPs. The following factors contributed to the success in Kenya:

- the Bank had a long established relationship with KPLC through a series of energy sector projects, which helped build its financial management. Through these engagements, the Bank acquired knowledge of Kenya's energy sector;
- the Kenyan government was fully on board to increase the participation of private sector investments through IPPs;
- Bank and IFC teams established good working relationships;
- the Bank and IFC teams represented their respective clients, carefully avoiding potential conflicts of interest;
- the teams addressed the thorny financial and legal issues in the most transparent fashion by bringing all interested parties (KPLC, private investors, third-party financiers, government officials, as well as the team members from IDA, IFC and MIGA) to a joint meeting in DC;
- mid-management in all three institutions were fully supportive of the joint operation; and,
- incentives were aligned between the Bank and IFC as approvals of both Bank and IFC projects were needed for IPP projects to materialize, which led to a coordinated approval process with the participation of TTLs in respective decision meetings.

Source: CASCR FY10-FY13, CASCR-R FY10-FY13, and staff interview.

FY13 Results and Performance (RAP) found that the cooperation in the infrastructure sector led to better development results. IFC-supported PPPs, mostly in the infrastructure sector, have performed better when IFC involvement was coordinated with the Bank's sector reforms, supported by client commitment and political will, and had experienced sponsors. A review of PPP advisory and investment projects undertaken by IFC in Africa confirmed the importance of client commitment and political will as top drivers for the success of PPP advisory projects. IFC's nonfinancial additionality through technical expertise during due diligence, was as important as its financial additionality in PPP investments in Africa.

Power sector project in Uganda showed that coordinated implementation and sustained collaboration among WBG yield positive development results. Given the high complexity and risks associated with Uganda's Bujagali hydropower project, the Uganda FY05-09 CPS recognized that sustained WBG collaboration was necessary to attract private investors and ensure long-term project viability. Bank-IFC activities were coordinated well, with the Bank taking the lead role at the sector level in supporting power sector reforms and providing Partial Risk Guarantees (PRGs), while IFC focused on lender coordination and due diligence. Moreover, the Bank and IFC adopted a pro-active communication strategy, encouraging regular communications between the Bank, IFC, external donors and the Government. This was further bolstered by the existence of good professional working relationships and knowledge sharing between Bank and IFC staff (see Box 4.4).

Box 4.4. Development Impact of a Joint WBG Project in Uganda

The Bujagali hydro project (US$798 million) consisted of the development, construction, and maintenance of a run-of-the-river power plant with a capacity of up to 250 MW on the River Nile. WBG's joint financing package was approved in April 2007, which comprised a US$130 million IFC loan, a PRG of US$115 million from the IDA, and an investment guarantee of US$115 million from MIGA. The Bank also approved US$300 million loan in April 2007 for power sector support until the Bujagali project is commissioned to reduce short-term power shortages and financial imbalances.

The IPP, Bujagali Energy Limited (BEL), has been operating profitably since 2012 after it started its operation in August 2012. According to the March 2013 article by International Water Power & Dam Construction Group,[10] the full commissioning of the Bujagali dam was a landmark moment, as it eliminated day and night load-shedding completely in Uganda. The project also demonstrated that large-scale private power projects could be built in sub-Saharan Africa.

Bujagali also led to the closures of two thermal power plants and the reduction in the usage of two thermal plants. Project Finance Magazine awarded its 2007 African Power Deal of the Year to the project. IFC's DOTS assigned highly satisfactory rating for overall development outcome as it met all the socio-economic and financial measures of impact for the project.

Source: Project related documents, including PAD, CRRs, DOTS, and staff interview.

Benefits of the Bank-IFC cooperation are not limited to the infrastructure sector. The FY12 RAP noted that a review of 10 IFC extractive industries projects with XPSRs completed in 2008–10 found that strong and timely links to relevant Bank support for policy and institutional reforms were associated with better development outcome ratings. Such links help mitigate the considerable risks associated with extractive industries projects and risks of governance problems leading to unsatisfactory project outcomes. Similarly, evaluations of IFC- or MIGA-supported infrastructure projects underline the importance of alignment between public and private sector interests, including a fair risk allocation in public-private partnerships, and of the quality of the regulatory environment for project success.

Communication between the Bank and IFC country offices is critical for intra-WBG awareness, knowledge exchange, and cooperation. The Peru CPE noted that WBG cooperation was not systematic at the staff level, which led to missed opportunities to

[10] This article can be found at http://www.alstom.com/Global/Power/Resources/Documents/Brochures/bujagali-uganda-kaplan-hydro-plant-advertorial.pdf.

deliver a stronger WBG country program. While cooperation at the country strategy development level was strong, there was less interaction and cooperation between the Bank and IFC staff at the operational level. Although the Bank and IFC are located in adjacent buildings in Lima, both the Bank and IFC staff reported to the Peru CPE team that they were often unaware of what project teams in the same sectors were doing. Reverse was true in the case of Egypt. The Bank and IFC are co-located in Cairo, where IFC's hub for the Middle East and North Africa Region is also located. The co-location of the Bank and IFC offices was credited as a factor for the close working relationships between the Bank and IFC staff.

Governments' lack of familiarity with IFC activities limited cooperation. Through the consultation process with relevant stakeholders, the Brazil CPE team noted that the Brazilian government agencies generally had little experience in interacting directly with IFC, and their knowledge about IFC operations was limited.[11] The Brazil CPE concluded that the combination of the lack of systematic demonstration of WBG synergies and the government's limited familiarity with IFC and MIGA operations hampered opportunities for strategic dialogue to maximize the potential synergies that the WBG as a whole could provide.

In some countries, changes in government policy also affected the level of Bank-IFC cooperation. IEG evaluated the WBG's FY99-07 country program in Egypt, a period during which the Government emphasized private sector development, public-private partnership, and privatization. The Egypt CPE noted that the level of cooperation increased during the CPE period with a shift toward more private sector involvement. The Government of Egypt also requested a more coordinated engagement in private sector development (PSD). As a response, the Bank increased its activities focused on PSD, including in the financial sector.

Missed opportunities for the Bank and IFC cooperation were also found by IEG's country and sector level evaluations. IEG's 2013 Forest Sustainability Evaluation finds that the Bank and IFC had highly complementary operations in the state of Para, Brazil. While it had the potential to contribute to enhanced success for IFC investments and relevance of Bank operations, Bank-IFC collaboration was absent. Drawing on IEG's evaluation evidence on the WBG cooperation, IEG Evaluation Brief in 2010[12] cited the examples of the missed opportunities, which include disjointed Bank and IFC activities in the Brazilian Amazon, infrastructure in Nigeria, and private sector development in Turkey. For each of these examples, IEG alluded to lost client value from what could have been achieved with greater communications and cooperation, albeit without specifics.

IEG also finds that Bank-IFC cooperation is not always worthwhile, as costs may outweigh benefits. 2007 IEG Evaluation on Development Results in Middle Income Countries (MIC evaluation) assessed the cooperation among the WBG, including the detailed review of WBG cooperation case reviews for 15 countries. Through staff interviews during the case studies, MIC evaluation notes that cooperation may increase internal transaction costs as a result from different processing procedures, legal,

[11] An IEG team evaluating WBG's agribusiness performance observed similar situations in Argentina and India.
[12] This brief was written in early 2009 as information for the Board and management.

procurement, and financial arrangements that are used by the Bank and IFC respectively. These costs may be compounded by unfamiliarity among staff of the other institution's procedures and decision-making processes. Moreover, aside from financial costs, cooperation may result in a slower response times as Bank and IFC work to coordinate their activities.

A staff survey for the MIC evaluation showed concerns over the cost of cooperation, with a particular concern that it could reduce the WBG's competitiveness.[13] This same survey revealed a view that cooperation could impose additional work upon staff themselves, without a corresponding recognition from management. Accordingly, MIC evaluation points to the need for the Bank and IFC to carefully calibrate the desired level of cooperation at the outset, with thorough analyses of the specific circumstances underlying the proposed project, including a metric-based analysis of anticipated costs and the corresponding value likely to be achieved from Bank-IFC cooperation.

4. Key Findings of the Note

This section summarizes key findings of the Note as follows:

- Despite the increase in the number of "joint" CASs, cooperation between the Bank and IFC has varied significantly across countries, with the majority of country strategies failing to include specific proposals to implement planned WBG cooperation. Instead, references to cooperation were most often perfunctory in nature, while a similar absence of reference to cooperation were observed in the respective results matrixes. This is reflected in the low rate of implemented cooperation, as identified through CASCR-Rs.

- There are structural reasons for the low levels of cooperation at the country strategy level: (i) IFC's business is determined by the market demand for its products, which is inherently difficult to plan ahead; (ii) there are concerns for conflicts of interest; (iii) IFC's strategist/economist resources are extremely limited; and (iv) staff incentives may need to be tailored to encourage cooperation.

- Selective Bank-IFC cooperation has the potential to improve the effectiveness and efficiency of WBG operations, and improve its development impact in client countries, while the lack of cooperation can hinder or reduce potential benefits to clients, lead to duplication of activities and ultimately raise operating costs.

- Truly joint CAS teams have led to better coordination and helped define the respective roles of the two institutions. Professional relationships between the staff members of the Bank and IFC have facilitated knowledge exchange and

[13] "Development Results in Middle Income Countries, an Evaluation of World Bank's Support, (2007)." Cooperation Case Review In 15 countries—Angola, Argentina, Azerbaijan, Brazil, China, Egypt, Jordan, Kazakhstan, Mexico, Morocco, the Philippines, Russia, South Africa, Ukraine, and Uruguay—IEG conducted field-based studies to assess cooperation between the Bank and IFC, interviewing IFC and Bank staff and clients. The cases compared areas in which cooperation was proposed in CASs with what occurred in practice. It also explored the drivers and inhibitors of cooperation among Bank and IFC staff and country teams.

readiness to work together. However, the Bank-IFC cooperation has been ad hoc under the CAS framework.

- Cooperation between the Bank and IFC is not always necessary or productive for every sector in a country. Elevating cooperation, which is an instrument, to the level of a goal on its own, may generate unnecessary processes, hence inefficiency. Benefits of cooperation depend on the sector and the stage of its development in a country. Since the cost of cooperation may sometimes outweigh the benefits of such cooperation, the careful analysis on the cost and benefit of the Bank-IFC cooperation is warranted at the early stage of new WBG country strategy formation.

5. Prospects and Challenges of Cooperation under the New Framework

Overall, the experience with coordination between the Bank and IFC has been mixed. In spite of some encouraging examples, synergies among and within WBG do not seem to be explored systematically. The latest FY13 RAP concludes that cooperation between the Bank and IFC has not been the standard way of doing business. The staff incentive framework was not conducive to collaboration.

The new CPF process has the potential to define, guide and improve Bank-IFC cooperation in selective areas of engagement. Not surprisingly, the previous efforts to reduce the cultural divide between the Bank and IFC have not been very successful. The CAS which, for internal purposes, was a budget document for the Bank, lacked the necessary incentives for full IFC involvement. IFC has been striving to achieve the WBG's goals of eliminating extreme poverty and increasing shared prosperity by focusing on providing access to finance (e.g. SME and micro-finance, support for emerging managers through venture funds), financing infrastructure investments, increasing competition (e.g. support for second-tier companies), and promoting sectors/companies with a higher employment potential, also responding to market demand and achieving acceptable returns for its investments.

WBG senior management intends to strengthen the focus of country programs with increased emphasis on cooperation. Under CPF, IFC is expected to contribute more on PSD issues, starting from analytical inputs and consolidating feedback from the private sector at the initial diagnostic stage of SCD to CLR at the end of CPF exercise.

The SCD offers the potential to build upon the current CAS process by increasing Bank-IFC dialogue and information sharing at the initial stage of the CPF. The SCD could pave the way for a more systematic analysis of PSD issues by joint Bank-IFC teams, which has historically been missing from the majority of CASs. This process may help address the weaknesses discussed throughout this Note by providing a consistent framework to define and enable potential synergies that can be generated by the Bank-IFC cooperation in relevant, selective areas of engagement. However, for the CPF process to reflect the WBG's full understanding of the country conditions, IFC's current and potential clients should be consulted with both at the diagnostic and implementation stages.

Increased cooperation between the Bank and IFC at the country level should not be, in itself, the ultimate goal of the new CPF. Instead, staff and management should view the SCD/CPF process as a valuable opportunity to help establish a foundation for systematically increasing opportunities for knowledge sharing, relationship building, and where appropriate, identifying opportunities for Bank-IFC cooperation. Enhanced monitoring and supervision should provide incentives for the implementation of the CPF.

The challenges facing the new approach are: (i) selecting areas where Bank-IFC cooperation is most desirable (and conversely, where cooperation may not be necessary, and/or may lead to inefficiencies or conflicts of interest); (ii) providing incentives for both institutions to share information and build professional relationships; and (iii) radically reducing the time and energy spent internally on bureaucratic processes of developing country strategies. The joint Bank-IFC teams would then be able to appraise potential areas in which cooperation could add value, reduce duplication, increase synergies, and ultimately, improve the development impact of WBG operations in client countries.

Under the new country engagement model, IFC needs the appropriate resources and incentives. Management should recognize that the new approach will impose significant staff and resource costs especially for IFC, which must be clearly budgeted for in order to achieve the CPF's full potential in contributing to effective cooperation between the Bank and IFC.

Regarding resources, IFC currently has a total of 23 regional strategy officers/analysts and economists to handle strategy and cooperation at the country level.[14] For example, only three IFC strategy officers are responsible for the EAP region as a whole. IFC did have an Economics Department, which was dismantled in FY06. Full participation by IFC to the CPF process would require a significant increase in the numbers of IFC regional strategists and economists. The budgetary burden of this requirement can be partly alleviated if the Bank economists are provided with incentives to work on private sector issues, and IFC sector economists, results measurement specialists, and the Bank's sector specialists with private sector knowledge are incorporated into the new CPF process. It is still early to reach conclusions, however, some of draft SCD concept notes indicate that IFC's involvement for the CFP process would remain relatively small in terms of staff resources and the budget allocations.[15]

Neither the Bank nor IFC has so far provided any explicit incentives for the cooperation. However, under the new country engagement model, staff and manager performance reviews may include references to cooperation across WBG institutions. This decision, if it takes place, has the potential to provide incentives for the staff of the respective institutions to learn and understand the *modus operandi*, strengths and limitations of the other institution, and may eventually lead to effective cooperation. Another option for the

[14] In addition, strategists/economists are also responsible for calculating economic rates of return for a large number of IFC projects (for example, 582 projects in FY13) and briefing IFC management on economic issues. IFC did have an Economics Department with a small number of staff, bit it was dismantled in FY06.

[15] The SCD Concept Note for El Salvador estimates IFC's staff contributions to be 3 weeks out of the total 33 staff week associated with the preparation for SCD. Botswana SCD Concept Note lists a total of 40 team members for the preparation of SCD, including TTL and peer reviewers. Two IFC staff are expected to participate in the SCD.

WBG to consider is to encourage staff rotations between the Bank and IFC, so that an increased number of the WBG staff will have better understanding of the Bank or IFC operations.

Despite the limitations of the current CAS process, this Note has identified a number of factors that help drive the cooperation between the Bank and IFC. They include: (i) the existence of good professional working relationships and knowledge sharing between Bank and IFC staff (e.g. Rwanda, Uganda, and Kenya), (ii) strong government leadership or ownership (e.g. Egypt, Russia and China) for Bank-IFC cooperation, (iii) commitment by senior management to facilitating cooperation and/or well-developed working relationships between senior Bank and IFC managements (e.g. EAP); and, (iv) close communication (and co-location, where business conditions permit) between Bank and IFC country offices (e.g. Egypt).[16]

This Note found ample evidence that the current CAS framework, process and implementation requires substantive reforms in order to deliver more effective WBG country programs, and that new CPF framework provides an opportunity to enhance Bank-IFC cooperation to serve the overarching twin goals of the WBG.

IEG will continue to evaluate the new WBG country engagement model under the CPF to assess whether it is leading to improved WBG cooperation and better development results at the country level. Moreover, as joint implementation plans formally become part of the new CPF process, IEG will evaluate whether these management exercises contribute to more effective WBG's cooperation at the country level.

[16] Recently, the significance of communications between Bank and IFC country offices has become crucial, as both the Bank and IFC succeeded in decentralizing their operations to regional hubs and countries. While seemingly elemental, consistent communications between the Bank and IFC is an important contributor to better understanding and cooperation between the two institutions at the country level.

Appendix A. Country Assistance Strategies

Country	Region	CAS Period	Date of review (FY)	Cooperation Planned	Cooperation Realized
Bolivia	LCR	(FY10-11)	2012	Yes	Yes
Bosnia and Herzegovina	ECA	(FY08-11)	2012	Yes	Yes
Brazil	LCR	(FY08-11)	2012	Yes	Yes
Colombia	LCR	(FY08-11)	2012	Yes	No
Costa Rica	LCR	(FY09-11)	2012	No	No
Gabon	AFR	(FY05–09)	2012	No	Yes
Honduras	LCR	(FY07-10)	2012	No	Yes
Jordan	MENA	(FY06-11)	2012	Yes	No
Kazakhstan	ECA	(FY05–11)	2012	No	Yes
Lao People's Democratic	EAP	(FY05-11)	2012	No	No
Mongolia	EAP	(FY05-10)	2012	Yes	No
Mozambique	AFR	(FY08-11)	2012	Yes	Yes
Peru	LCR	(FY07-11)	2012	Yes	Yes
Russian Federation	ECA	(FY07-11)	2012	Yes	No
Serbia	ECA	(FY08-11)	2012	Yes	Yes
Sri Lanka	SAR	(FY09-12)	2012	Yes	Yes
Turkey	ECA	(FY08-11)	2012	Yes	Yes
Ukraine	ECA	(FY08-11)	2012	Yes	No
Uzbekistan	ECA	(FY08-11)	2012	Yes	No
Vietnam	EAP	(FY07-11)	2012	No	No
Belarus	ECA	(FY08-11)	2013	No	Yes
Benin	AFR	(FY09-12)	2013	No	No
Burundi	AFR	(FY09-12)	2013	Yes	Yes
China	EAP	(FY07-12)	2013	Yes	Yes
Congo, Democrat	AFR	(FY08-11)	2013	Yes	Yes
Congo, Republic	AFR	(FY10-12)	2013	Yes	Yes
Croatia	ECA	(FY09-12)	2013	Yes	No
Ethiopia	AFR	(FY08-12)	2013	NA	NA
Gambia, The	AFR	(FY08-11)	2013	Yes	No
Guatemala	LCR	(FY09-12)	2013	Yes	Yes
India	SAR	(FY09-12)	2013	Yes	Yes
Indonesia	EAP	(FY09-12)	2013	Yes	Yes
Malawi	AFR	(FY07-10)	2013	No	No
Nicaragua	LCR	(FY08-12)	2013	Yes	No
Niger	AFR	(FY08-11)	2013	No	No
Papua New Guinea	EAP	(FY08-12)	2013	Yes	Yes
Senegal	AFR	(FY07-10)	2013	Yes	No
Timor Leste	EAP	(FY06-11)	2013	Yes	No
Zambia	AFR	(FY08-11)	2013	Yes	Yes
Burkina Faso	AFR	FY10-12	2014	Yes	Yes
Ghana	AFR	FY–12	2014	No	No
Guinea	AFR	FY04-FY13	2014	No	No
Kyrgyz Republic	ECA	(FY07-13)	2014	No	No
Liberia	AFR	(FY09–11)	2014	No	No
Mauritania	AFR	FY08-11	2014	No	No
Moldova	ECA	FY09-13	2014	Yes	Yes
Poland	ECA	(FY09–13)	2014	No	No
South Africa	AFR	(FY08-12)	2014	Yes	No
Armenia	ECA	(FY09–13)	2014	Yes	Yes
Mexico	LAC	(FY08-13)	2014	Yes	No

Appendix B. IEG CASCR Reviews:

Country	Region	CAS Period	CASCR Review Period	Date of review (FY)	IEG Outcome Rating	IEG Performance Ratings		
						Bank	IFC	MIGA
Bolivia	LCR	(FY10-11)	(FY10-11)	2012	MU	MU	MU	NA
Bosnia and Herzegovina	ECA	(FY08-11)	(FY08-11)	2012	MS	MS	MS	S
Brazil	LCR	(FY08-11)	(FY08-11)	2012	MS	MU	MS	NA
Colombia	LCR	(FY08-11)	(FY08-11)	2012	MS	MS	MS	NA
Costa Rica	LCR	(FY09-11)	(FY09-11)	2012	MS	MU	NA	NA
Gabon	AFR	(FY05–09)	(FY05–11)	2012	MU	U	NA	NA
Honduras	LCR	(FY07-10)	(FY07-11)	2012	MU	MS	NR	NA
Jordan	MENA	(FY06-11)	(FY06-11)	2012	MS	S	S	NA
Kazakhstan	ECA	(FY05–11)	(FY05–11)	2012	MU	MU	MS	NA
Lao People's Democratic	EAP	(FY05-11)	(FY05-11)	2012	S	MS	NA	NA
Mongolia	EAP	(FY05-10)	(CY05–11)	2012	MS	MS	MS	MU
Mozambique	AFR	(FY08-11)	(FY08-11)	2012	MU	MU	MS	MS
Peru	LCR	(FY07-11)	(FY07-11)	2012	MS	MS	S	MS
Russian Federation	ECA	(FY07-11)	(FY07-11)	2012	MS	MS	MS	NR
Serbia	ECA	(FY08-11)	(FY08-11)	2012	MU	MS	MS	S
Sri Lanka	SAR	(FY09-12)	(FY09-12)	2012	MS	MS	MS	NA
Turkey	ECA	(FY08-11)	(FY08-11)	2012	MS	MS	S	S
Ukraine	ECA	(FY08-11)	(FY08-11)	2012	MU	S	MS	MS
Uzbekistan	ECA	(FY08-11)	(FY08-11)	2012	MU	MU	MS	NA
Vietnam	EAP	(FY07-11)	(FY07-11)	2012	MS	MS	S	NR
Belarus	ECA	(FY08-11)	(FY08-12)	2013	MU	MS	NA	NA
Benin	AFR	(FY09-12)	(FY09-12)	2013	MS	MS	NA	NA
Burundi	AFR	(FY09-12)	(FY09-12)	2013	MS	MS	MU	NA
China	EAP	(FY07-12)	(FY07-12)	2013	S	S	S	NA
Congo, Democrat	AFR	(FY08-11)	(FY08-12)	2013	MS	S	NA	NA
Congo, Republic	AFR	(FY10-12)	(FY10-12)	2013	MU	MS	NA	NA
Croatia	ECA	(FY09-12)	(FY09-13)	2013	MS	MS	NA	NA
Ethiopia	AFR	(FY08-12)	(FY08-12)	2013	MS	MS	NA	NA
Gambia, The	AFR	(FY08-11)	(FY08-12)	2013	MU	MS	NA	NA
Guatemala	LCR	(FY09-12)	(FY09-12)	2013	MS	MS	MS	NA
India	SAR	(FY09-12)	(FY09-12)	2013	MS	S	NA	NA
Indonesia	EAP	(FY09-12)	(FY09-12)	2013	MS	MS	NA	NA
Malawi	AFR	(FY07-10)	(FY07-12)	2013	MU	MS	NA	NA
Nicaragua	LCR	(FY08-12)	(FY08-12)	2013	MS	S	S	NA
Niger	AFR	(FY08-11)	(FY08-11)	2013	MU	MS	NA	NA
Papua New Guinea	EAP	(FY08-12)	(FY08-12)	2013	U	MU	S	NA
Senegal	AFR	(FY07-10)	(FY07-CY10)	2013	MU	MS	MS	NA
Timor Leste	EAP	(FY06-11)	(FY06-11)	2013	MU	MU	NA	NA
Zambia	AFR	(FY08-11)	(FY08-12)	2013	MU	MU	NA	NA
Burkina Faso	AFR	FY10-12	FY10-12	2014	MS	MS	NA	NA
Ghana	AFR	FY–12	FY08–12	2014	MU	MU	NA	NA
Guinea[5]	AFR	FY04-FY13	FY04-FY13	2014	NR	NR	NA	NA
Kyrgyz Republic	ECA	(FY07-13)	(FY07-CY12)	2014	MS	MS	NA	NA
Liberia	AFR	(FY09–11)	(FY09-12)	2014	MS	MS	NA	NA
Mauritania	AFR	FY08-11	FY07-12	2014	U	U	NA	NA
Moldova	ECA	FY09-13	FY09-13	2014	MS	MS	NA	NA
Poland	ECA	(FY09–13)	(FY09-13)	2014	MS	S	NA	NA
South Africa	AFR	(FY08-12)	(FY08-12)	2014	U	MU	NR	NR
Armenia	ECA	(FY09–13)	(FY09-13)	2014	MS	S	NR	NR
Mexico	LAC	(FY08-13)	(FY08-13)	2014	MS	MS	NR	NR
Nigeria	AFR	(FY10-13)	(FY10-13)	2014	MS	MS	NR	NR
Jamaica	LAC	(FY10-13)	(FY10-13)	2014	MS	Good	NR	NR

Appendix C: IEG Country Program Evaluations

Country	FY Period Reviewed	CPE FY	CPE: Cooperation Details
Honduras	95-05	2007	No evidence presented
Madagascar	95-05	2007	CPE provides limited details on cooperation aside from noting that IFC is focused its activities on the financial sector, provision of technical assistance and SME development – jointly with IDA.
Mali	95-00	2008	Mali was a pilot country for the joint IDA/IFC micro, small, and medium enterprise (MSME) initiative in Sub-Saharan Africa. Two other investments provided guarantees to microfinance institutions (MFIs) and involved significant IDA-IFC collaboration, though they were later cancelled due to changed market conditions.
Egypt	99-07	2009	Bank-IFC collaboration increased from mid-2004, which was underpinned by a shift in government policy to emphasize private sector development, public-private participation, and privatization. Other factors that contributed to improving the country partnership between IFC and the Bank include increasing Bank activities focused on private sector development and the financial sector; government pressure for a coordinated World Bank Group role; moreover, both the Bank and IFC have offices in Cairo.
Bangladesh	01-08	2009	Through collaboration on country analytical reviews and diagnostics, a consistent WBG approach was maintained in BEE issues including through establishment of the BICF, work on special economic zones, and development of a common framework through which to support PPPs in infrastructure.
Indonesia	99-06	2009	No evidence presented
Uganda	01-07	2009	Despite significant joint efforts between IFC and the World Bank, the desired results in the energy sector were not realized. A limited impact was seen in SME access to finance and in developing housing finance, despite reforms in these areas.
Nepal	03-08	2010	IFC made efforts to coordinate its work with the World Bank, particularly in the power and financial sectors, and investment climate reform.
Nigeria	98-07	2010	Given the emphasis on private participation in infrastructure, there was potential for stronger Bank-IFC collaboration. The cooperation that did occur was largely passive in nature; the focus has been on information sharing rather than joint action.
Peru	03-09	2010	WBG engagement in several sectors reflected effective sequencing or complementarities between the Bank and IFC. However, in some areas, greater operational interaction between IFC and Bank teams may have enhanced the overall contribution of the WBG. Further, while cooperation at the country strategy development level was strong, there was less interaction and cooperation between the Bank and IFC at the operational level.
Cambodia	99-06	2010	No evidence presented
Mozambique	01-08	2011	IFC, together with MIGA and IDA, participated in the Mozal project. Moreover, IFC and IDA recently improved their coordinated efforts to support SME development.
Timor-Leste	02-11	2011	No evidence presented
West-Bank and Gaza	01-09	2011	Successful World Bank Group-wide cooperation and effective donor coordination proved to have a multiplier effect in ensuring better results. Particularly, Bank analytic activities were well-sequenced and coordinated with IFC investments to maximize development impact.
Afghanistan	02-11	2012	The Financial Sector Strengthening Project was a joint World Bank and IFC operation, with the World Bank supporting capacity building in DAB to improve off-site banking supervision and IFC focusing on improving the financial infrastructure.
Liberia	03-11	2012	No evidence presented
Brazil	04-11	2013	Both the Bank and IFC have accumulated experience in different aspects of private participation in infrastructure investment, but apart from a few cases in the water sector, very little was done to explore potential synergies. Demonstrating the value of Bank Group collaboration remains a challenge for the future in Brazil. There have been successful cases of Bank Group collaboration in Brazil, but the efforts to promote intra-Bank Group synergies were not systematic during the evaluation period.
Tunisia	05-13	2014	The CPE indicates that there was satisfactory cooperation, though few details of this are presented.

Appendix D: Thematic, Global and Corporate Evaluations

- Results and Performance of the World Bank Group, Independent Evaluation Group (IEG), 2013.

- Results and Performance of the World Bank Group, IEG 2012.

- The World Bank Group and the Global Food Crisis, an Evaluation of the World Bank Group Response, IEG 2013.

- Managing Forest Resources for Sustainable Development, an Evaluation of World Bank Group Experience, IEG 2013.

- Evaluation on Development Results in Middle Income Countries, IEG 2007.