

World Bank Group Trade Strategy
Summary of Feedback from Informal Informational Meeting
London, March 5, 2010
Participants (13)

A meeting was held on March 5, 2010, at the Department for International Development (DFID) with participants from Austria, UK, Norway, Sweden, Germany, Spain, Ireland, Switzerland, Netherlands, Commonwealth Secretariat, World Bank.

Feedback:

Participants concentrated on the practical implications of the strategy for the World Bank's work.

What exactly will be the role that the World Bank is going to fulfil at the national and regional level?

Participants expressed their interest in seeing the strategy outline a vision for the World Bank's trade work with justification that the focus areas identified are where the Bank is comparatively strong. In doing so the Bank should be clear about what it considers to be its strengths as compared to other institutions. Moreover, in order to ensure a strategic approach and to maximize the effects of various inputs to the World Bank Group's trade work, participants suggested that in the process of formulating the strategy, the World Bank should map out how the various World Bank Group instruments, together with trust funds, will reach this vision. It was also underscored that this exercise would help participants understand the context of the various trust funds and how they fit into the overall goal and vision of the strategy. The WB explained that its role can vary from country to country and region to region. The trade agenda needs in least developed countries can differ a lot from those in middle income countries. Some regions already have some well functioning institutions, others not. The first aim will be that people will get together and exchange information. The World Bank wants to cooperate but leaves to others what they already do well. For example:

- The International Trade Centre (ITC) has expertise in capacity building of export promotion agencies. For trade facilitation, the World Customs Organization (WCO) can supply know-how but has less experience in broader project implementation.
- The African Development Bank (AfDB) is very active in infrastructure, which the World Bank can supplement.
- The Inter-American Development Bank (IADB) has a broad trade support program in Latin America, which limits the possible role there for the World Bank.
- The Bank wants to continue its cooperation with the Organisation for Economic Co-operation and Development (OECD) because of its unique data and analysis capabilities.
- There seems to be a lot of space for synergy between the World Bank and the European Union Commission. Participants suggested that the Bank should foster good relations at the highest level with the new Commissioners and use existing knowledge for direct contacts at the working level.

How can the World Bank use incentives to improve the ownership of recipient countries?

Participants supported the approach that the World Bank should leave national governments in charge and focus on its own comparative advantage. This can be found in

financial and technical assistance instruments to support countries' trade strategies (as part of Poverty Reduction Strategy Papers) than in trade policy advice. Using indicators like Doing Business and the Logistical Performance Index to help identify needs, specific instruments and differentiated subprograms should be designed for individual countries (e.g., Brazil) and country groups (e.g., least developed countries). An important role for the World Bank is also to enhance coordination among donors, financial organizations, and national institutions at the recipient country level. Participants might make coordination a lot easier for the World Bank if they select lead participants for the various pillars of the strategy. The Enhanced Integrated Framework can be used to organize this. The Bank's value is more obvious in national programs (including regional aspects) and less in regional activities, where there are often already many supporting organizations and lead donors. Participants and the Bank exchanged ideas on how the Bank could work more closely with Regional Economic Community organizations, particularly in Africa, in support of their trade and regional integration objectives.

How can the World Bank build up the capacity that will be needed to implement its new trade strategy in low and middle income countries?

Participants acknowledged that this problem is very serious and fundamental for both the necessary improvement in country diagnostics and the implementation of the strategy. The start-up phase of the Trade Facilitation Facility has already shown that mobilizing sufficient numbers of well trained external experts is a challenge, that the needed levels of expertise are not always available at all the various segments of the Bank Group's organization, and that in poorer recipient countries training of local officials and counterparts is clearly needed. Participants suggested the Bank take a differentiated approach in its strategy to reflect the various levels of trade capacity of its clients. The Bank said this approach is implicit in its thinking at the moment, but will become more developed as the strategy progresses. Participants said the level of ambition of the strategy should reflect the level of capacity that can be mobilized. Participants also discussed ways in which they could streamline and align their external trust fund support to expand the capacity to deliver the Strategy. In this respect, participants expressed their intention to provide future support that only adds to the Bank's own internal resources.

How to retain a flexible approach to trade research to capture emerging issues?

Participants valued the global knowledge the WB provides from its trade research. Participants recognized that the World Bank is well-placed to put emerging issues on a global platform. The Bank said it intended to make this dimension of its trade work prominent in the strategy.

Will the strategy also include cross cutting issues like gender, sustainability, climate change, food security and other global public goods?

Participants attach a lot of importance to these subjects and would appreciate being included in the design of the strategy. The World Bank indicated that those topics would be addressed in the strategy. It will be important to clarify the potential value of such policies to recipient countries, also in financial terms. Participants suggested that the Bank hold a specific trade and gender event as part of the strategy preparation to learn from its experiences and help identify areas where the Bank can make deeper progress on gender and trade issues. Participants said the Bank will need to be clear about the approach it will take to mainstream gender across its trade-related activities. The Bank agreed to hold a follow-up trade and gender event inviting respective gender experts both within the Bank and externally.

How to ensure ownership of and buy-in to the strategy within the World Bank Group?

Participants recognized that the successful implementation of the strategy will involve a number of internal departments and units within the Bank, as well as coordination with a number of external actors. In order to provide clarity on “who does what” the strategy should be accompanied by an implementation plan. Identifying a principal “owner” of the strategy within the World Bank (e.g. Trade Department, the Board etc.) should be considered. This will help to improve accountability for actions and assist with monitoring progress. Participants underscored the need to address the challenge of strategy compliance throughout the World Bank Group and country offices. This concern also applied to the issue of new potential trade-related trust funds and the need to ensure that these are coherent with the strategy, should the issue arise. The World Bank explained that following internal discussions, the strategy would have an associated action plan and this would assist with implementation.