

## V. PARTNERSHIPS

### A. Internal Coordination

62. Within the World Bank, important institutional knowledge and experience has been gathered in dealing with the small states that will be tapped into on a thematic basis, notably through the work of the Commonwealth Secretariat/World Bank Joint Task Force on Small States and the ongoing programs in other regions in the Bank. Relevant and effective policy advice to the Pacific region will be aided by constant adaptation of the lessons emerging from other regions of the world and re-examination of their relevance for the small island states of the Pacific. In this context, distilling good practice lessons from within the region, among both Bank member countries and nonmembers from French Polynesia, will be a priority. The World Bank Institute could play an important role by enhancing its contribution to dissemination and capacity building by inviting regional participants to suitable regional and global learning events, and by coordinating access to the institutional knowledge based in Washington for delivery of high-quality policy advice to the region..

63. The IFC's focus on facilitating private investment offers an important avenue for strengthening the policy environment facing the private sector in the Pacific. The FIAS has completed a Strategic Directions 2005-07 paper that highlights the two aspects of the evolving global context for its operations: (a) greater competition among developing countries for foreign domestic investment (FDI) and improved commitment to reform from some governments; and (b) Increased demand for micro-economic focused advisory services and implementation support. In response, the FIAS strategy identifies the need for expanding their products and processes to reflect the following :

- Reduced investment in conducting diagnostics and a correspondingly greater emphasis on relying on Investment Climate assessments and surveys coming out of the World Bank Group;
- Continuing work on attracting and maintaining FDI while adding on new areas of work on maximizing the developmental impact of FDI for countries; and
- Exploiting synergies with the World Bank Group in upstream (policy dialogue on broader private sector development agenda), as well as downstream activities (projects).

64. The objective of the PEDF strategy for the Pacific is to stimulate investment growth focusing on key industry sectors, such as micro finance, tourism, and agribusiness. Selected programs targeted at providing investment support, improving access to markets, and capacity building through training are being planned. These activities would offer the necessary downstream complements to the Bank's focus on upstream policy reforms for the private sector.

### B. External Partnerships

65. With the emphasis on leveraging donor resources, the importance of improving aid coordination and management is paramount. The main bilateral donor partners that the World

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Bank expects to deepen dialogue with Australia (predominantly in Melanesia and Polynesia); the EU (predominantly in the Solomon Islands); New Zealand (predominantly in Polynesia and Solomon Islands with a focus on the education sector); and the United States (in FSM, Marshall Islands, and Palau). The Bank stands ready to engage substantively with China and Japan (in following up on the Okinawa initiative focusing on a prosperous and safer Pacific region).

66. While the Bank's modest contribution to resource transfers in the Pacific limits the aid coordination role, the Bank will proactively offer its convening power to development partners. The Bank will also focus on outreach and communication to signal its institutional knowledge base to the development partners in the region, as well as engage with civil society and nongovernmental organizations in client countries as appropriate.

67. The Bank will work toward improving development partnerships in the following ways:

- Coordinating strategy development and implementation with the ADB, Australia, EU, Japan, New Zealand, and other partners where possible. Initial rounds of discussions and consultations have been ongoing since June 2004. These partners have agreed to collaborate in the areas of private sector development support, service delivery in social sectors, and infrastructure management. (With the ADB's regional office opening in Sydney, dialogue and coordination is likely to be further enhanced.)
- A deeper management-level engagement in the region will be encouraged through one or two high-level visits to the region per year while fully capitalizing on venues, such as the Annual Meetings, FEMM, AusAID's Pacific 2020 Roundtable, to encourage face-to-face dialogue at the senior level on broader regional development challenges, strategic coordination, and trust funds.
- Working closely with regional organizations, such as the Forum Secretariat, to identify priority development issues and vehicles for capacity building; maintaining dialogue on important regional initiatives, such as the Pacific Plan; coordinating closely with the specialized regional agencies, such as PFTAC, SPREP and Forum Fisheries Agency on thematic issues; and participating in regional economic events, such as the FEMM.
- Participating in donor coordination meetings on national and sectoral topics, including education, climate change, natural hazards, and natural resource management and conservation. In 2005, the Bank took the lead in organizing the pre-FEMM donor coordination meeting.
- Contributing to the development of sector-wide approaches. The experience emerging from the recent Tonga education project with New Zealand could provide a template for a new form of partnership with donor partners and coordinated engagement with clients.
- Supporting joint missions and dialogue with governments with the IMF and ADB where possible. This was done with the ADB in the Solomon Islands re-engagement mission in 2003 in order to provide a platform for timely exchange of information and

views while reducing the burden on the client government. The Bank will continue to support and enhance such efforts.

- Contributing to the implementation of the harmonization agenda in line with the Rome and Paris Declarations,<sup>15</sup> for example, through joint work with the ADB on procurement and financial management, particularly in Samoa and Tonga.

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<sup>15</sup> Search “Rome Declaration” and “Paris Declaration” at [www.worldbank.org](http://www.worldbank.org).