

JEFFREY S. GUTMAN
Vice President and Head of Network
Operations Policy and Country Services

December 3, 2008

Mr. Henrik Harboe
Deputy Director General
Multilateral Bank and Finance Section
Royal Ministry of Foreign Affairs
P. O. Box 8114 Dep.
0032 Oslo 1,
NORWAY

Dear Mr. Harboe,

Henrik,

Subject: Results of the MOPAN Survey 2008

I want to thank you and your MOPAN colleagues for the draft Annual MOPAN Survey 2008 – Donor Perceptions of Multilateral Partnership Behavior at Country Level. As I said during our meeting last November, the World Bank welcomes this outside perspective on its work. The process offers an opportunity to engage with MOPAN donors, at both central and country level, on the perception of our partnership behavior with our client countries and with other international development agencies. Through this process, we hope to reach a better mutual understanding, leading in turn to improved collaboration on the ground, and fruitful dialogue on improving our partnership behavior.

This is the third time MOPAN has assessed the World Bank, after a previous assessment in 2005 and an initial pilot exercise in 2003. We note that our performance is perceived as generally strong and, more importantly, that we have improved in a number of areas and have not regressed in any category. We find particularly encouraging that our performance on harmonization and donor coordination has improved. This reflects the hard work of our country teams since the adoption of the Paris Declaration on Aid Effectiveness in 2005. Staff on the ground are making significant efforts to improve collaboration with all partners through participation in coordination meetings, joint missions, and sector working groups. We know you share our view that we now need to think creatively on how we can jointly streamline these processes to reduce transaction costs and improve the impact of our aid. On the specific matter of coordination within the UN system, we believe that the recently signed UN-World Bank Partnership Framework for Crisis and Post-Crisis Situations will help us be more flexible and efficient in delivering joint assistance with UN agencies.

The MOPAN assessment concludes that the World Bank has a strong and positive role in policy dialogue with governments and in supporting the definition and implementation of national development strategies, which are building blocks for greater country ownership. However, we also note that MOPAN donors perceive the World Bank as not sufficiently promoting government ownership. The World Bank joined with the rest of the international community in strongly reiterating in the Accra Agenda for Action that government ownership is the bedrock of successful development policies and poverty reduction programs, and the World Bank is committed to supporting and promoting government ownership in all its interventions.

Most respondents see the World Bank's support to capacity development for public institutions at the central level as positive, but they perceive our impact at the subnational level to be less effective. Building on this assessment, we will continue to work on improving our support to capacity building in decentralized levels of governments. In this context, we would like to highlight a recent Independent Evaluation Group report on the World Bank's assistance to decentralization, which noted that "donor collaboration also improved during [the evaluation] period, and in several of the 20 countries joint diagnostic and analytical work—including at subnational levels—led to joint support for decentralization." Here as well, attention to country context and support to country-owned processes is key.

The report notes that while the World Bank supports the participation of civil society in policy dialogue, its consultation with civil society on its own policies and strategies seems to have slightly weakened. We are surprised by this finding, as we have made considerable efforts to consult with a broad range of stakeholders, including civil society organizations, on critical issues such as our governance and anticorruption strategy, our pilots on the use of country systems for procurement, our climate change strategy, and the 2007 review of the good practices principles on conditionality. Perhaps this is a consequence of the choice of surveyed countries. The report also finds that the World Bank's advocacy role remains limited to selected issues. In our view, this reflects that World Bank's actions are limited by its Articles of Agreement, a fact that some of the respondents may not be aware of. However, a number of World Bank country teams point to their strong involvement in sensitive areas when the World Bank can add value—areas like good governance, access to justice for the poor, gender awareness, decentralization, or environmental issues.

The perception of the World Bank's performance on alignment with national strategies, systems, and procedures is mixed. According to the survey, the World Bank has made progress in aligning to country priorities, a finding that is supported by the results of the two rounds of monitoring of the Paris Declaration. All World Bank Country Assistance Strategies explicitly support national development strategies. However, the MOPAN assessment shows a mixed picture regarding alignment with national procedures, highlighting a continuous reliance on the use of parallel project implementation units (PIUs) and a lack of use of national procurement systems. Regarding parallel PIUs, the World Bank will continue its efforts to expand the use of country structures for the implementation of its projects. We are encouraged that these efforts are bearing fruit, as evidenced by the results of the 2007 monitoring of the Paris

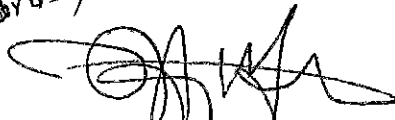
Declaration indicators, which shows a strong improvement compared to 2005 in terms of average number of parallel PIUs per country. Nevertheless, as I noted in our discussion, we agree that the Bank needs to do more in this area. We will also continue our move toward greater reliance on country systems for procurement. The pilots recently approved by the Board, and the planned modernization of our investment lending policies, moving toward a risk-based approach to design and supervision, should help us significantly in this respect. We all need to recognize, however, that progress will require capacity-building efforts and will take time.

We are somewhat surprised by the perception that the World Bank has limited decision-making at the country level. The World Bank has made considerable progress in decentralizing decision-making power to the field in recent years, and 32 of our 38 Country Directors are based in countries. All Country Directors have considerable decision-making authority; except for formally approving operations — a responsibility that rests with the Board — they have in practice full authority on the country program. We are also continuing our efforts to decentralize more sector specialists and task managers, which should support our responsiveness and our collaborative work. One issue that may have influenced the survey was that several countries that participated in the MOPAN survey had temporarily no country managers. We would be happy to discuss this issue in more detail to better understand the reasons behind this perception.

Looking ahead, we are committed to continue our efforts to work in partnership with all stakeholders for increased development impact. The Third High Level Forum on Aid Effectiveness, which recently took place in Accra, Ghana, strongly emphasized country leadership in aid management and mutual accountability between donors and aid recipients. We would like to suggest that, in revising the methodology for the next round of MOPAN surveys, MOPAN members increase the voice and participation of partner governments in the survey and in the discussion of its findings.

Sincerely,

with best regards,



Jeffrey S. Gutman

Vice President and Head of Network
Operations Policy and Country Services

cc: Mr. Svein Aass, Executive Director for Norway; Ms. Susanna Moorehead, Executive Director for UK; Mr. Ambroise Fayolle, Executive Director for France; Mr. Samy Watson, Executive Director for Canada; Mr. Konstantin Huber, Executive Director for Austria; Mr. Rudolf Treffers, Executive Director for Netherlands; Mr. Michel Mordasini, Executive Director for Switzerland; Mr. Shigeo Katzu, VP, Europe and Central Asia Region; Mr. Jakob Kopperud, Communications Officer, External Affairs Europe; The World Bank