

VIII. CONCLUSIONS AND NEXT STEPS

1. CASs products have evolved considerably to meet the needs of a Bank that is more aligned with country demand and priorities and that has a more decentralized business model. Coverage by CAS products of countries where the Bank is active has improved significantly, a change that was made possible partly by the introduction of ISNs and more proactive monitoring by management, resulting in greater internal and external transparency. This section looks ahead to enhancements to CAS products, starting with a summary of the recommendations set out in the report.

A. Conclusion

2. Several lessons about CASs policy and its implementation emerge from this report:

- (a) CASs have become leaner and more focused, and are now reasonably similar in overall structure. While the structure and content of CASs have become more standardized, the current CAS architecture is sufficiently flexible and robust to accommodate programming for an increasingly diverse set of Bank clients, ranging from upper-end MICs to post-conflict states.
- (b) The move toward a country-based model in the 1990s and the adoption of RBCASs in 2005 have resulted in greater alignment of country strategies with country priorities and have been critical in achieving greater focus and selectivity. There is scope for enhancing the quality of results frameworks, by reflecting more fully the results from the ongoing portfolio and selecting as CAS outcomes results that are more closely related to Bank activities. In both IBRD and IDA countries, selectivity and prioritization in CAS programming and results should be informed by the activities of other providers of finance and knowledge services, but must be driven by the country's own preferences.
- (c) Drawing on lessons from implementation over the first two years of a CAS, a CASPR can be used to realign the results framework and Bank activities or extend the period of the CAS, provided that Bank activities remain well within the framework and priorities of the original CAS. However, there is scope for country teams to fully take advantage of the opportunity offered by the PR.
- (d) Given that CASs are indicative business plans and CAS implementation requires the Bank to adapt flexibly to changing country and global circumstances and country demand, ex-post reporting on Bank programs is particularly important. There is scope for enhancing the content of the CASPR and CASCRs to serve this purpose. CASCRs have improved the quality of review of CAS implementation; yet the lessons learned too often seem generic, and some may focus on higher-level country outcomes more than CAS results. In addition, CASPRs could more often revisit results matrices, drawing on the lessons from two years of implementation. Revised guidance to staff on the content and structure of CAS PRs and CASCRs will be issued in FY10.
- (e) A CAS is expected to reflect the existing state of country knowledge; the country program; dialogue with government, donors, and others; and relationships with stakeholders. It is not meant to be an analytic piece. Upstream analysis, including on the sources of growth, macroeconomic sustainability, determinants of poverty, and public

expenditure and financial management systems, is expected to be carried out regularly, in advance of CASs, and to explicitly inform the CAS diagnosis and design of Bank support in CAS documents.

- (f) CAS documents must be clearly differentiated from CAS preparation processes. The CAS preparation process may need to be more complex, given the need to consult with a broad range of stakeholders. For example, collaborative IDA CASs (which are strategies prepared with those of other donors) are important to support progress in harmonization, but the value comes through a collaborative process of diagnosis, strategizing, programming, and collaborative implementation, not necessarily a joint document. CAS documents should distinguish the value added of Bank activities from those of other development partners, including in collaborative CASs. A Good Practice Note on Collaborative CASs is under preparation, and will be finalized in FY10.
- (g) ISNs can be a useful tool as short-term alternatives to a full CAS or CPS. They are expected to lay out the Bank's strategy when the Bank has insufficient information about the country or country priorities or about the nature of the Bank's future engagement. ISNs can also be useful to bridge periods between CASs, or to better align CASs with the political cycle. However, ISNs are not intended to be used repeatedly for particular countries.

B. Next Steps

3. ***CAS Product Guidance.*** Guidance to staff on preparation of CAS products will be updated to include the findings of this report. Guidance will include revised guidance on CASCs, rating of the preceding CAS, and enhanced guidance on CASPRs. Guidance on CASCs will also emphasize the need for CRs to be made available six months before Board discussion of a CAS. In addition, reflecting the increased integration of Bank and IFC/MIGA activities around a joint program focusing on development results, the current categorization on the level of importance of private sector development and degree of collaboration with IFC/MIGA is no longer appropriate and will be discontinued. Good practice notes on results frameworks for IBRD CASs and collaborative CASs are also under preparation. Along with the preparation of revised CAS guidance, Management plans to review—for usefulness, completeness, and cost-effectiveness—the number, content, and form of required annexes for CASs, CASPRs and ISNs. Since annex information is provided in CAS Board documents for the use of Executive Directors, this review will include a process of informal discussion with Executive Directors' advisers and assistants (continuing a process that was very helpful in developing this CAS Retrospective). Revised internal guidelines and good practice notes will be available on OPCS's website.

4. ***CAS Pilot: Enhanced Bank-IFC CASs.*** Although joint Bank-IFC CASs have become common, the CAS process and programming typically fall short of the expected synergy that could arise from an integrated strategy. Some of these difficulties reflect differences in business models and key counterparts. As part of the preparation of the CAS Retrospective, WBG Management sought to enhance synergies between Bank-and IFC activities at the country level. During FY09 OPCS, the IDA-IFC Secretariat and IFC's Strategy Department developed and launched a joint CAS pilot to improve the existing joint CAS process. Six country teams are participating in the pilot: Albania, Burkina Faso, Nepal, Philippines, Sierra Leone, and Yemen.

The pilot focuses on IDA countries, but also includes two non-IDA countries. CAS products include two ISNs, to ensure that the sample allows for lessons to be drawn on a variety of country segments and engagement models. On completion of the pilot, a review will identify lessons, recommend how conclusions might be mainstreamed, and assess how IFC might gradually implement a more formal country strategy process that could be linked to both the joint CAS and to the IFC's annual strategy process. Besides a collaborative process in strategy preparation, the pilot includes three additional elements: (a) identifying a small number of priority sectors for potential collaboration and organizing joint team sector strategy workshops; (b) having IFC participate in the results framework; and (c) encouraging collaborative implementation of the country strategy, including through the CAS PR, and with self-assessment and lessons drawn in the CASCR.