

2021 Development Policy Financing Retrospective: Preliminary Findings



Share your views



We are collecting feedback on the Retrospective through our website between **November 11 - December 11, 2021**, and through a set of virtual engagements.

The feedback will inform the Retrospective. A summary will be made public at the end of the collection period.

To get more information and share your views, please visit:
[World Bank Development Policy Financing Retrospective 2021 – Share your views](#)

Purpose of Engagement on the Development Policy Financing (DPF) Retrospective

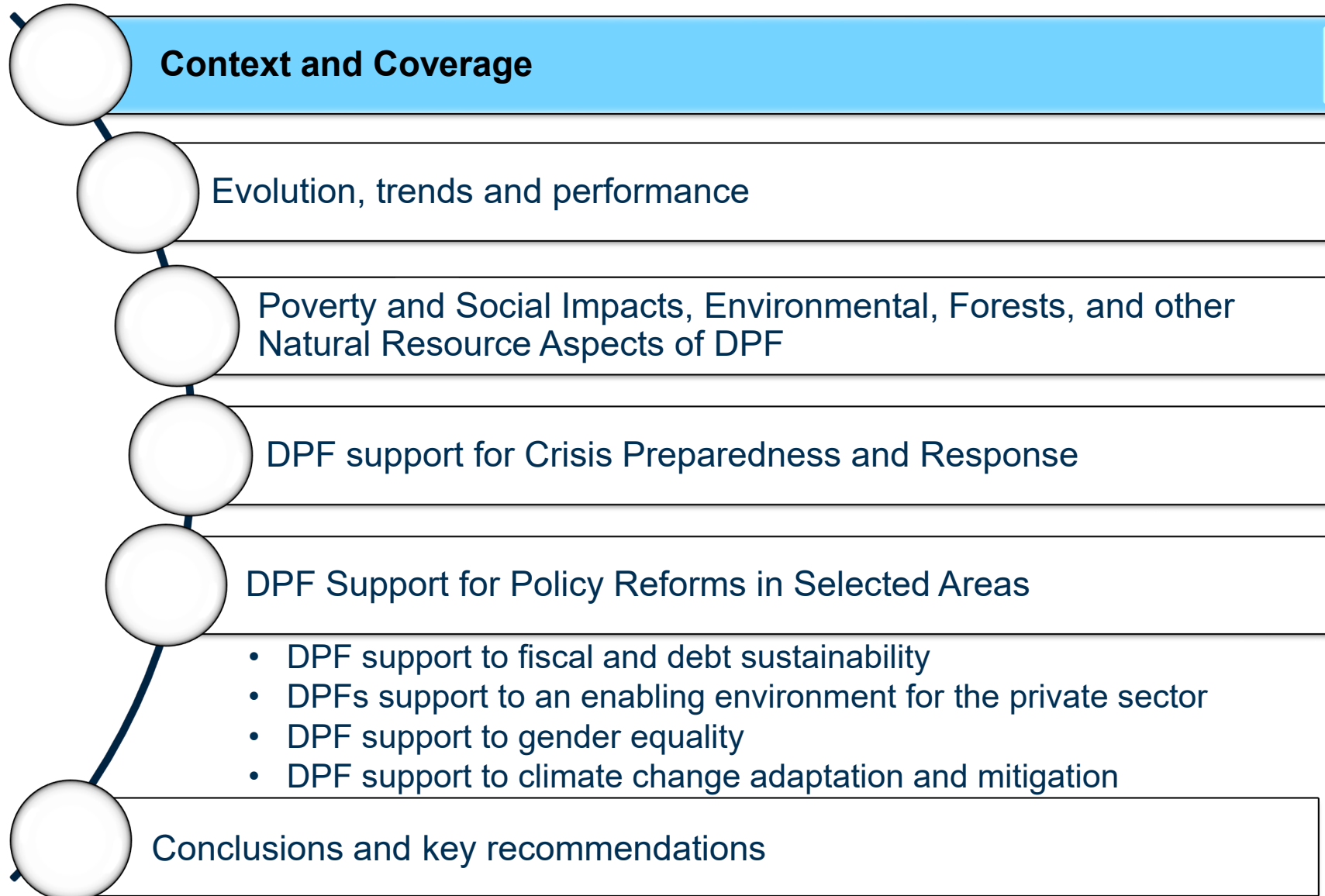
- The World Bank would like to receive feedback from key stakeholders on the preliminary findings of its 2021 DPF Retrospective, “Facing Crisis, Fostering Recovery”. The Report is the fifth Retrospective of the DPF instrument. Feedback is welcome until **December 11, 2021**.
- The Retrospective focuses on the Bank’s experience with DPFs between July 2015 and June 2021, covering the Bank’s response to the COVID-19 pandemic.

The Retrospective focuses on three key questions:

1. How has DPF support evolved and how did DPFs perform over the Retrospective period?
2. How successful have DPFs been in supporting countries respond to crises?
3. How has DPF supported policy reforms in selected areas, namely (i) fiscal and debt sustainability; (ii) creating an enabling environment for the private sector; (iii) gender equality and (iv) climate change?

- The feedback received during this engagement will inform the Retrospective

Outline of the Presentation



What is a DPF Retrospective?

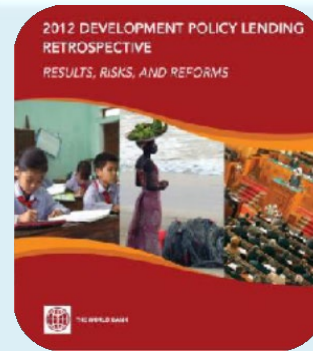
- Since the introduction of OP8.60 in August 2004, the Bank has conducted reviews of Development Policy Financing on a regular basis
- Lessons from Retrospectives have been critical to improve use of the instrument and have led to policy and practice reforms to enhance its development impact



2006: reviewed first 50 operations approved under OP 8.60 between 2004 and Q3 2006



2009: reflected on flexibility, customization and results orientation of DPOs



2012: explored themes of results, risk and reforms of the instrument in the context of coping with the crisis



2015: focused on how DPF reforms contribute to growth and poverty reduction, considering environmental, social and economic sustainability

DPF is one instrument in a spectrum of World Bank support to client countries



The right choice of instrument depends on context and objective

DPF contributes to countries' results by supporting policy and institutional reforms



The country designs and implements a program of reforms in specific areas

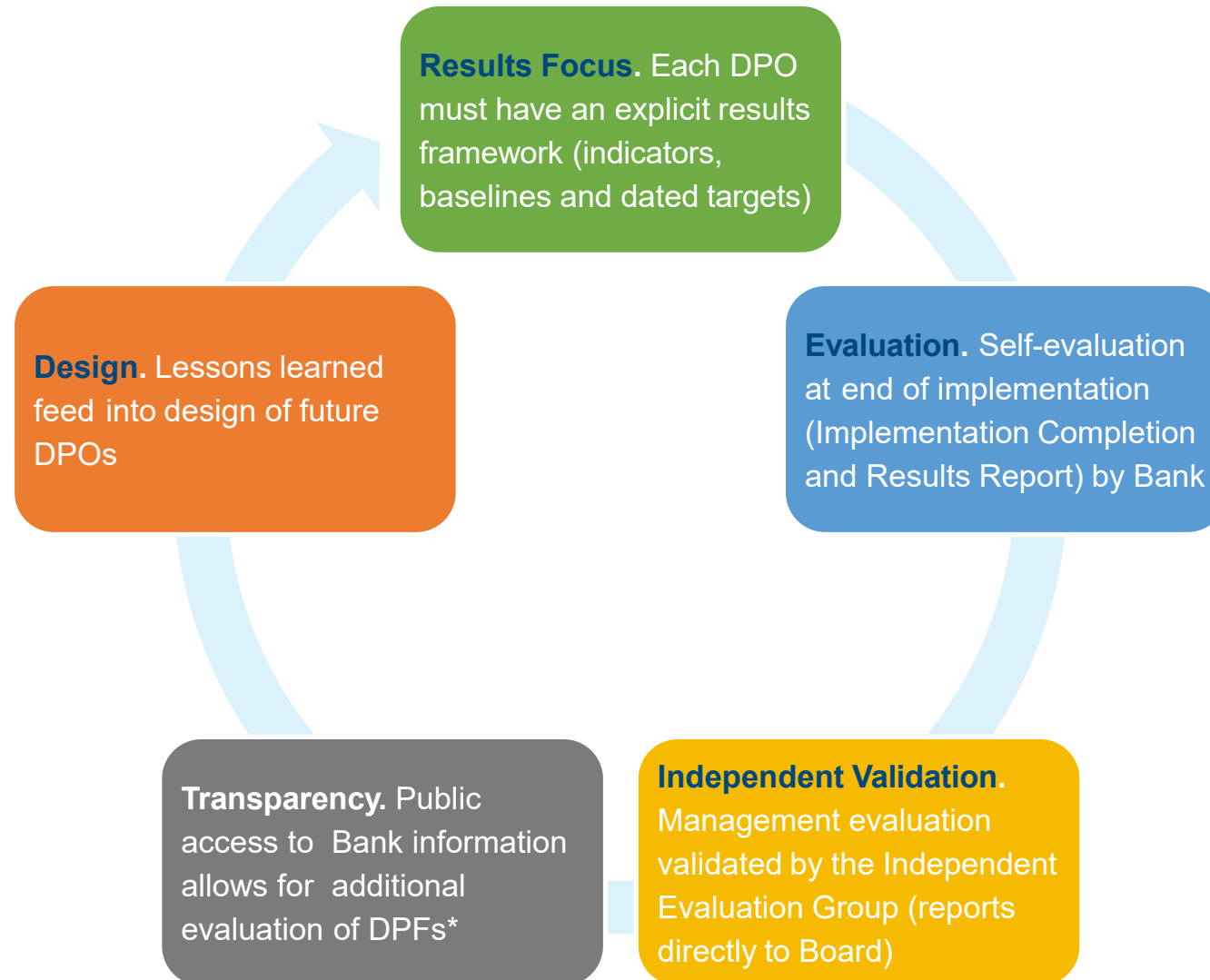
The World Bank supports key policy/ institutional actions, drawn from the country's reform program

Key results, flowing from the prior actions are used to monitor and evaluate impact. When possible, results are drawn from government reform programs

Adequate macroeconomic policy framework

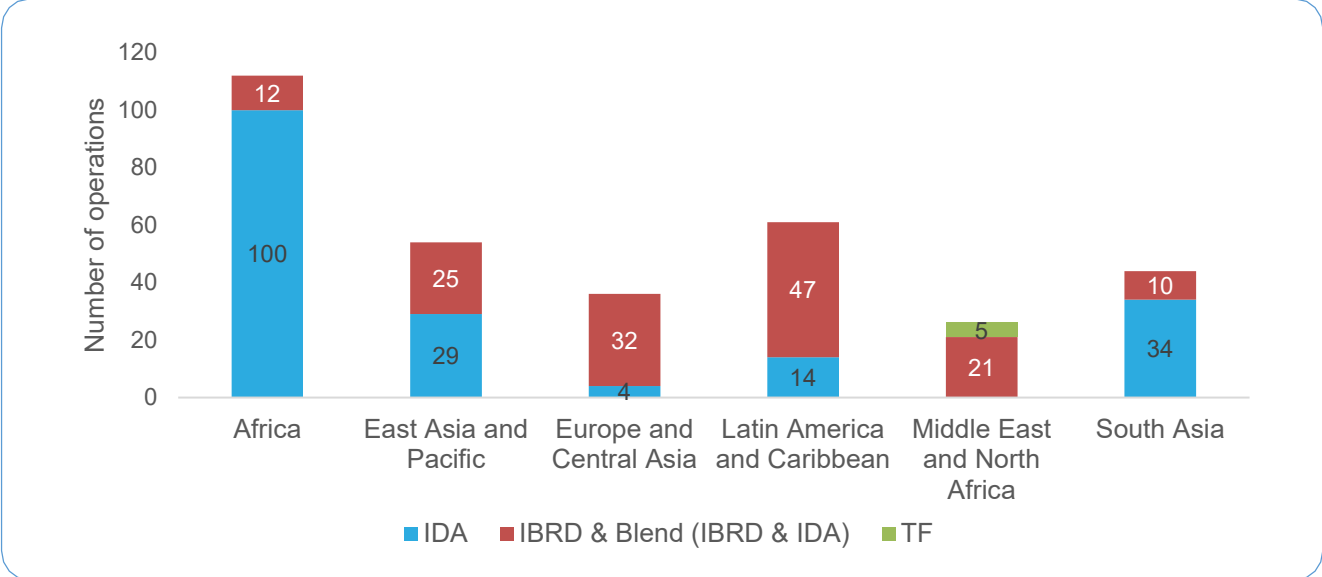
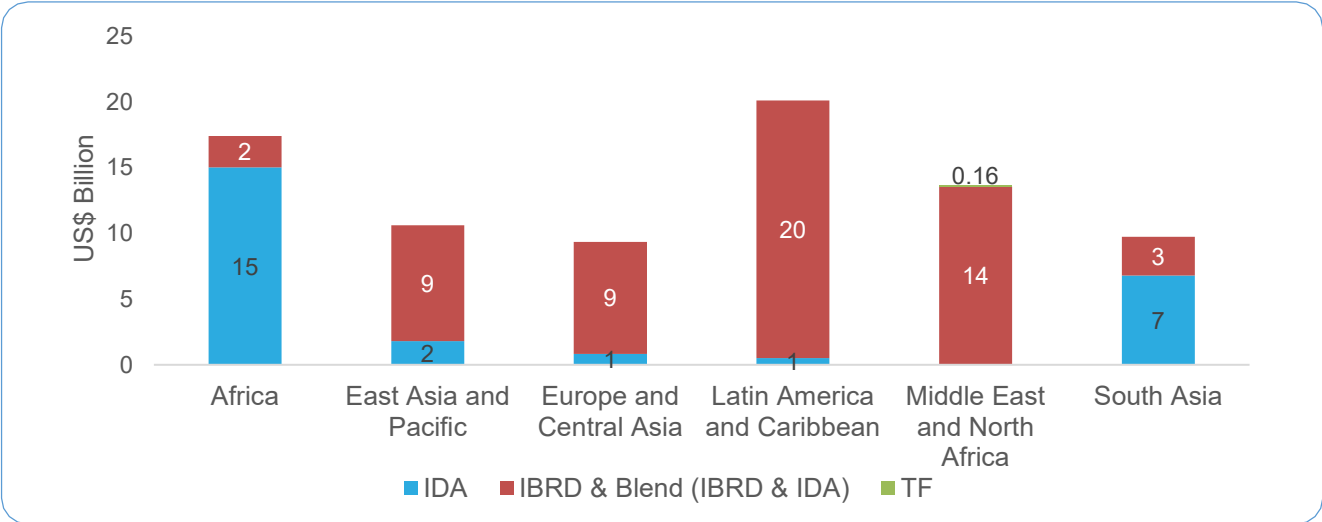
DPF is governed by Operational Policy (OP) 8.60

DPF emphasizes results, evaluation, validation and transparency



*DPF ICRs and ICRRs are available here: <https://www.worldbank.org/en/results>

2021 Retrospective covers all DPF from July 2015 to June 2021



- Analysis of 328 operations and 16 supplementals
- 147 IBRD and Blend (IBRD & IDA)
- 181 IDA
- 5 solely financed by Trust Funds

* Graphs exclude DPFs approved and cancelled within the same Fiscal Year. The graph on number of operations does not include Supplementals.

This Retrospective covers a period marked by notable global events and Bank-specific milestones

Global Events

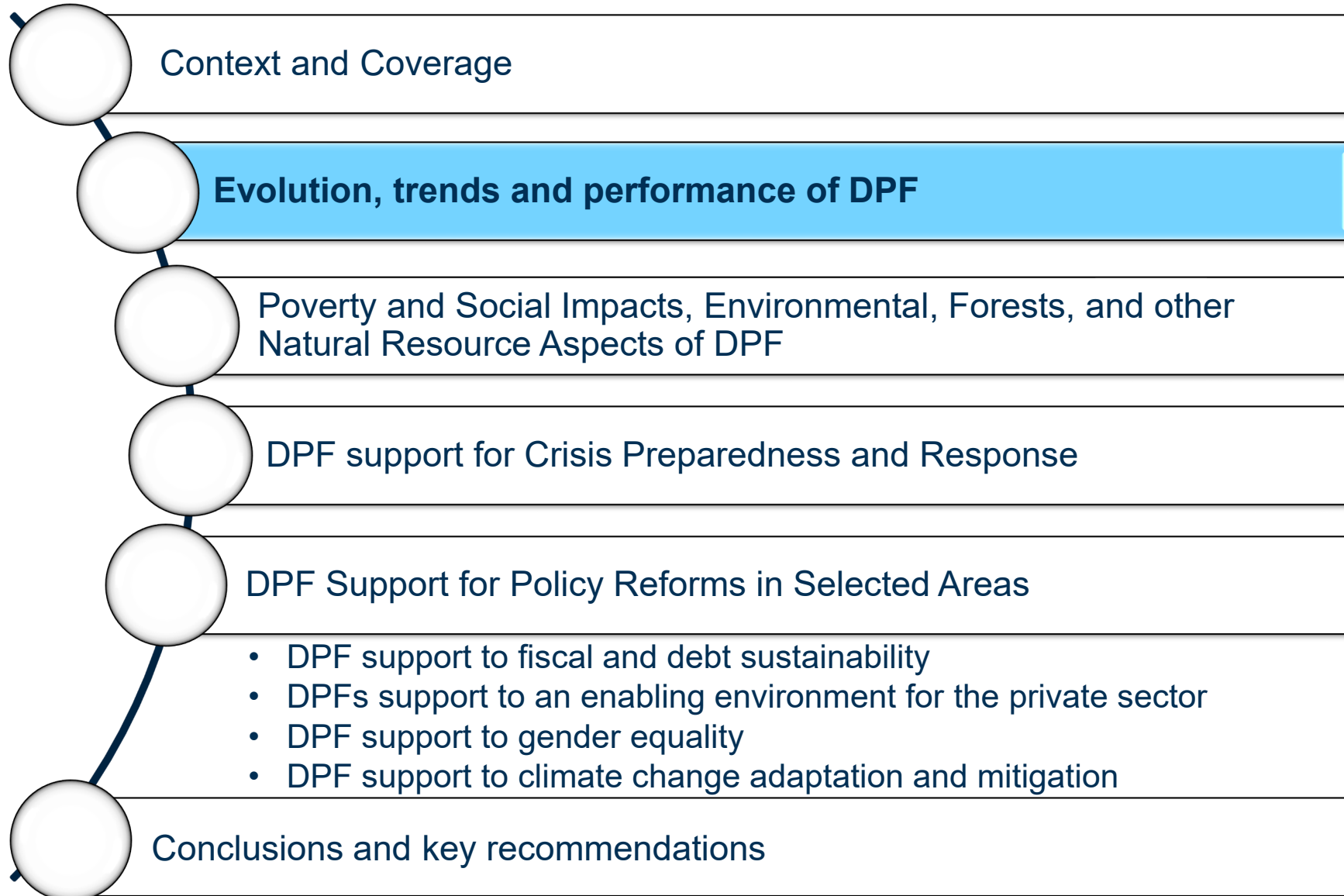
- Oil and Commodity Price shocks, COVID-19 pandemic
- Renewed emphasis of negative impacts of climate change
- Need to improve gender equality, social equity, and support fragile and conflict affected countries.

Corporate Milestones

- IBRD Capital Package
- IDA 18 and 19 Replenishments

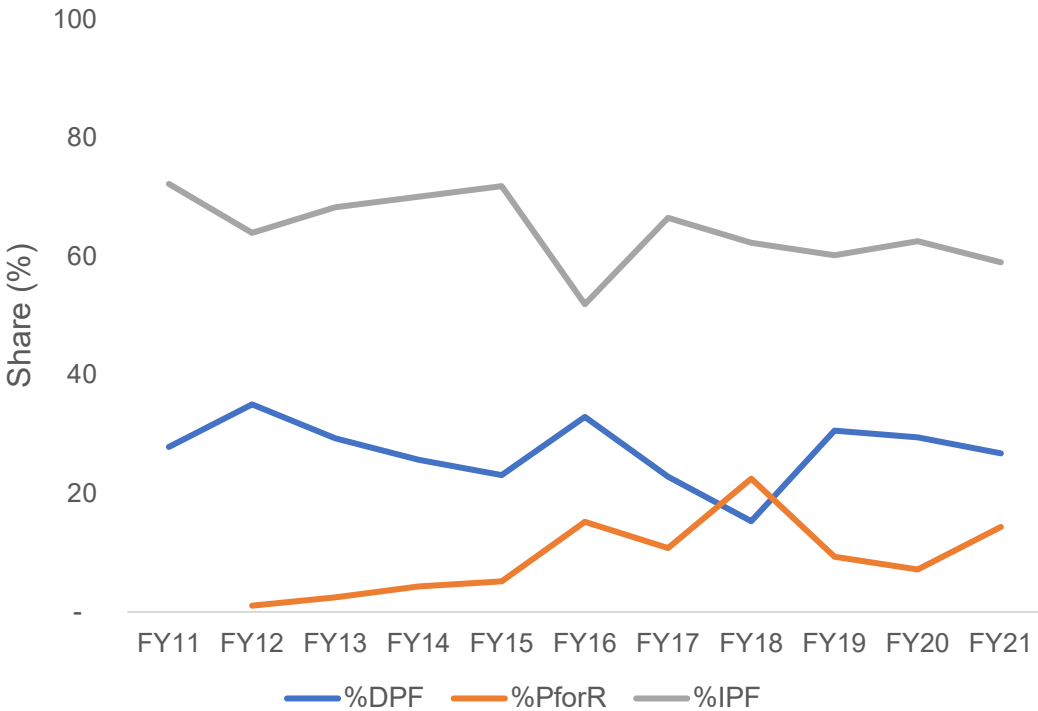
The design of Bank Operations incorporated policy commitments under these corporate milestones, as well as the need to address rising debt vulnerabilities, mobilize private capital for development, and scale up support to lower-income IBRD countries and small states.

Outline of the Presentation

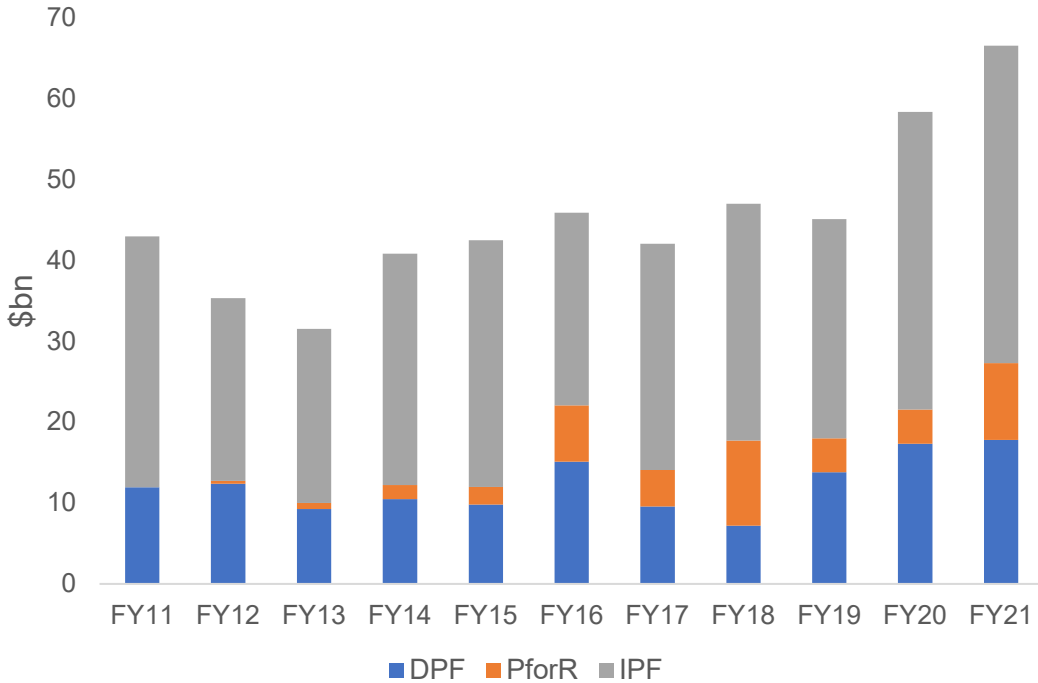


DPF financing increased substantially between FY16-FY21, complementing PforRs and IPFs in the Bank's lending instruments toolkit

Share of commitments by lending instrument

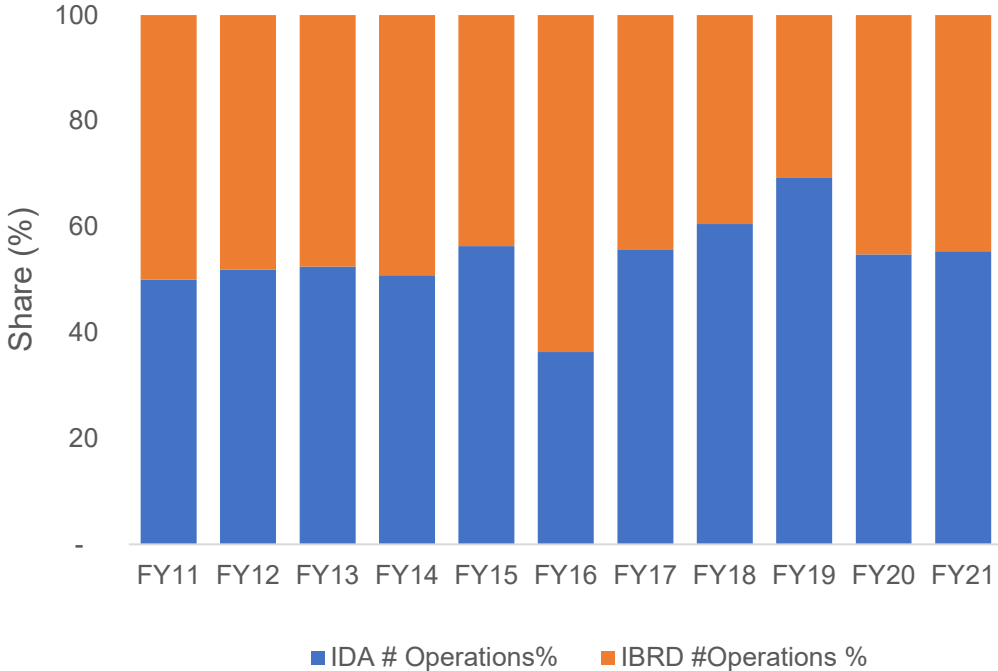


Commitments by lending instrument (\$billion)

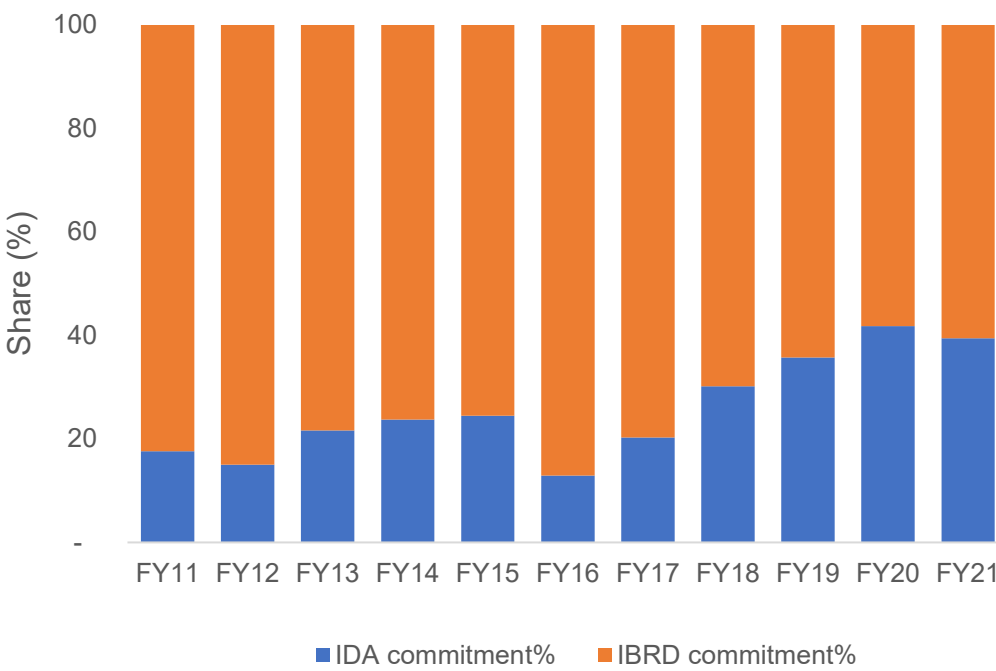


Due to their larger average size, IBRD countries absorbed the largest share of DPF resources, but IDA countries received more DPFs in recent years

Number of DPFs

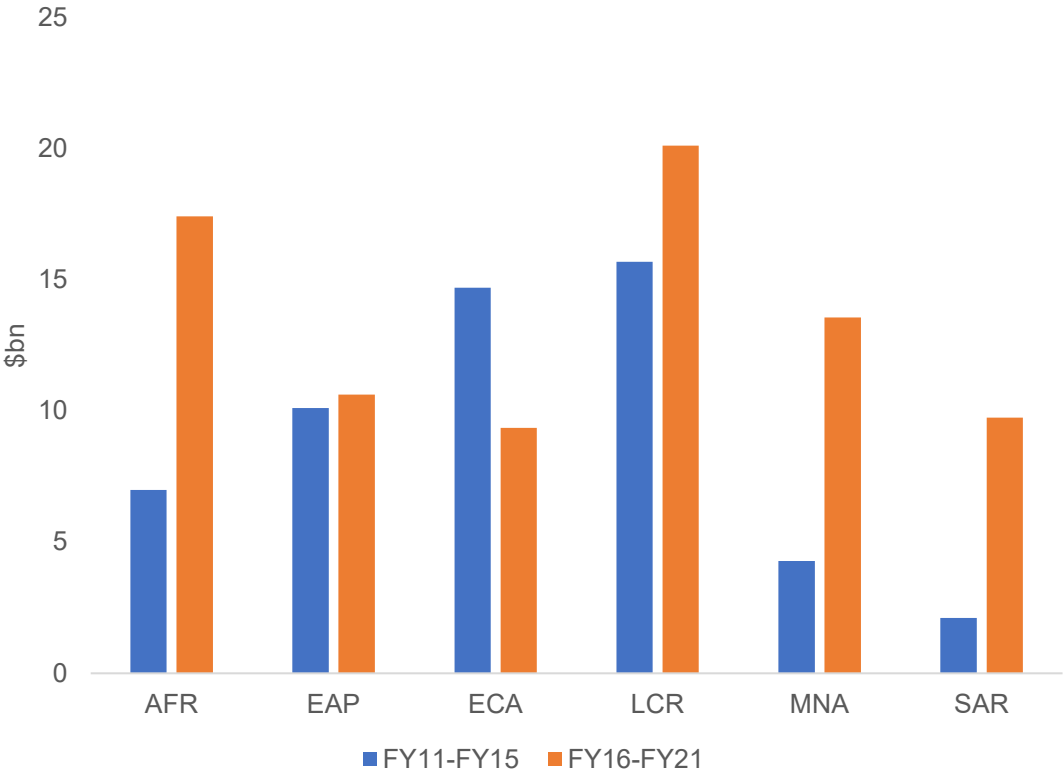


Total DPF commitments

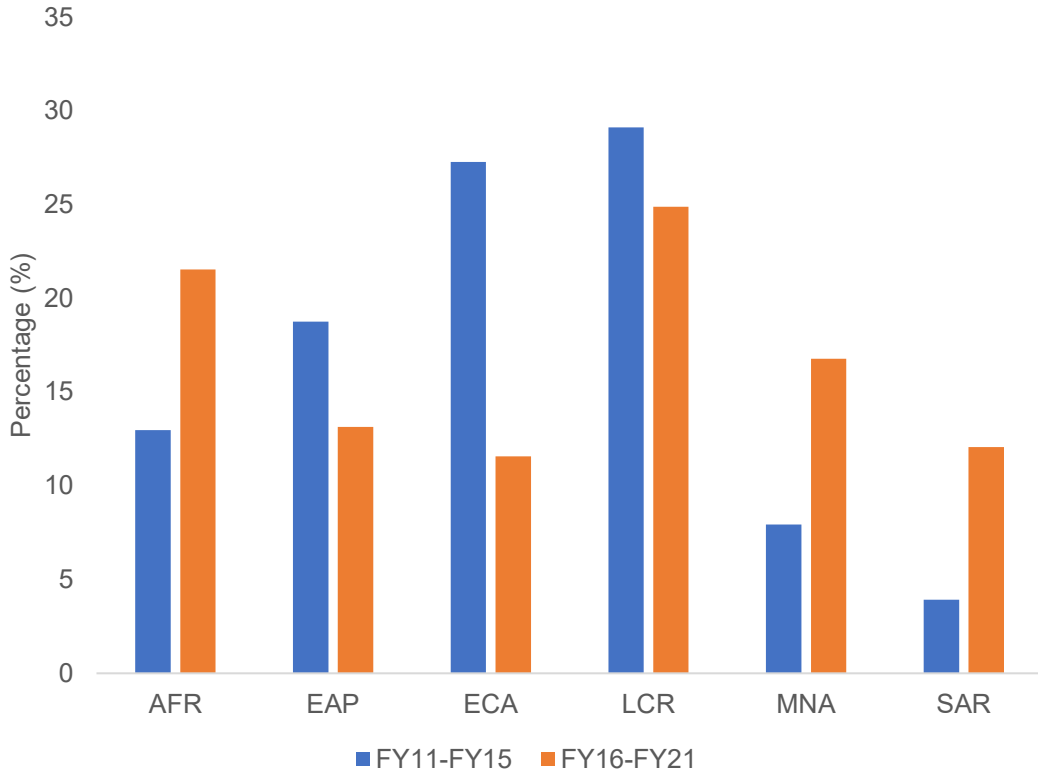


DPFs to Africa increased sharply over the Retrospective period

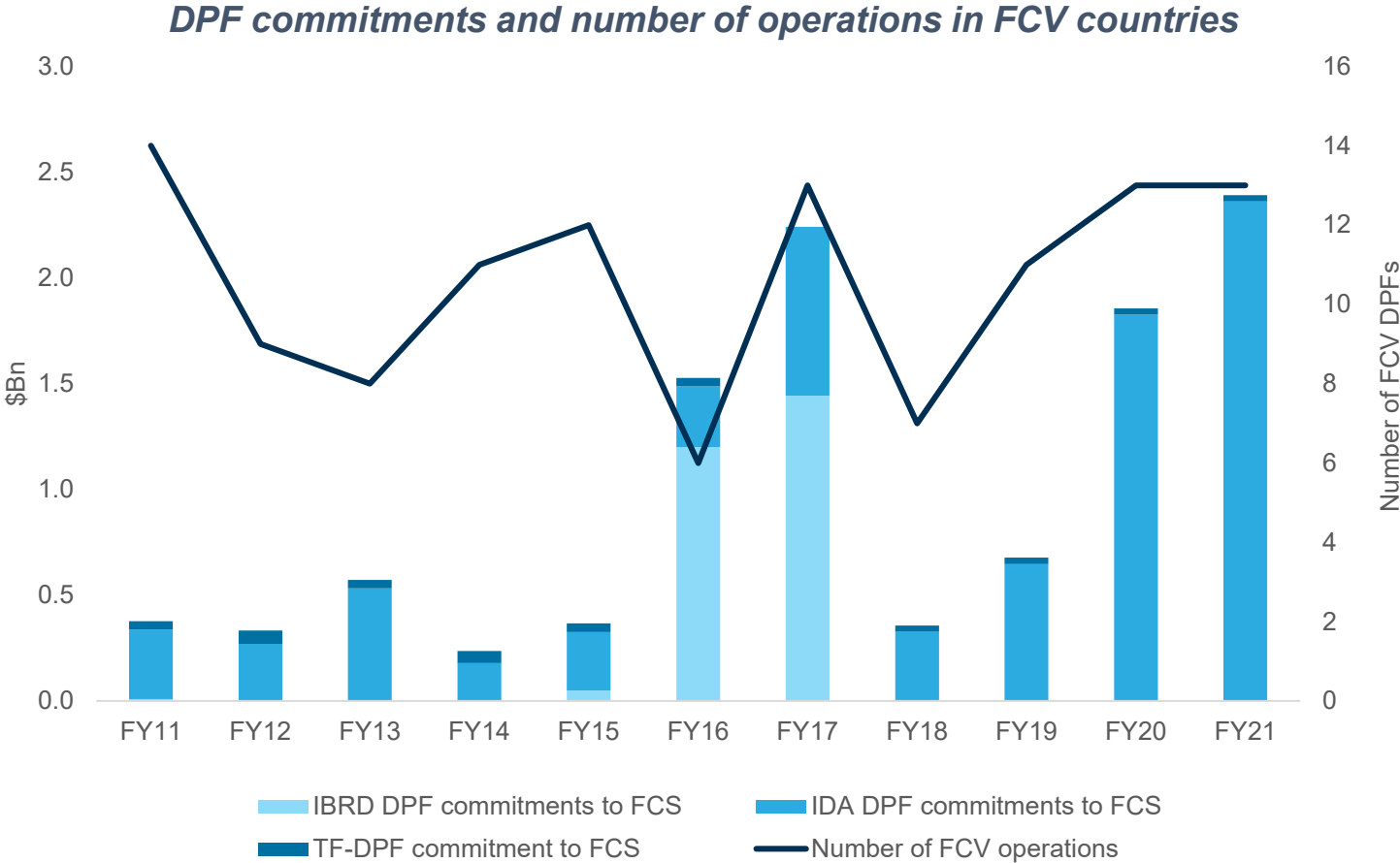
DPF commitments by region



Share of DPF commitments by region



The Bank increased DPFs to FCV-affected countries

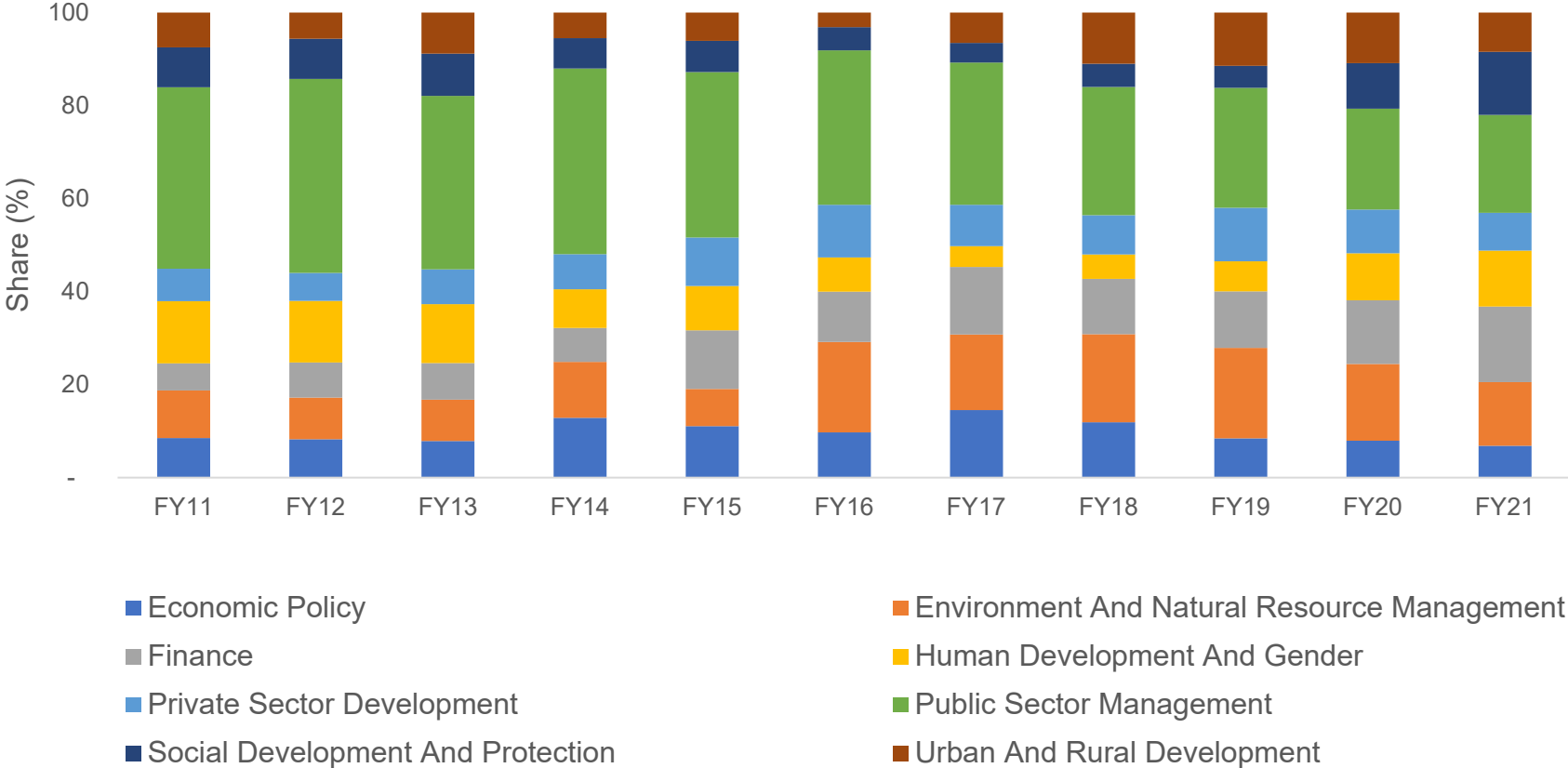


*FY16 and FY17 IBRD FCS DPFs correspond to Iraq DPFs of \$1.2 bn and \$1.4 bn, respectively. A DPOs was considered FCV if the country belonged to the list of FCV countries in the year when the DPF was approved.

[World Bank Group Strategy for Fragility, Conflict, and Violence 2020–2025](#) highlighted the role of DPF in helping macro stabilization and public resource management in FCVs.

DPFs covered a broader range of themes beyond public sector management. Finance, environmental policy, and other thematic areas became increasingly important

Prior Actions by Thematic Area, FY11-FY21

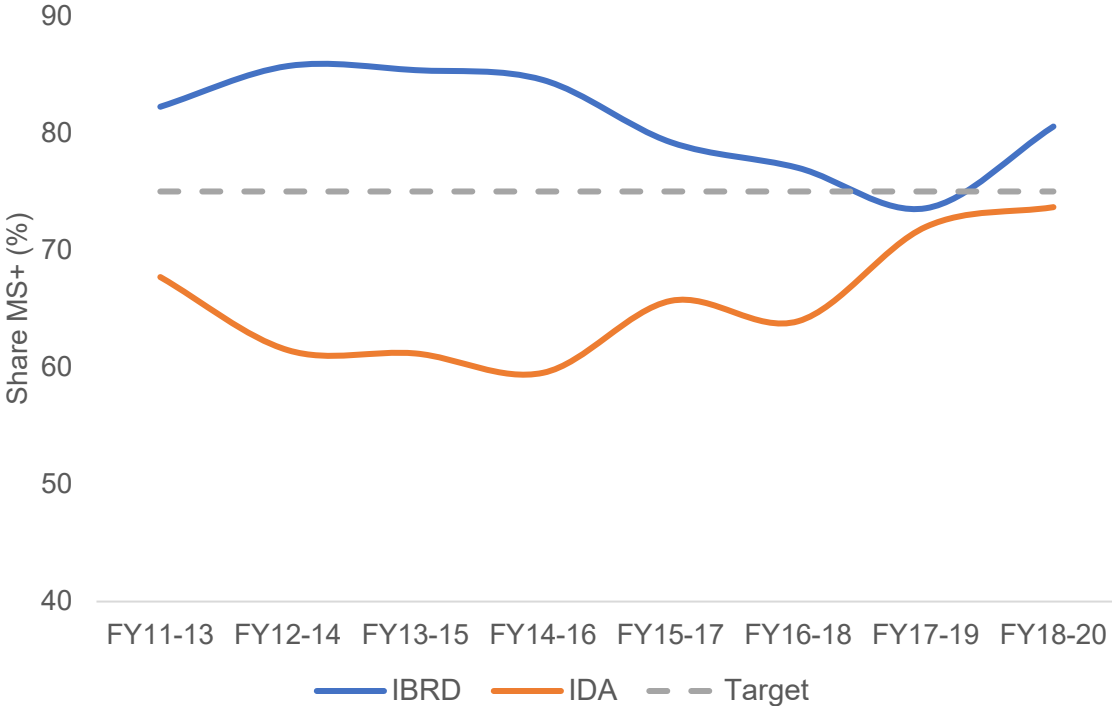


Examples of DPFs that covered climate change-related themes

		Development Challenge:	Approach:	Expected Impact:
First Blue Growth DPO	Grenada	A small state, dependent on coastal resources, but facing significant vulnerability to natural disasters and other exogenous shocks	Supported “blue economy” to foster sustainable growth while reducing vulnerability to disasters and climate change. Mutually reinforcing measures to strengthen fiscal, climate and oceanic resilience to shocks.	Sustainable “Blue Growth” with more coastal tourism via an increase in marine protected areas, less single-use plastics, & climate resilient infrastructure and fiscal balances.
	Fiscal Resilience & Blue Growth DPC (P164289)			
Crisis response with the first IDA Cat DDO	Kenya	Climate variability poses a significant risk, especially through floods and droughts, increasing the vulnerability of the poor.	Cat DDO helps strengthen disaster preparedness with contingent financing that responds to a natural disaster, including public-health related emergencies. Initial drawdown period of 3 years, renewable 1 time for 3 years	National and urban disaster risk management strategies, with risk profiling, strengthens planning, preparedness and coordination. New building codes incorporate resilient design standards.
	Disaster Risk Management DPC with CAT-DDO (P161562)			
Energy and ICT DPF series	Senegal	High energy costs, reliance on oil, and low access in rural areas constrain inclusive economic growth. ICT infrastructure is needed to bolster productivity and competitiveness.	Supported structural reforms to: (i) improve the governance and financial viability of the energy sector and remove barriers to investment; and (ii) strengthen the legal and institutional framework to boost ICT investment and competition in the digital economy.	Reduce energy costs and reliance on oil, boost investment in renewables, and improve rural access. Promote internet access, eservices, and competitiveness in the digital economy.
	Second Multisectoral Structural Reform (P164525)			

IBRD DPFs performed at or better than the Bank's corporate target. The performance of IDA DPFs improved steadily

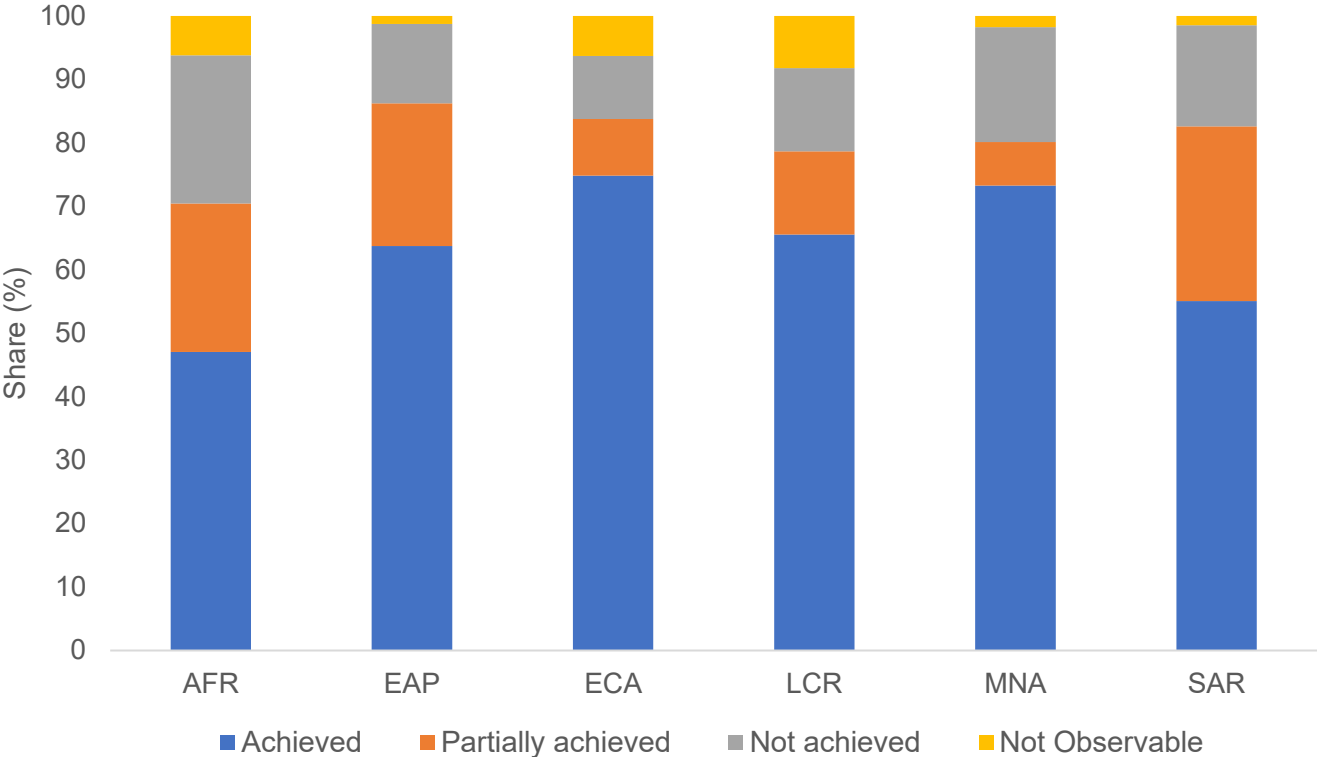
DPF-IEG outcome ratings by number of operations (3yr moving average)



IEG outcome ratings are based on a 6-point scale – HS,S, MS, MU, U, HU ICRRs are based on the fiscal year of DPF closing. This analysis is based on 484 DPOs which had an IEG outcome rating (IEG evaluations conducted for DPFs that closed between FY11 and FY21 from various country and financing characteristics, including regions, country group, FCV status, and other determinants. During the Retrospective period 165 DPFs were rated by IEG. The analysis has focused on the FY11-21 period, as it is more representative. At the time of publication, only 21 DPFs approved in FY19, 9 in FY20, and 0 in FY21 had been evaluated by IEG and assigned a rating

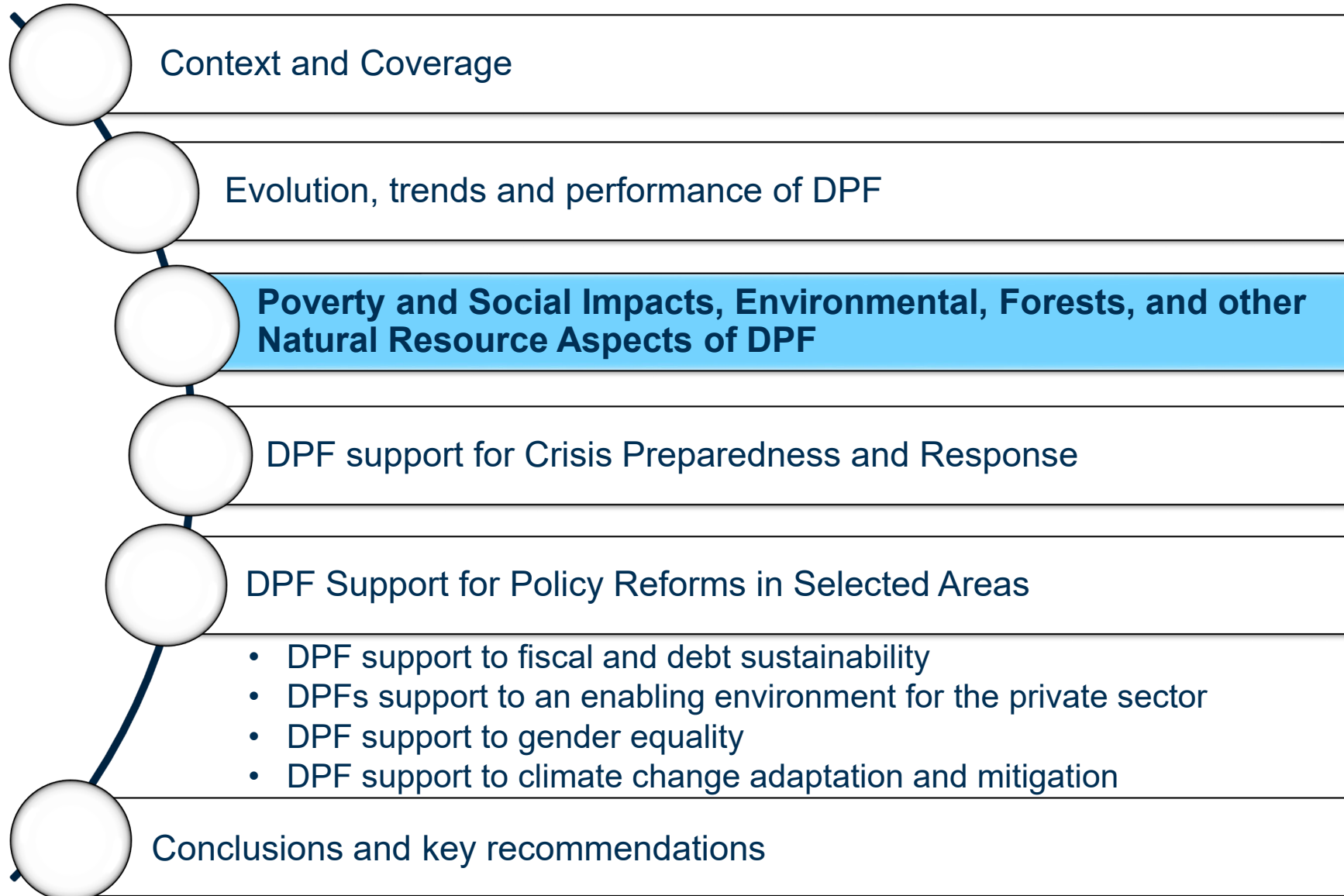
Between FY16 and FY20, over three-quarters of DPF expected results targets were at least partially achieved

Share of Results achieved by region (FY16-20)



The analysis on DPF results is based on teams’ self-assessment (ICRs). If one cannot assess the level of achievement of the indicator, then it is coded as NO = Not observable. The analysis includes 79 DPFs (those with completed ICRs), between FY2016 and FY2021, with a total of 668 Prior Actions whose impact has been captured by 869 Results Indicators. 78 percent of results were at least partially achieved, while 22 percent were either not achieve results or did not have observable results.

Outline of the Presentation



Recommendations from 2015 DPF Retrospective on strengthening poverty, social and environmental aspects were implemented during this Retrospective Period

Revised staff guidance on environmental, forests and other Natural Resource aspects

- Updated guidance in Program Document template, Good Practice Note, training under development

Environmental and poverty/social analysis table

- Annex 4 of the Program Document, which includes a screening table, now mandatory

Further poverty, social, and environmental analysis

- Focused session in DPO Academy to train staff. Ongoing effort to develop analytical tools for deeper impact analysis

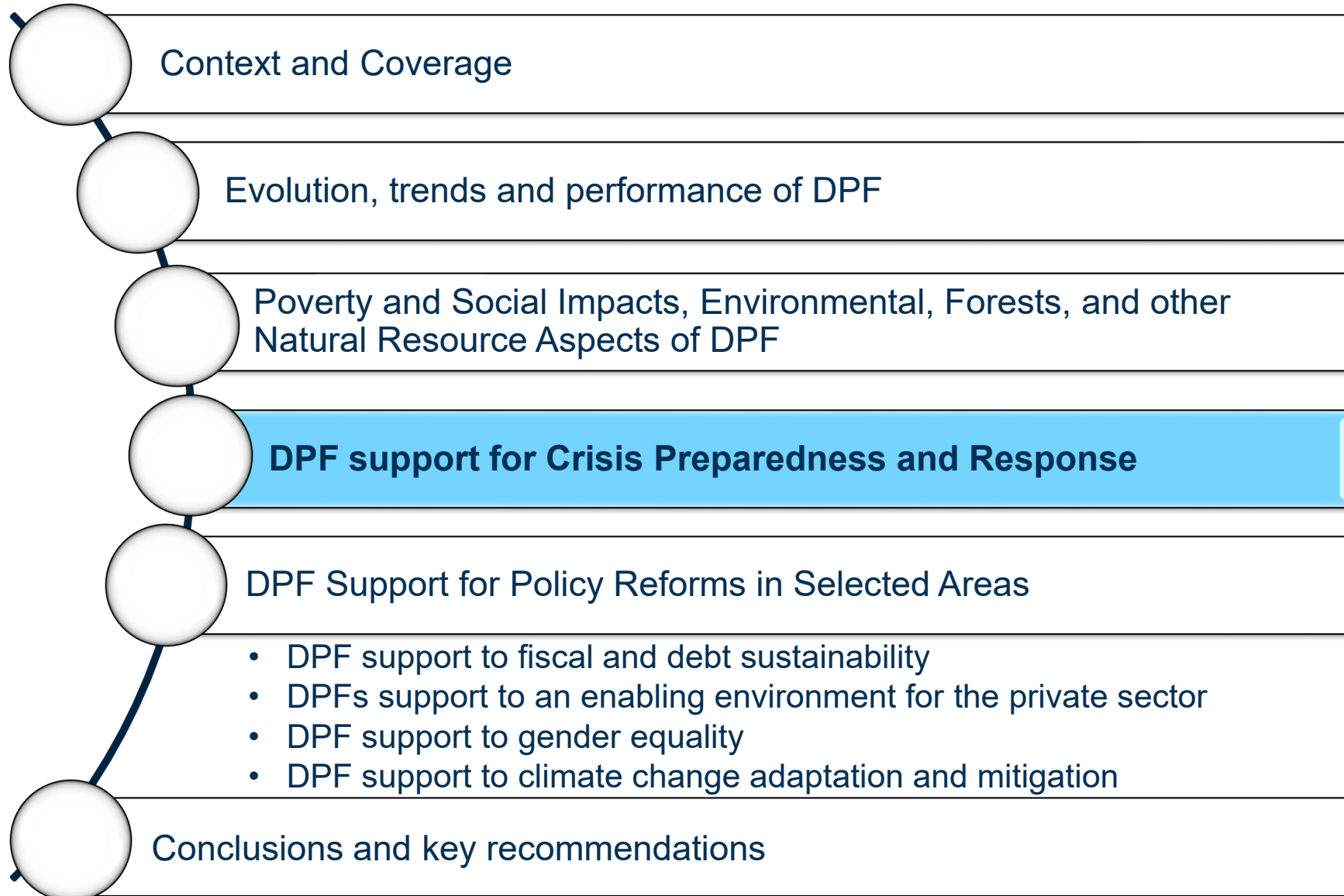
Stronger internal review process

- DPOs reviewed by specialists who provide comments on social and environmental impact of the program.

Improved focus on poverty, social, and environmental impacts in Implementation Completion and Results (ICR) Reports

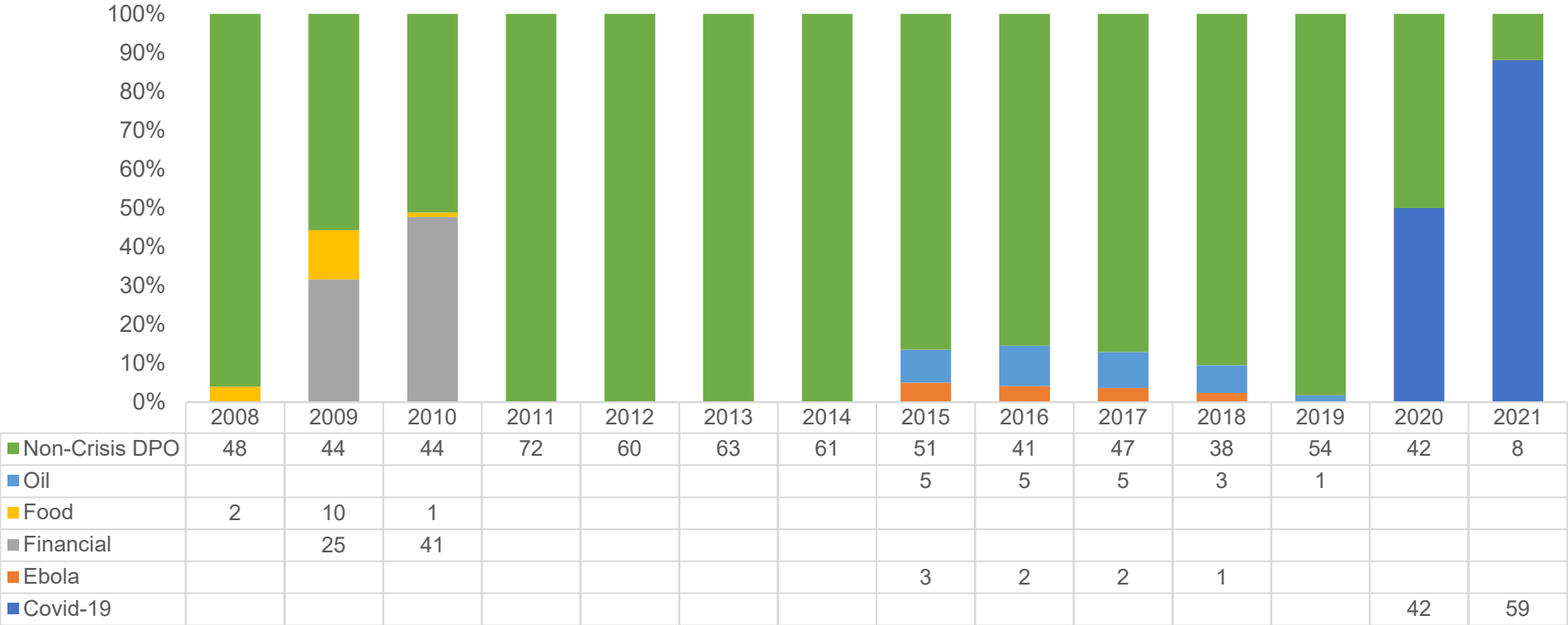
- Guidance note drafted; streamlined ICR template with embedded guidance available since Oct. 2019.
- Fewer ratings; better uptake of lessons learned

Outline of the Presentation



DPFs are an important instrument for supporting countries' response to a range of crises

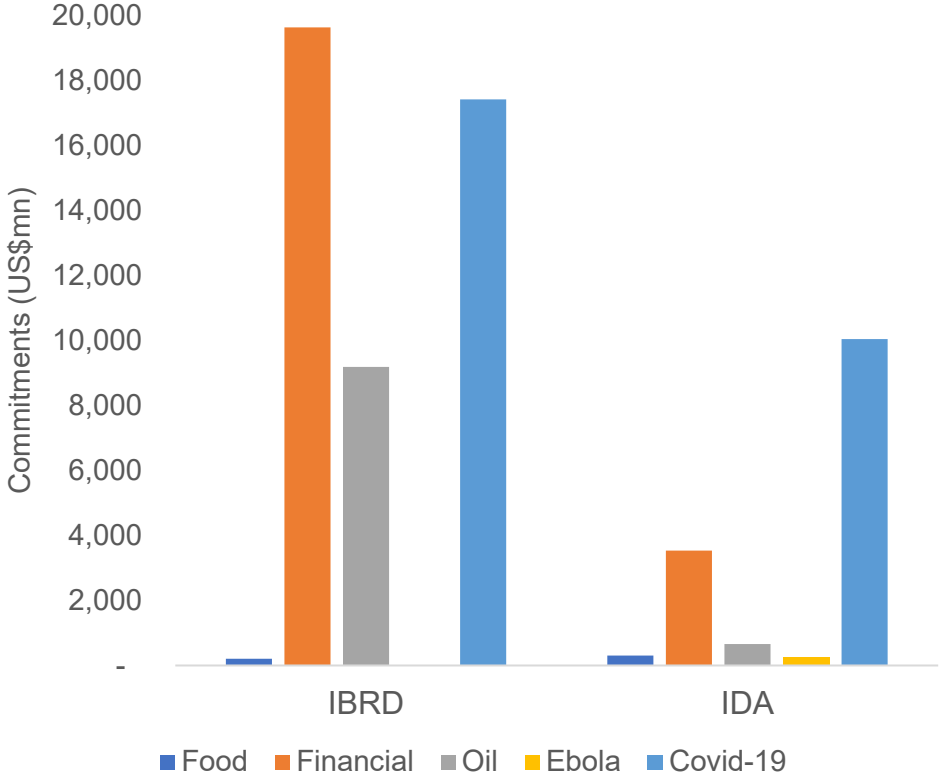
Crisis-Related and Non-Crisis-Related DPFs, 2008-2021
(number of operations and share in total number of DPFs by FY)



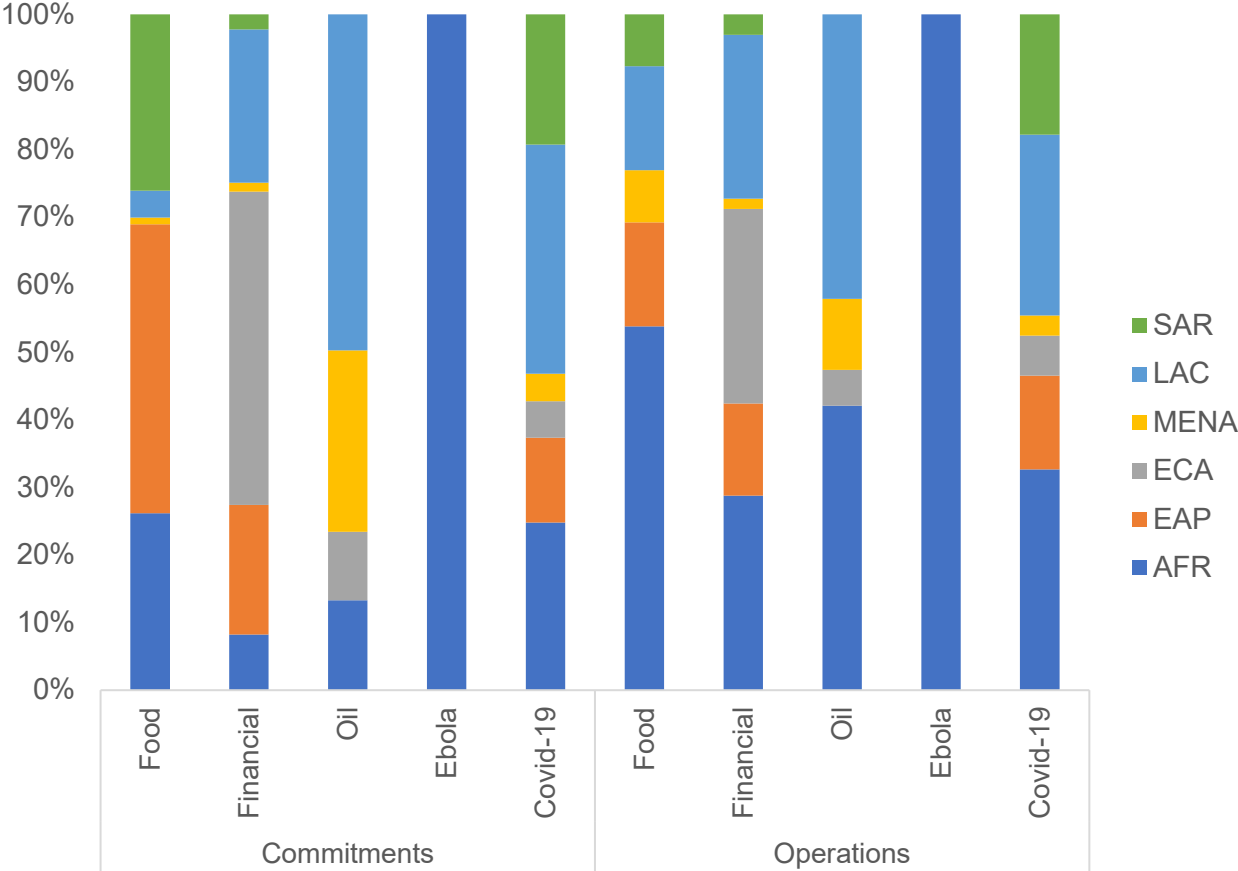
This figure shows the share of DPFs that were provided during select global and regional crises. “Oil” = oil price shock, 2014-16, “Food” = food price shock 2007-8; Financial = Global Financial Crisis 2008-10, “Ebola” = Ebola virus outbreak, 2014-16. “COVID-19” = COVID-19 pandemic 2020-21. “Non-Crisis DPO” = all DPFs that were provided during 2008-21 which were not tagged as crisis DPOs. Numbers include Supplementals

IBRD and IDA countries in all regions benefited from Bank support over multiple crises

Crisis operations commitment volume by lending group

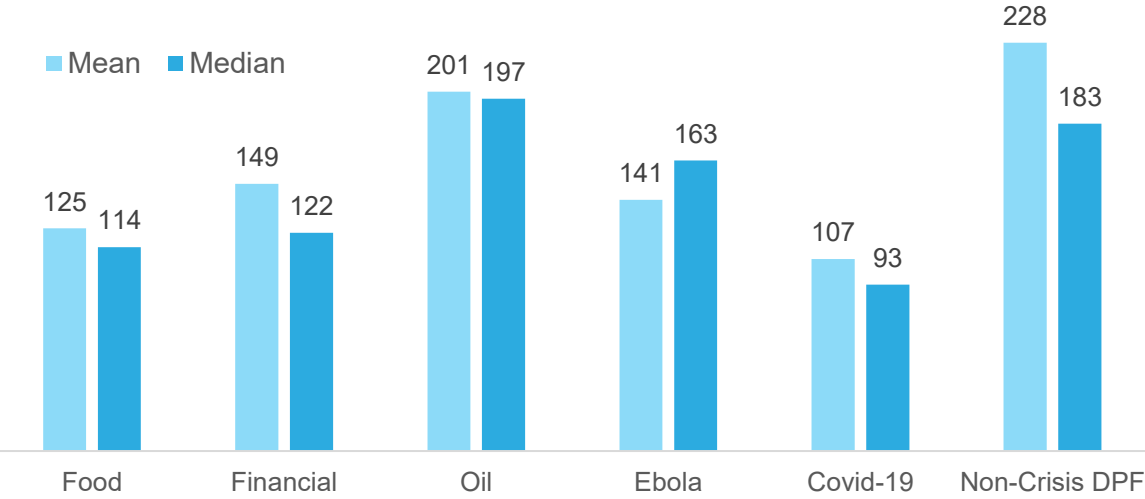


Distribution of commitments and operations by region across crises episodes



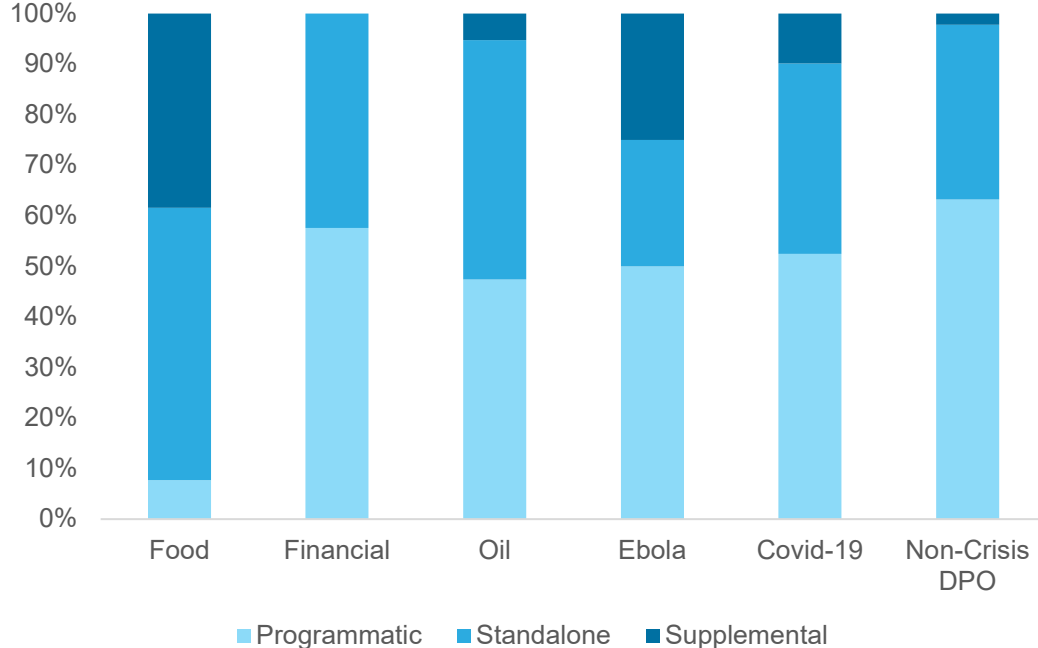
DPFs enabled the WB to rapidly provide crisis support and through standalone and supplemental DPF

Number of days from Concept Review to Approval:
Crisis vs. non-crisis DPFs
(excl. Supplementals and DPFs initiated prior to 03/20)

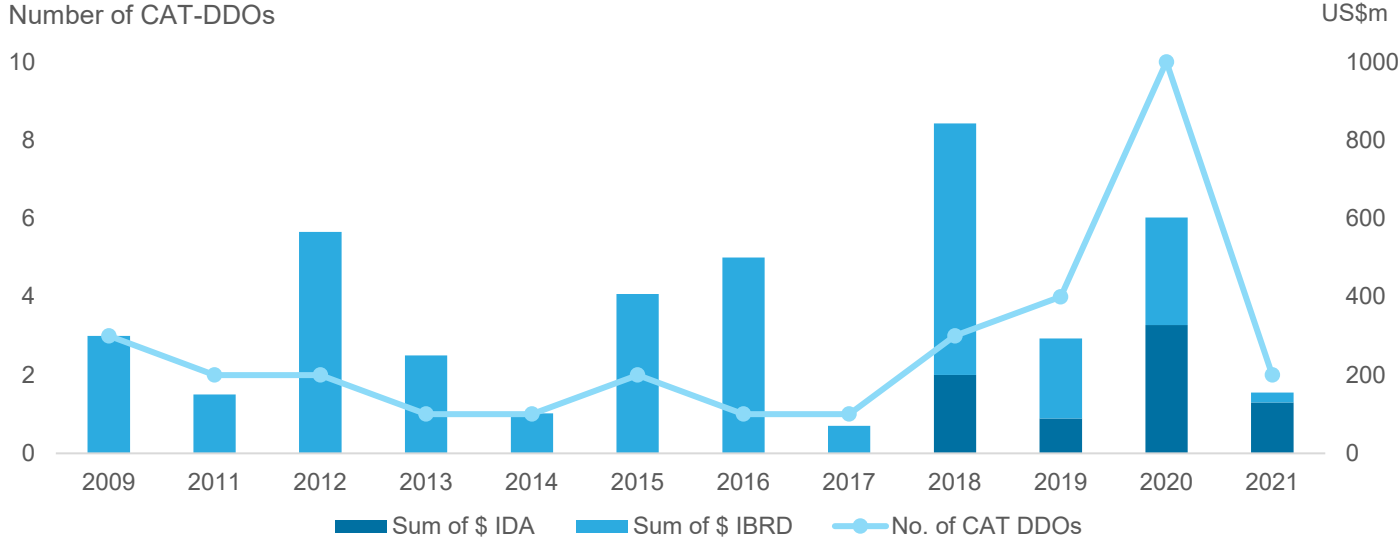


Crisis	Food	Financial	Oil	Ebola	Covid-19	Non-Crisis DPF
Number of Operations	4	65	18	6	48	689

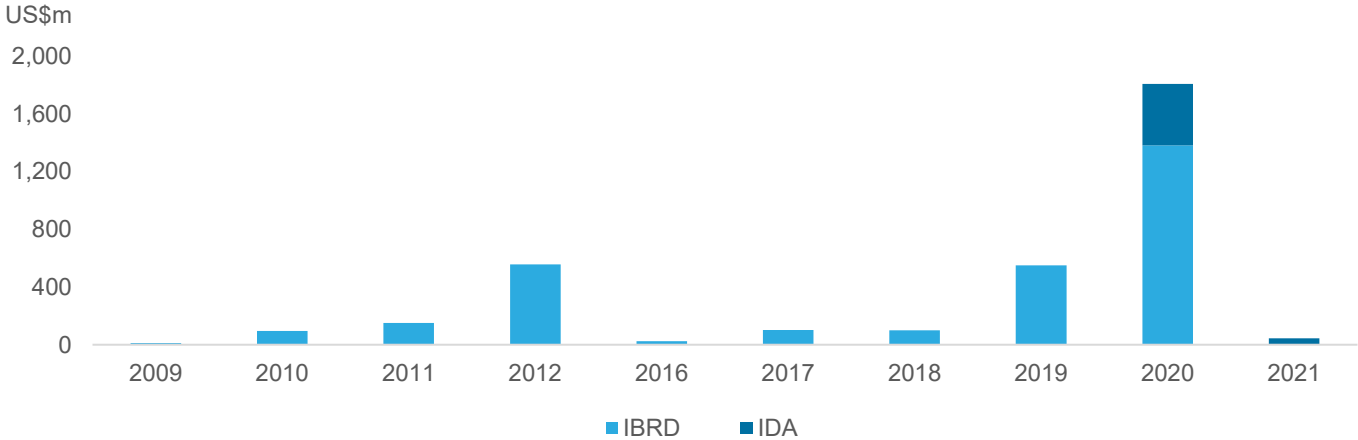
DPFs by type: Programmatic, Standalone and Supplemental: Crisis vs. Non-Crisis



CAT-DDOs have been widely used and proved to be an effective crisis response tool, after COVID-19

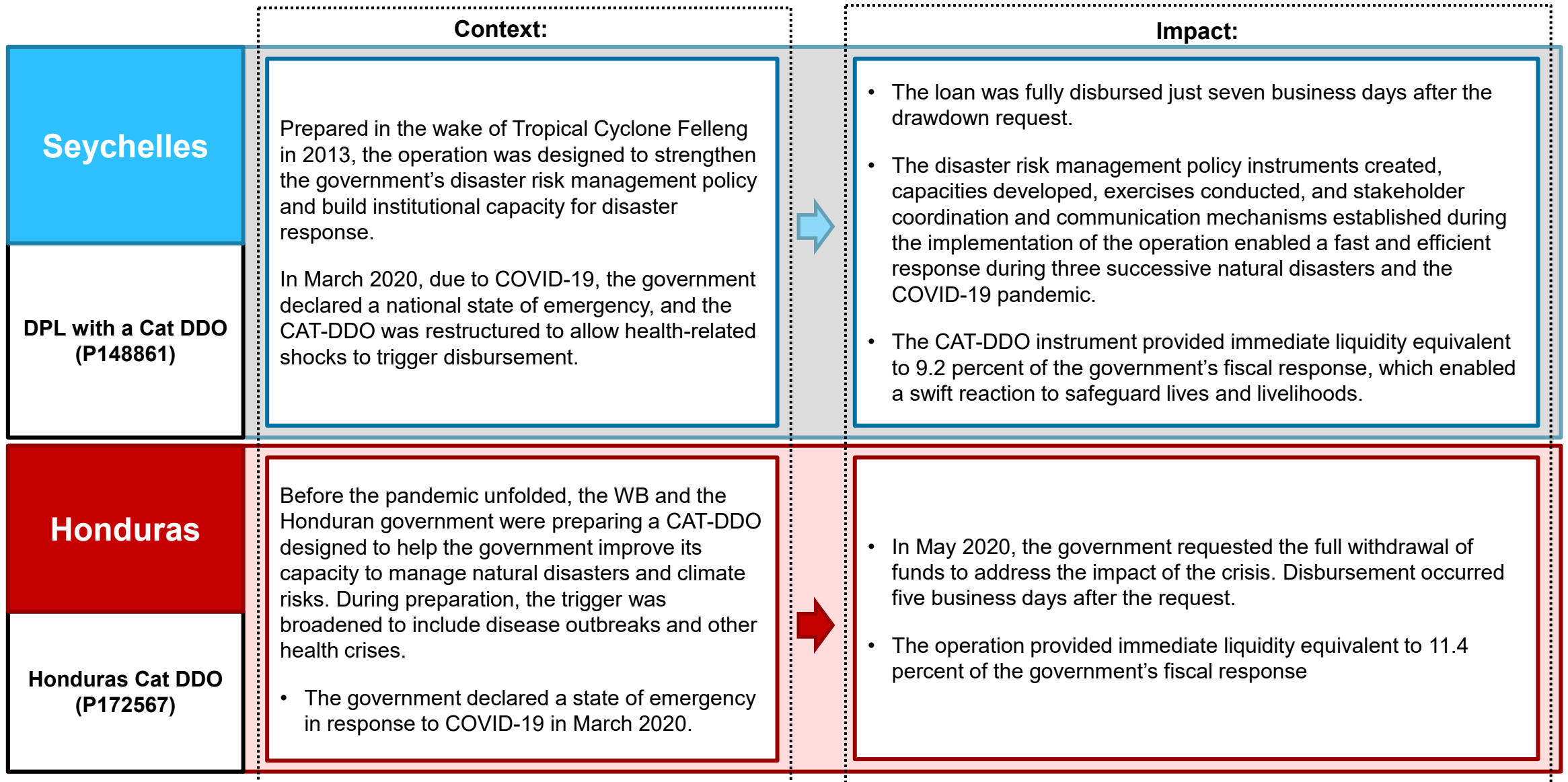


← Commitments



← Disbursements

Examples of the role of CAT-DDOs in Responding to the COVID-19 Pandemic

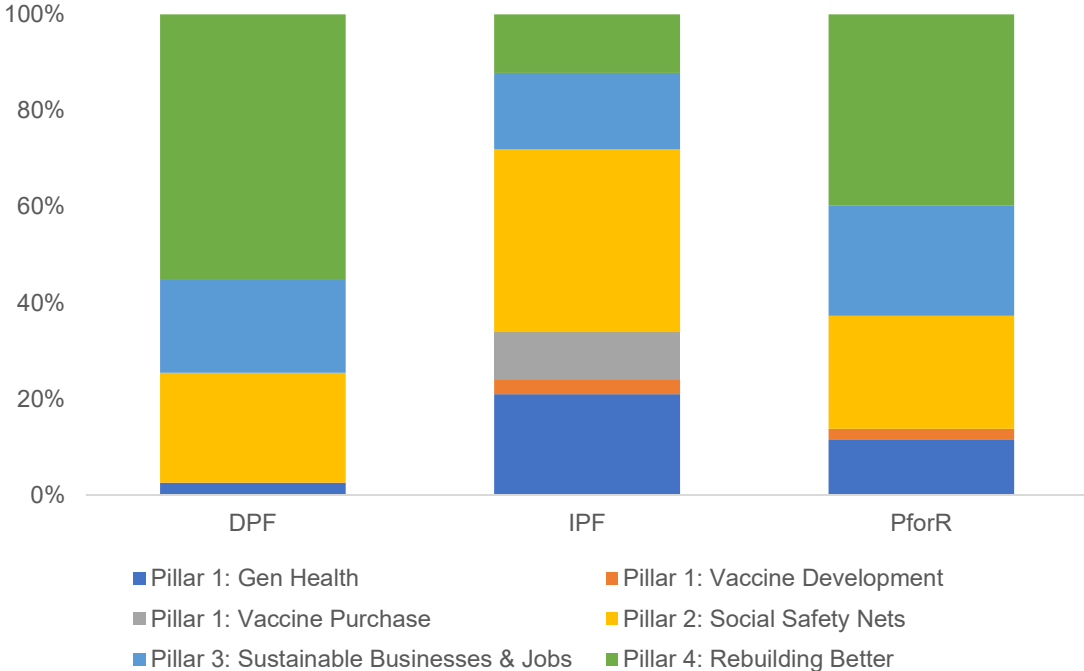


DPF support during the COVID-19 crisis complemented IPF and PforRs and focused on Building Back Better

Share of commitments by instrument type, FY 07-21

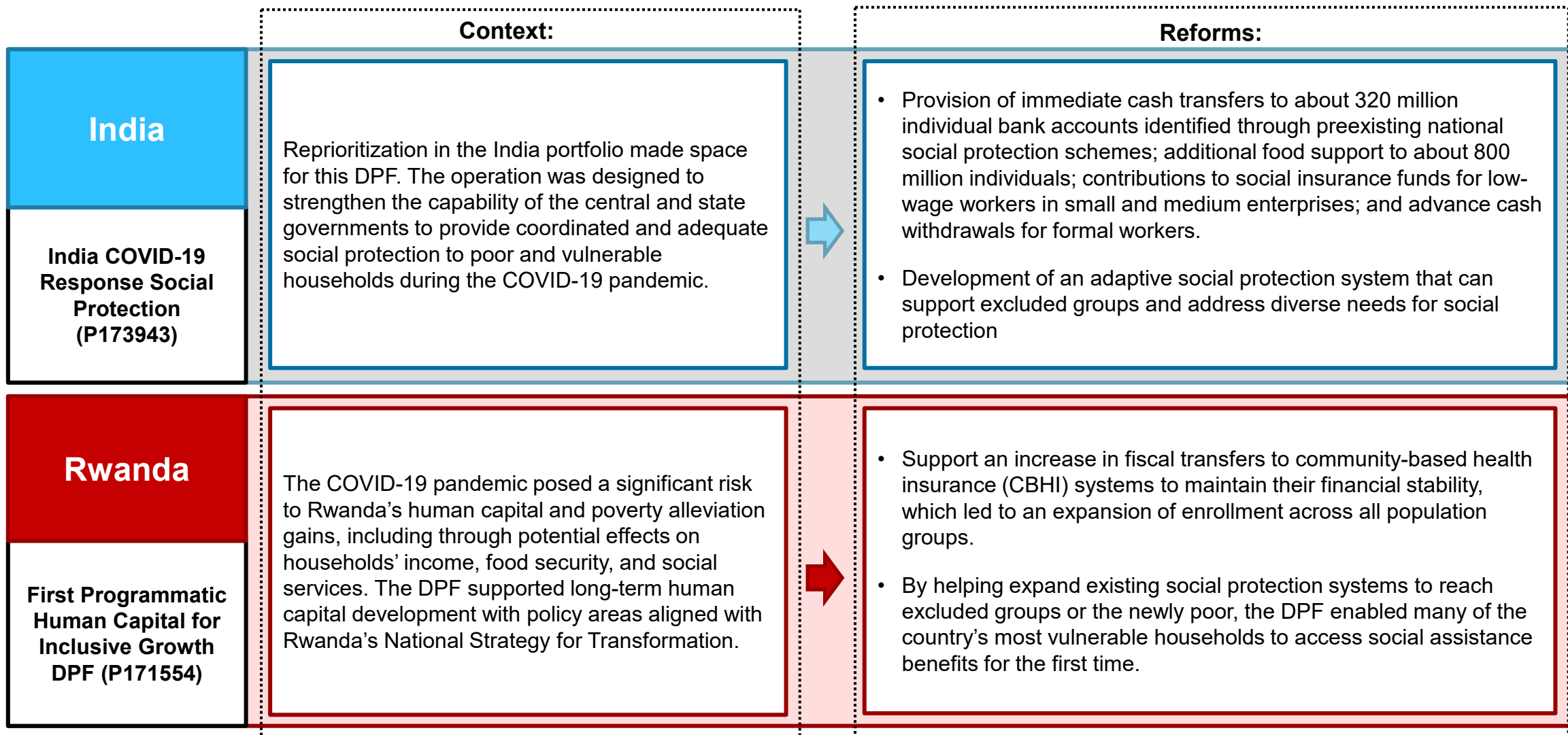


Distribution of COVID-19 Commitments across Strategic Pillars by Instrument

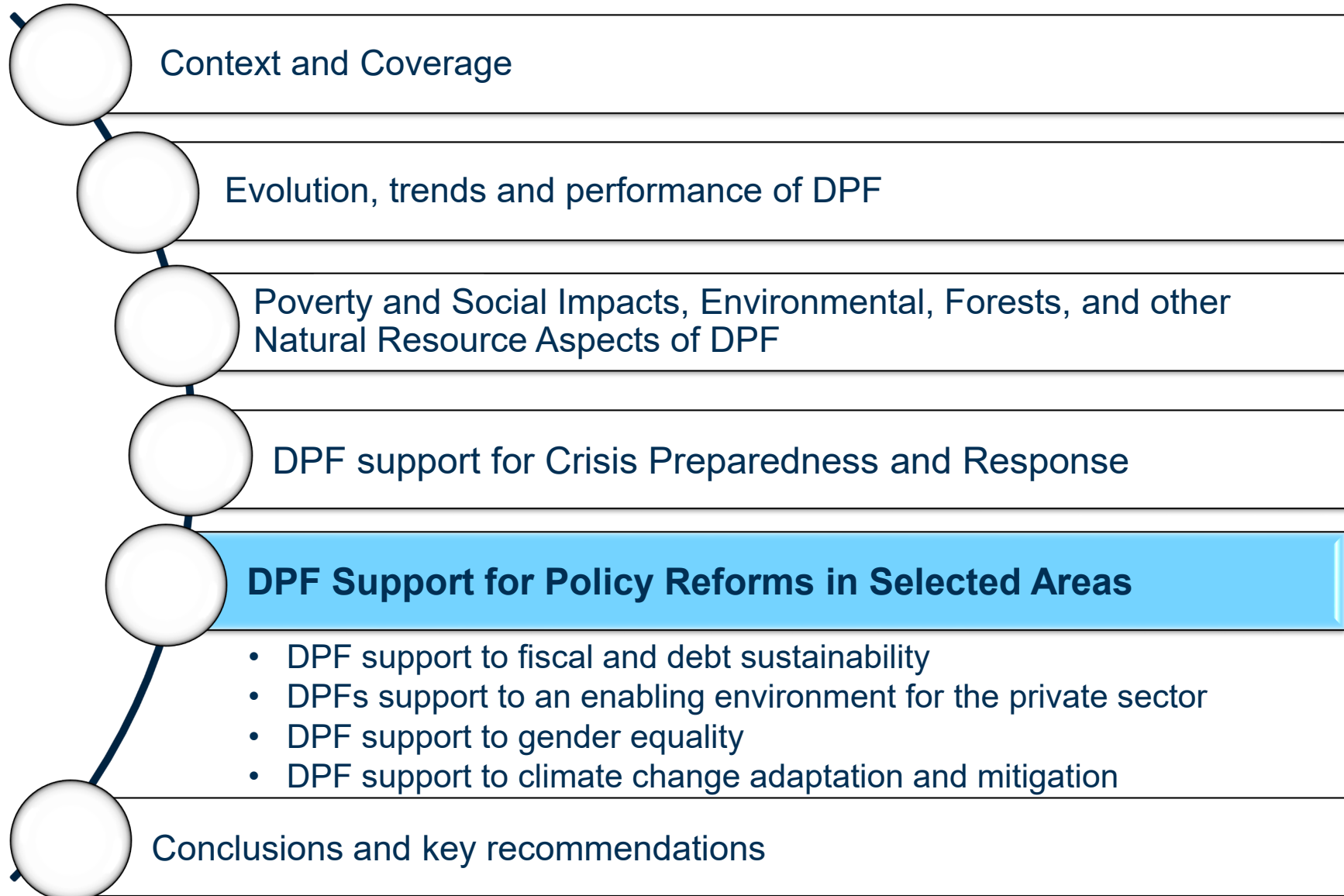


The Bank’s support during the COVID-19 crisis was framed around the four Pillars of the June 2020 Approach Paper: [“World Bank Group COVID-19 Crisis Response Approach Paper : Saving Lives, Scaling-up Impact and Getting Back on Track”](#)

Examples of COVID-19 response in DPFs

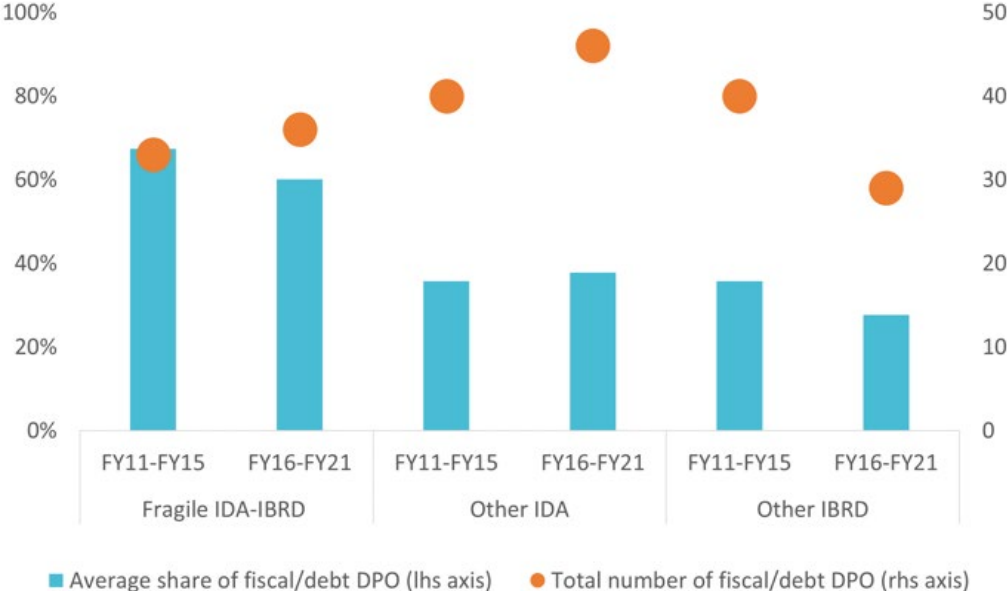


Outline of the Presentation

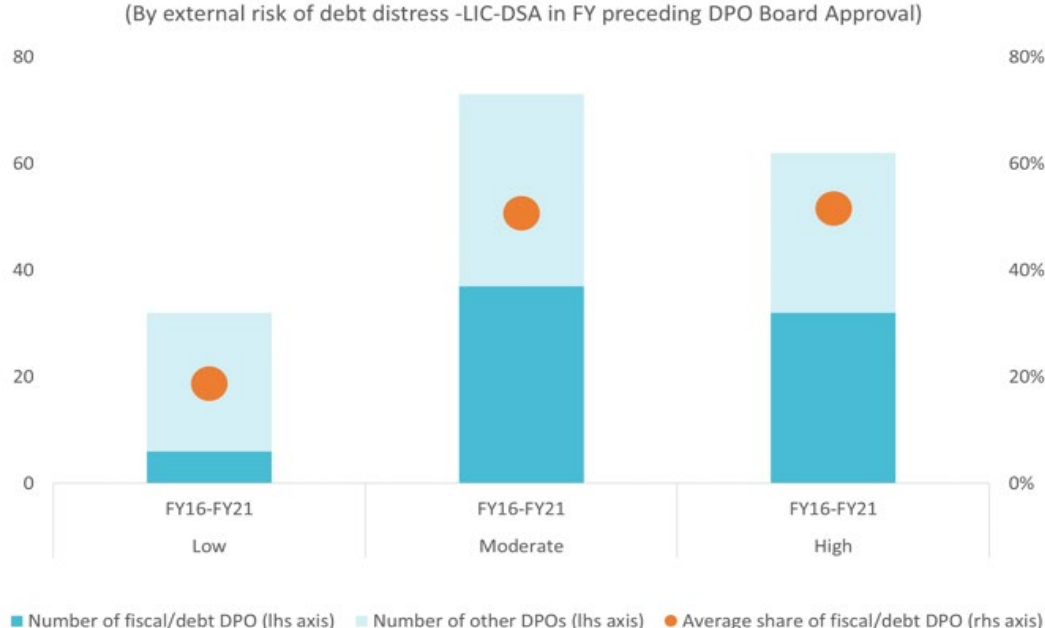


To build economic resilience, DPF support for sound fiscal and debt policies has focused on debt vulnerabilities, including in FCV-affected countries

*By lending category and FCV:
DPOs (average share and no.) focusing on debt and fiscal reforms (FY11-15 and FY16-21)*



*By risk of debt distress:
DPOs (average share and no.) focusing debt and fiscal reforms (FY16-21)*

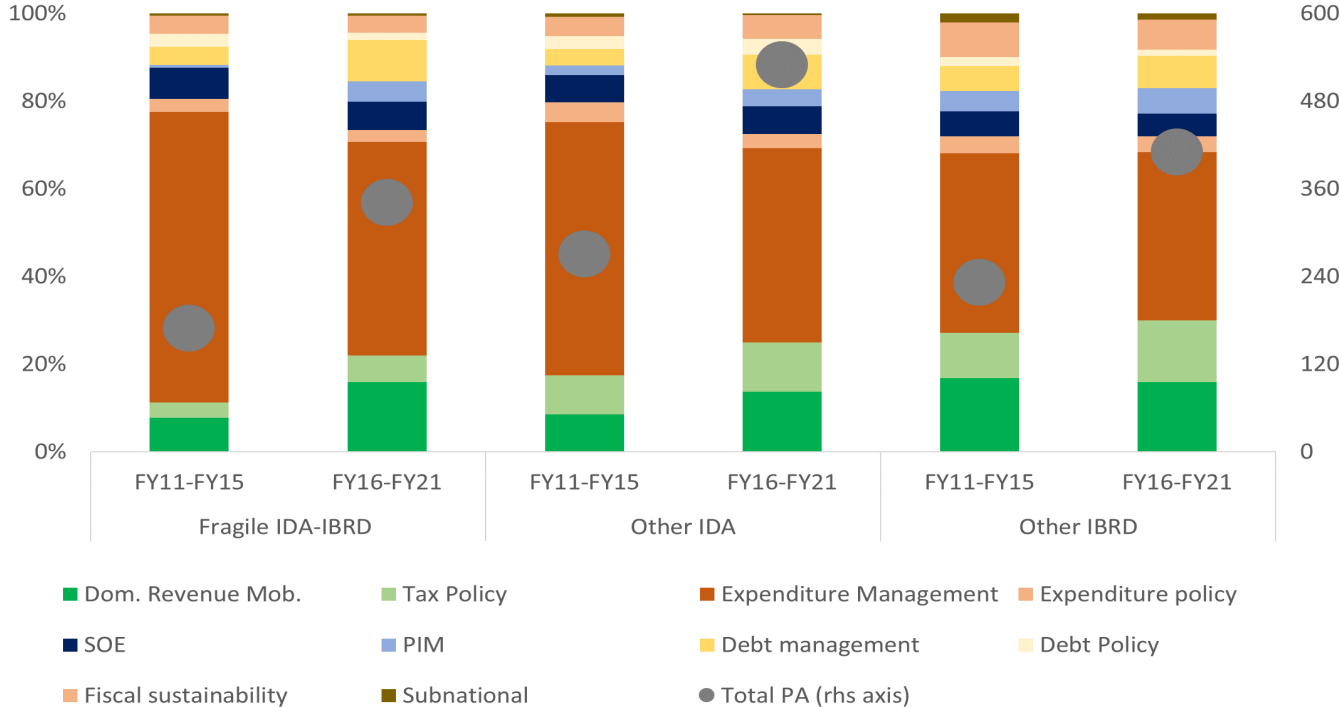


Note: These figures exclude subnational, regional, supplemental, and trust-fund-financed DPF. Only effective operations are included.

To expand fiscal space for poverty reduction and shared prosperity, fiscal and debt DPFs increased their focus on **domestic revenue mobilization**, while **expenditure management** remained an important policy area

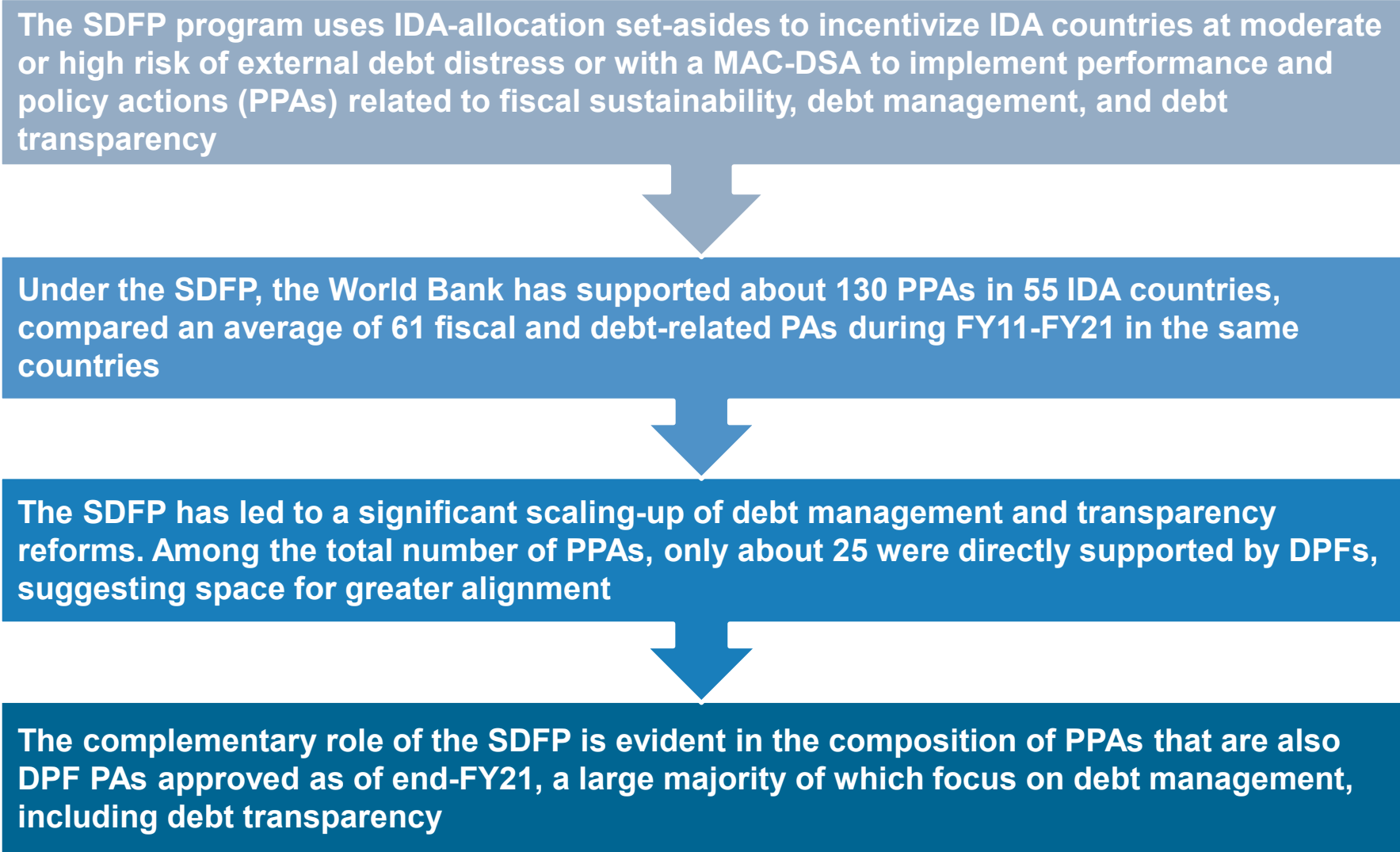
No. and distribution of fiscal and debt related prior actions (FY11-15 and FY16-21)

(By fragile status and lending group of recipient country)



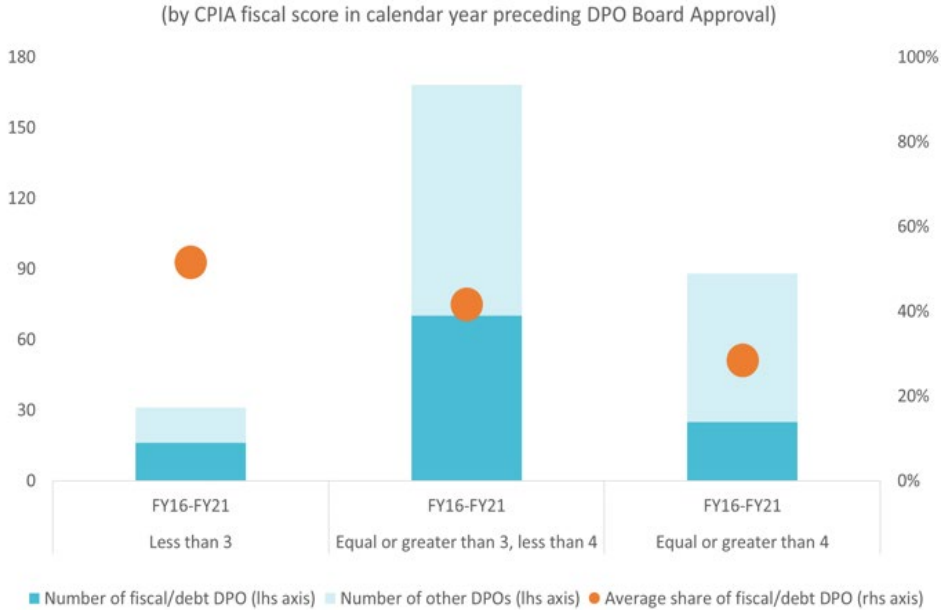
Note: Includes only effective DPFs and excludes subnational, regional, supplemental, and trust-fund-financed operations.

New IDA Sustainable Development Financing Program (SDFP) complements DPF fiscal and debt reforms

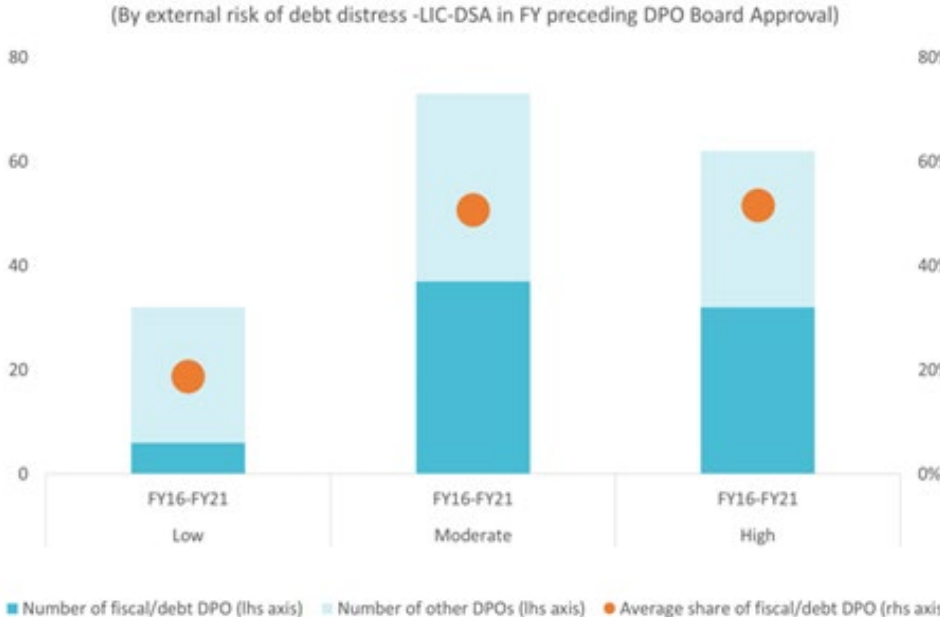


Only a small share of all DPFs went to countries with weak fiscal policies and institutions, but these operations were the most likely to focus on fiscal and debt-related reforms. And fiscal and debt-related DPFs represented about half of all DPFs in low-income countries at moderate or high risk of external debt distress.

No. of DPOs (by type) and average share of DPOs focusing on fiscal and debt reforms (FY16-21)



No. of DPOs (by type) and average share of DPOs focusing on fiscal and debt reforms (FY11-15, FY16-Q3FY20, FY16-21)



Note: Excludes subnational, regional, supplemental, and trust funded DPO. Includes only DPO declared effective. CPIA fiscal score refers to the score of the calendar year preceding the calendar year of Board approval for the related DPO. For IBRD countries, CPIA values have been interpolated across CPIA exercises when possible. Risk of external debt distress identified in publicly available LIC DSA for IDA eligible countries and in the FY preceding Board approval of the related DPO

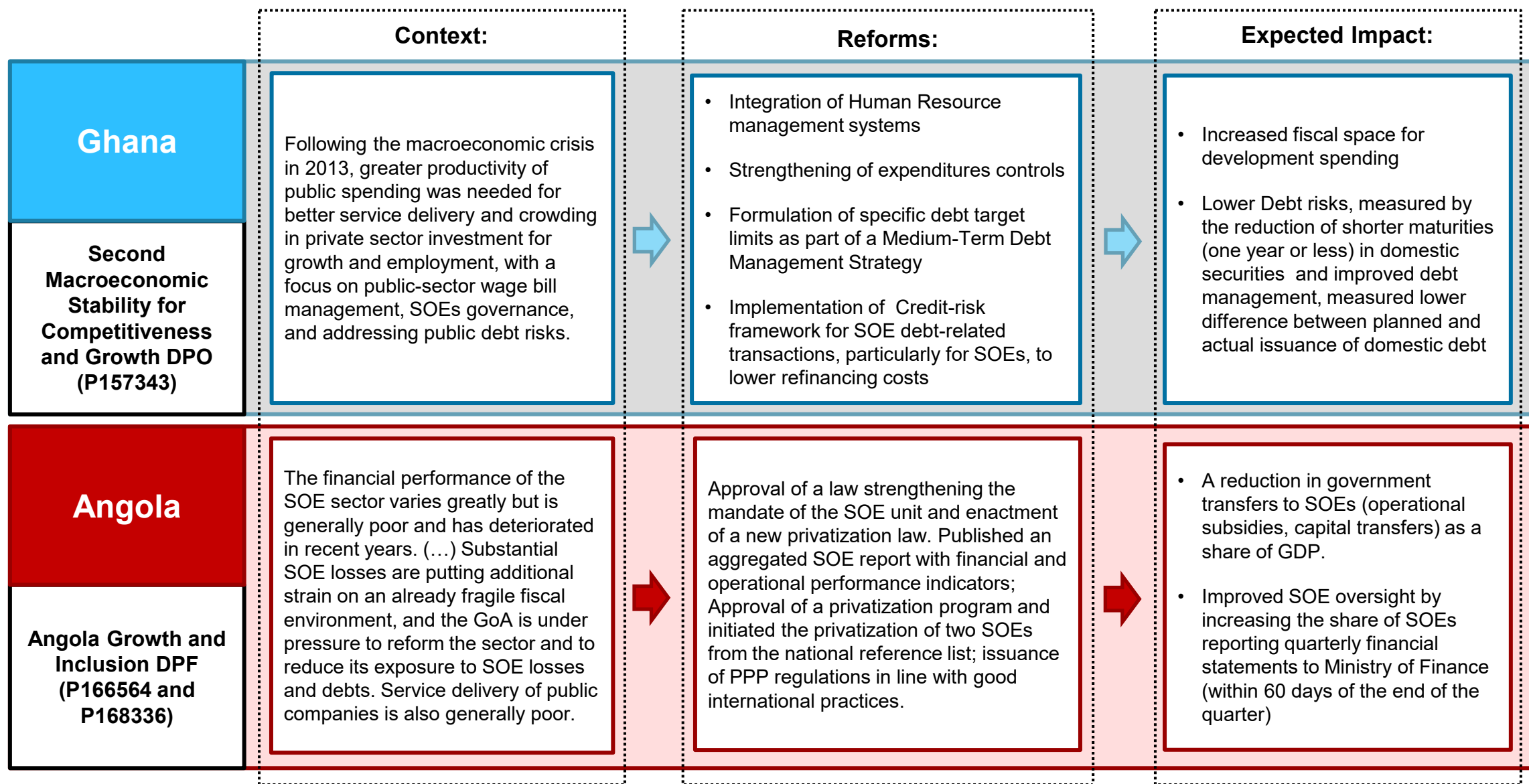
The performance of fiscal and debt-related DPFs was generally strong over the retrospective period

- On average, the share of fiscal and debt-related DPFs rated moderately satisfactory or higher was close to the corporate target of 75 percent, and it remained broadly stable over the period.
- Econometric analysis also reveals that fiscal and debt-related DPFs yielded sustained improvements in the policy environment measured by the CPIA, despite the overall deterioration in CPIA scores during the period.
- World Bank DPF and IMF programs complement one another in supporting fiscal and debt reforms.
- The presence of an IMF program is found to be associated with stronger performance outcomes for fiscal and debt-related DPF operations. This also reflects regional differences.

DPF support to fiscal and debt sustainability: Summing up

- Over time and across countries, about one-third of all DPF operations have focused on fiscal and debt sustainability. DPF with a focus on fiscal and debt related reforms accounted for about two-thirds of all DPFs in these countries—about twice the share average for all other countries.
- DPF with a focus on fiscal and debt related reforms targeted the countries with weaker fiscal policy and institutions and LICs countries higher risks of debt distress.
- Fiscal and debt-related DPFs have led to sustained improvements in the policy environment.
- Going forward, there is space to further increase the focus of DPFs on addressing key debt vulnerabilities. The recent Sustainable Development Finance Policy (SDFP) could help:
 - Policy and Performance actions (PPAs) complements DPF support for debt management, fiscal sustainability, and debt transparency.
 - Such complementarity is evident in the composition of FY21 PPAs that are also DPF PAs approved as of end-FY21 a large majority of which focus on debt management, including debt transparency.
 - A larger use of DPF to support SDFP PPAs would help ensure both progress in meeting SDFP actions but also the higher goals of debt sustainability.

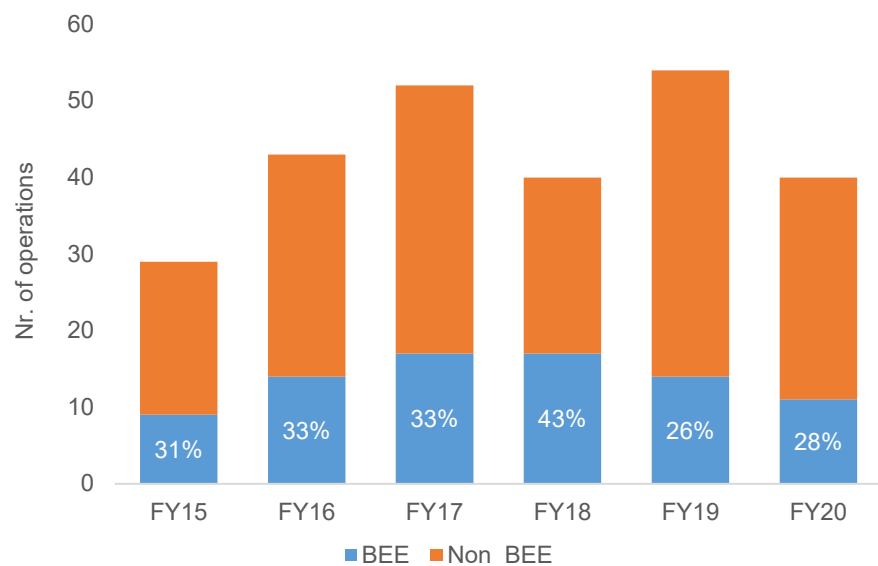
Examples of fiscal and debt-related DPFs



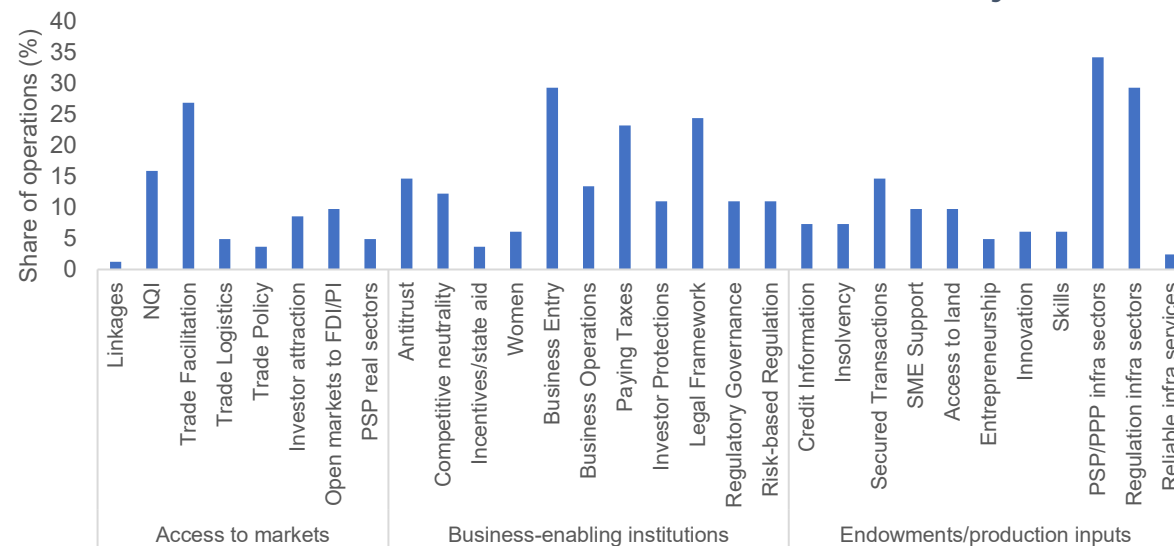
Support to Business Enabling Environment (BEE) has been an important focus of DPFs

1/3 of all DPF operations included at least 3 BEE prior actions*

Share of BEE-Oriented DPOs (over Total DPOs)
FY15-FY20



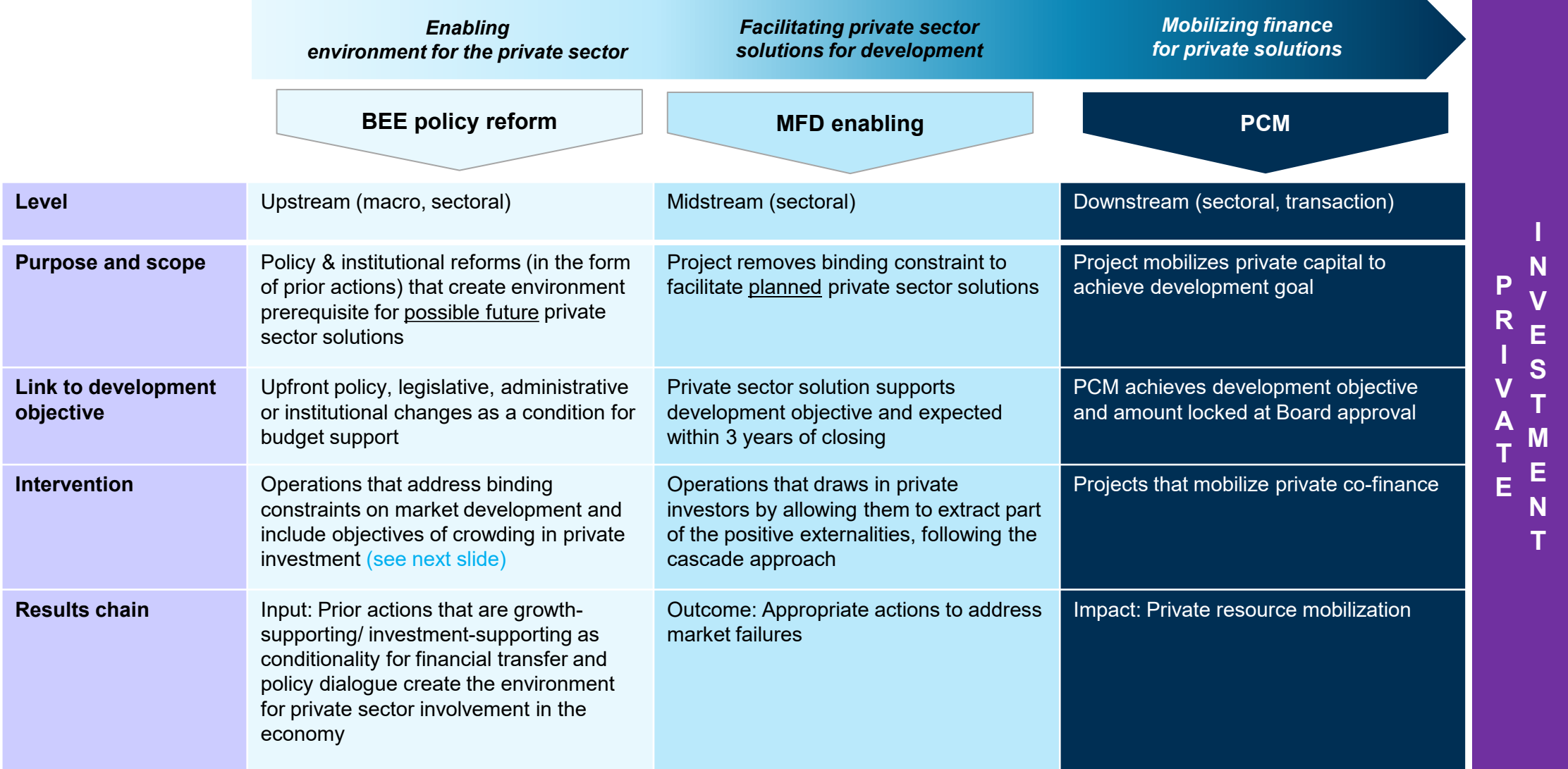
Share of BEE-Oriented DPOs in Each BEE Policy Area



* This expands to almost 3/4 of DPF operations if the count is at least one policy action designed to improve the BEE. This share represents 257 operations containing a total of 727 BEE policy actions, implemented across 99 countries, with a total financing commitment of US62.7billion.

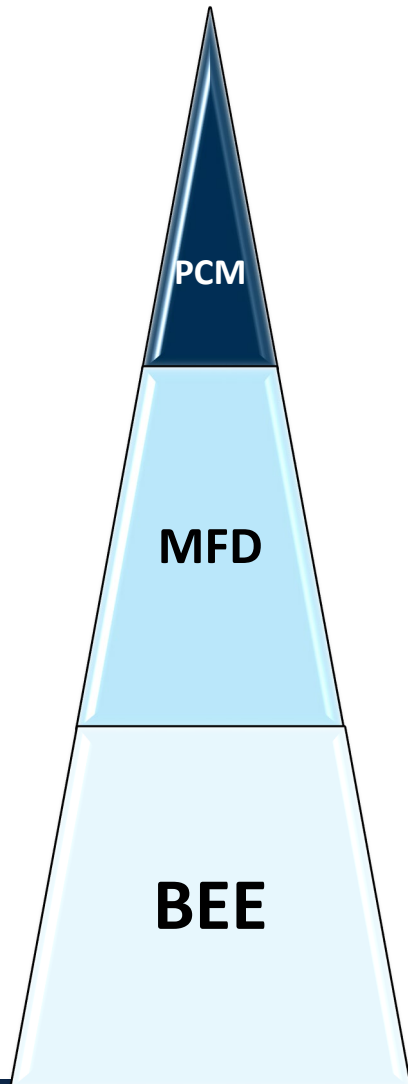
- BEE actions are important to support private capital mobilization and create jobs.
- Largest share of BEE-oriented operations included prior actions to support business-enabling institutions by reducing business costs and mitigating risks.
- Second-largest share of BEE-oriented operations focused on enhancing endowments and productive inputs by expanding access to financial services and reliable, low-cost infrastructure.
- Prior actions designed to enhance access to markets by deepening integration with the global economy through trade facilitation were also important.

DPFs are suitable instruments to enabling business environment for private sector, which in turn, contribute to the mobilization of private capital



PCM methodology used by MDBs underestimates the potential impact of policy and institutional reforms, requiring changes in the methodology

Examples of DPF-supported prior actions essential for BEE and promoting PCM that have private investment results indicators



ACCESS TO MARKETS:

Open markets to FDI/private investment

- Develop new/improve investment law based on good practice principles
- Open markets (open new sectors to FDI/decrease prohibitions or caps on FDI/replace positive with negative list)
- Remove or reduce entry requirements (minimum capital requirements/mandatory performance requirements/requirement for JV/location restrictions/other measures)

BUSINESS-ENABLING INSTITUTIONS:

Boost enforcement and increase policy effectiveness of antitrust

- Enact/amend the competition law (anti-cartel provisions; leniency program to provide incentives for corporations and individuals in investigation of economic cartel practices; prosecute most harmful competition offences; freedom of prices and competition; reinforce powers of competition authority; adoption of market definition techniques that include relevant market criteria)
- Issue secondary legislation to boost/promote effective implementation of the competition law (regulation on exemptions, leniency guidelines, guidelines on fines, settlements and damages, impact assessment of laws and regulations, procedures to implement leniency program, regulation to strengthen anti-cartel enforcement policy)
- Establish competition authority or improve its institutional design and implementation practices

Promote competitive neutrality and embed competition principles in broader economic policies

- Enact/implement the privatization law/approve guidelines for privatizing SOEs (incl. institutional responsibilities for managing private participation in strategic SOEs; transparency and accountability provisions; method, models, measures, action plan for the disposition of companies from the privatization agency's portfolio)
- Create agency/strengthen mandate of agency managing and privatizing state assets/SOEs

ENDOWMENTS/PRODUCTION INPUTS:

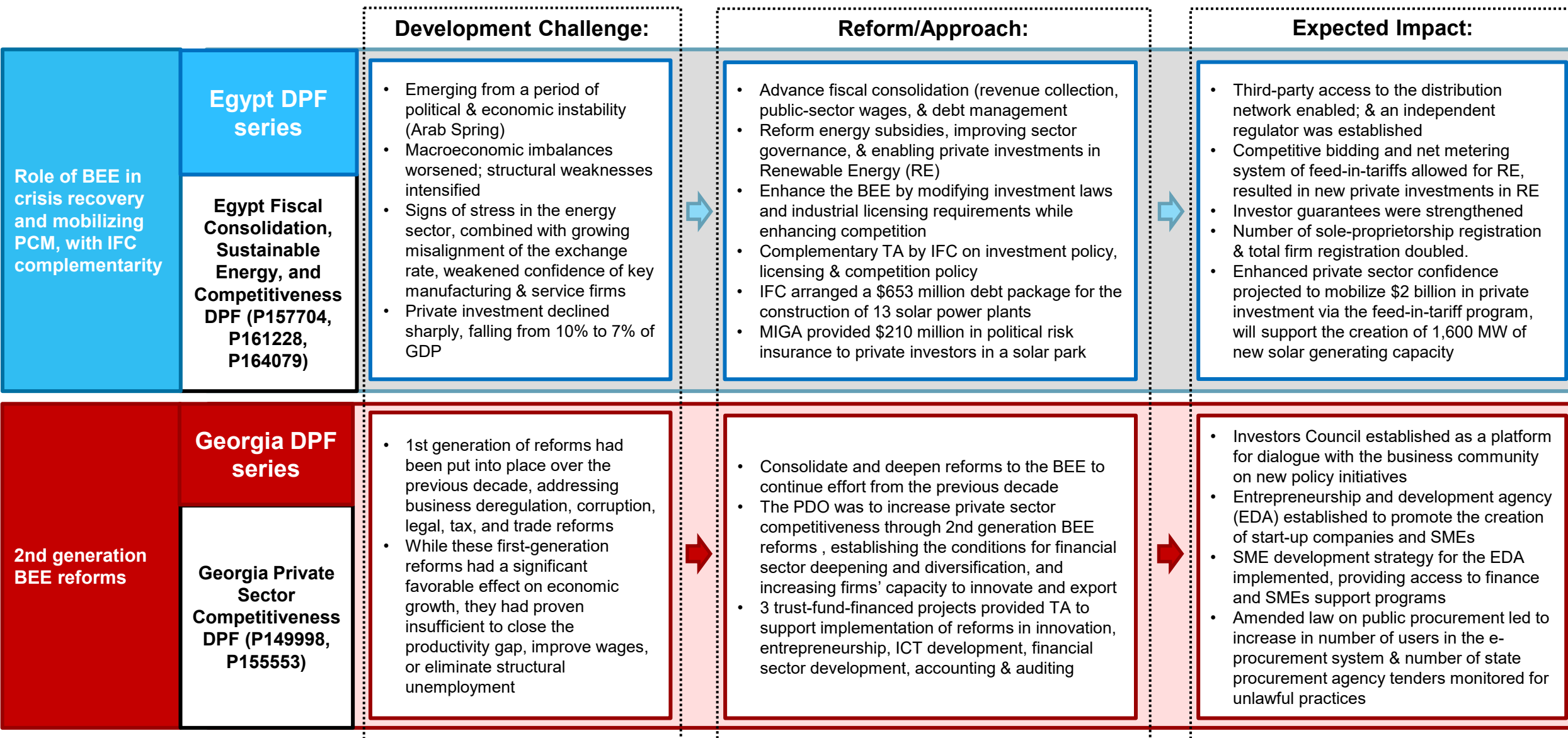
Private sector participation/PPP in infrastructure sectors

- Approve/revise PPP Law/PPP policy/governance framework for PPPs
- Establish PPP Unit/appoint authority or improve its institutional design and implementation practices
- Set up system/implementation guidelines for PPP transactions/approve PPP rules and regulations
- Restructure state-owned telecommunications company/private sector participation/PPP in national broadband network
- Allow private sector participation/PPP in the provision of transportation and logistics services
- Allow private sector participation/PPP in the energy sector/renewable energy

Improve policy, legal framework, and regulations in infrastructure sectors

- Telecom sector
- Aviation sector
- Electricity sector
- Gas sector
- Support energy subsidy reform

Examples of DPF support to an enabling environment for the private sector

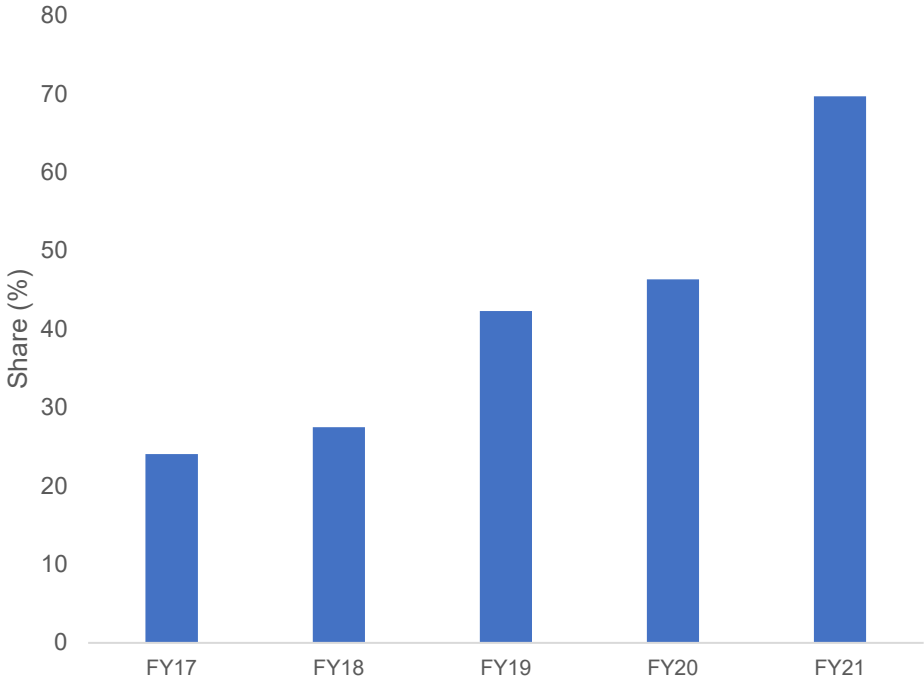


Examples of DPF support to an enabling environment for the private sector – complementarity with IFC

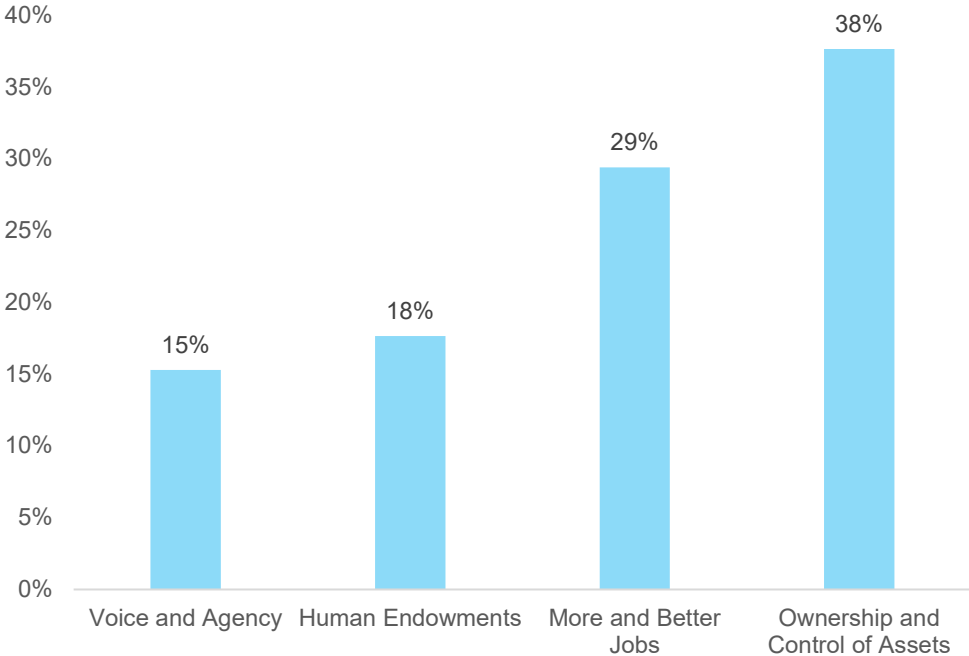
Albania Competitiveness Policy Lending Project (P155605)	Eight of the nine policy actions were supported by two parallel IFC advisory projects—the Albania Investment Climate and Agribusiness Competitiveness Project (IFC600476) and the ECA IBR Advisory Project (IFC 599174)—which focused on reforming investment policy, reducing business costs, and integrating into global value chains.
Colombia Fiscal Sustainability, Competitiveness and Migration series (P158739, P162858)	The second pillar was closely linked to three joint World Bank-IFC activities: (i) programmatic knowledge services on innovation and competitiveness, including an innovation-focused PER and analytical work on BEE reforms (P158863) and Business Entry LAC (IFC 600103); (ii) the Investment Policy and Promotion advisory project (IFC 601492), which is linked to the Alianza del Pacifico (AP) advisory project focusing on regional investment and trade in services; and (iii) the Competition Policy advisory project for Latin America.
Jordan Equitable Growth and Job Creation Programmatic DPF series (P166360, P168130)	It aimed to reduce business costs and risks, improve access to finance, expand the range of sectors open to foreign investment, establish an investor grievance management (IGM) mechanism, establish a PPP framework, eliminate regulatory restrictions to encourage female labor-force participation and expand access to highly skilled foreign workers (especially Syrian refugees); was supported by IFC advisory projects around licensing (IFC 574387 and 604797) and the broader business environment.
Ethiopia Growth and Competitiveness Programmatic DPF series (P168566 and P169079)	First two operations focused on MFD, expanding the economic role of the private sector, and promoting transparency and accountability; eight of the 10 prior actions in the second operation were accompanied by TA support, and the operation was complemented by two IFC advisory projects on investment policy and the business environment, the Ethiopia Investment Policy and Promotion Phase II (603800) and Ethiopia Doing Business (602819).

DPFs have increasingly integrated gender aspects, playing an important role in advancing gender-focused policy reforms in line with the 2016-23 WBG Gender Strategy

Share of DPFs that are gender tagged*



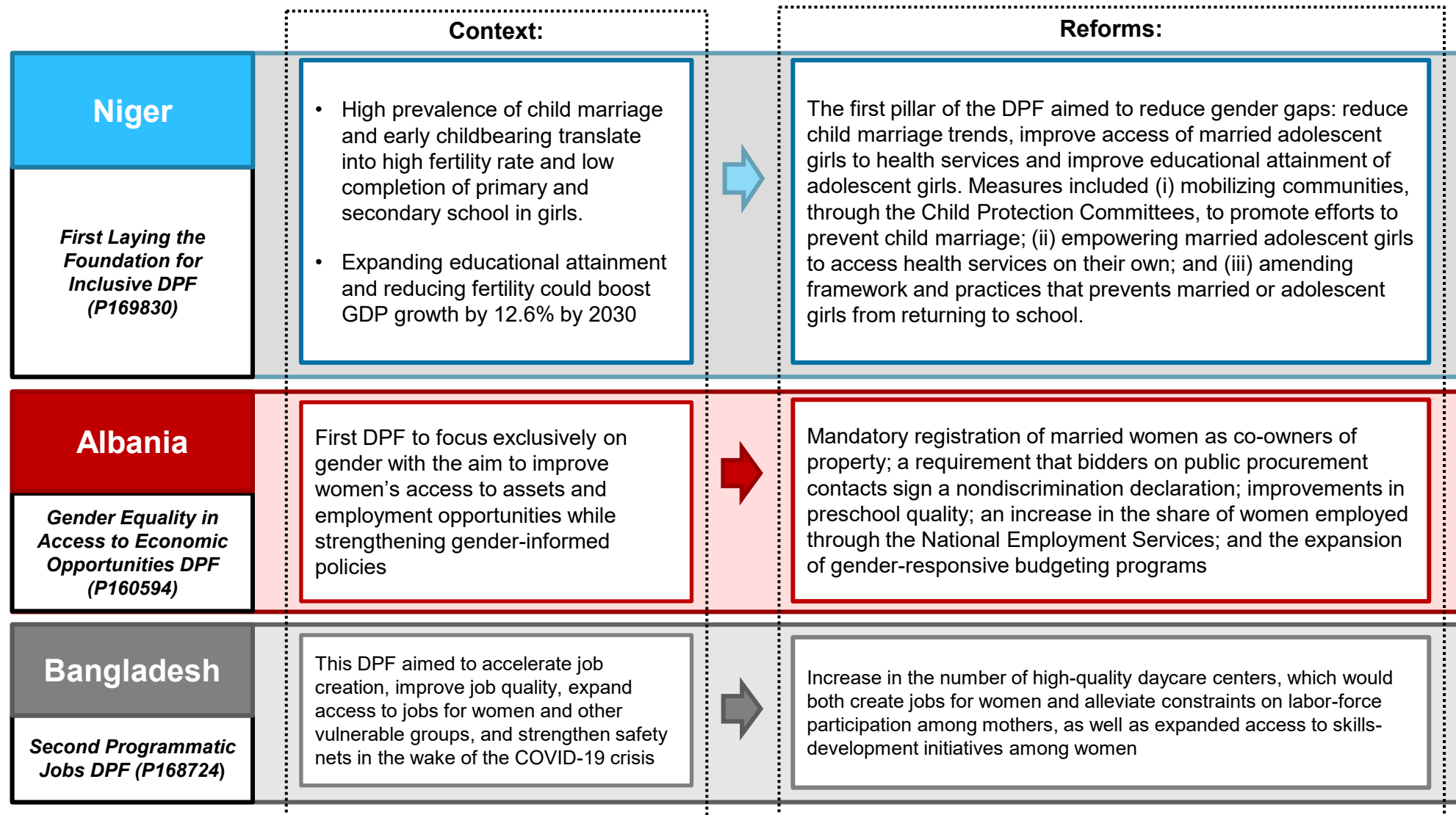
Share of DPFs by Gender Strategy Pillars



*To implement the [2016-23 WBG Gender Strategy](#), the WBG established a new methodology and targets for measuring progress via gender tags for operations. In FY17, the World Bank introduced a “gender tag” for DPFs and other projects designed to assess whether the project integrates (i) gender analysis and/or consultations on gender-related issues, (ii) specific actions to address the distinct needs of women and girls, or men and boys, or to positively affect gender gaps, and (iii) mechanisms to facilitate the monitoring and evaluation of gender impacts through the results framework

** Gender tag by prior action was made available starting from FY20

Examples of DPFs with Gender reforms

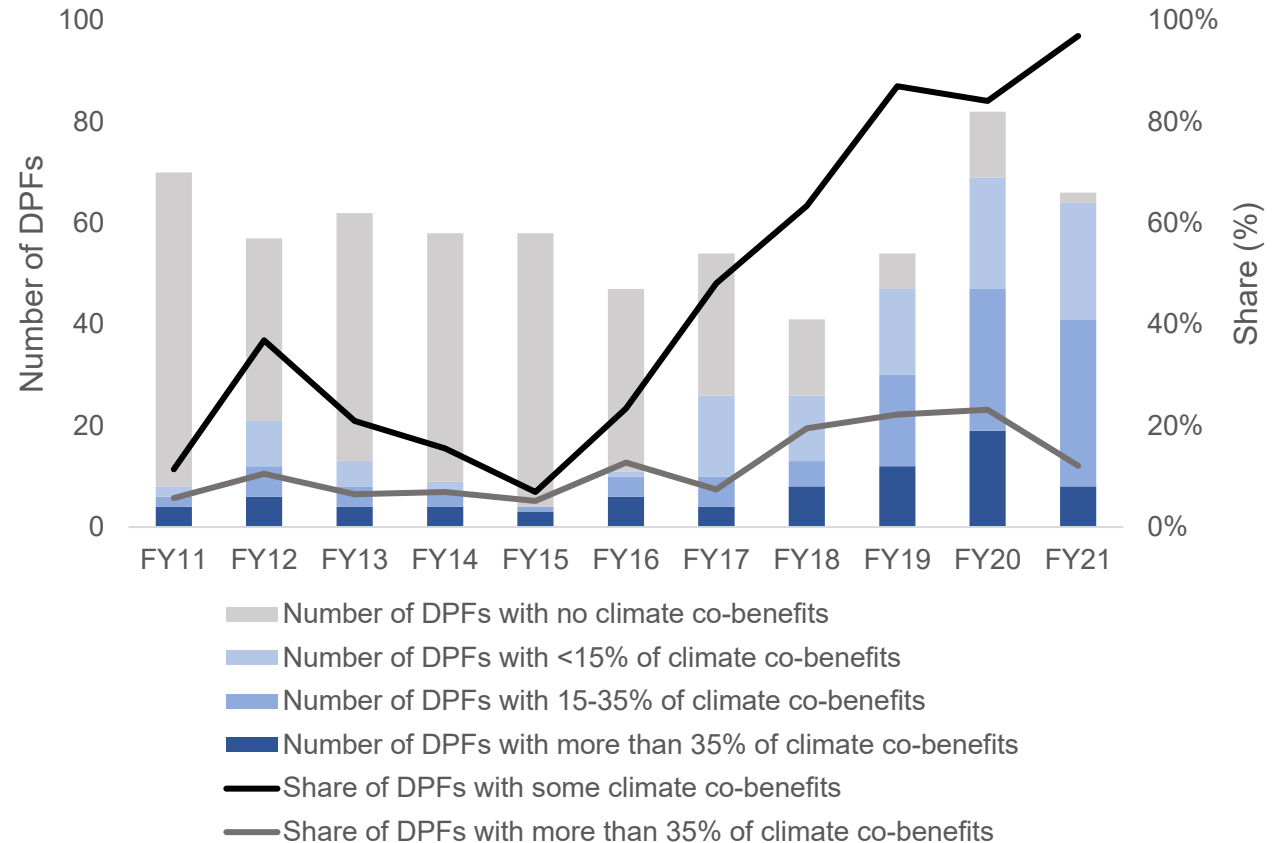


DPF operations contributing to climate mitigation and/or adaptation (i.e., “climate co-benefits”) increased and intensified efforts steadily.

The WBG Climate Change Action Plan 2021-2025* sets the WBG’s goal to increase climate financing from an average of 26 percent achieved between FY16-20 to at least 35 percent over FY21-FY25.

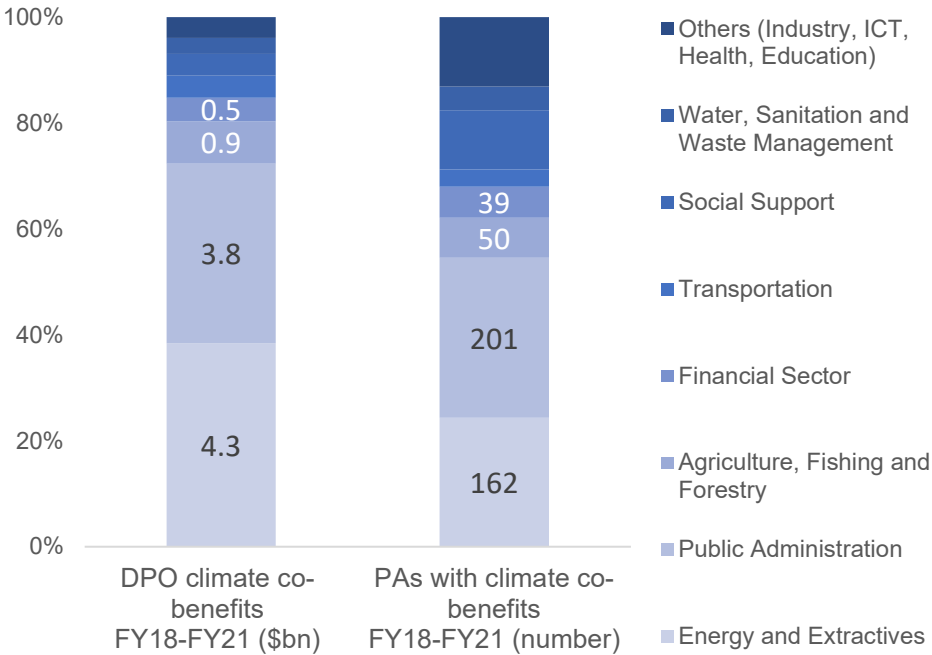
* [World Bank Group, Climate Change Action Plan 2021-25, “Supporting Green Resilient and Inclusive Development”](#), June 8, 2021.

Number of DPFs with Climate Co-Benefits and Share in Total DPO (FY11-FY21)

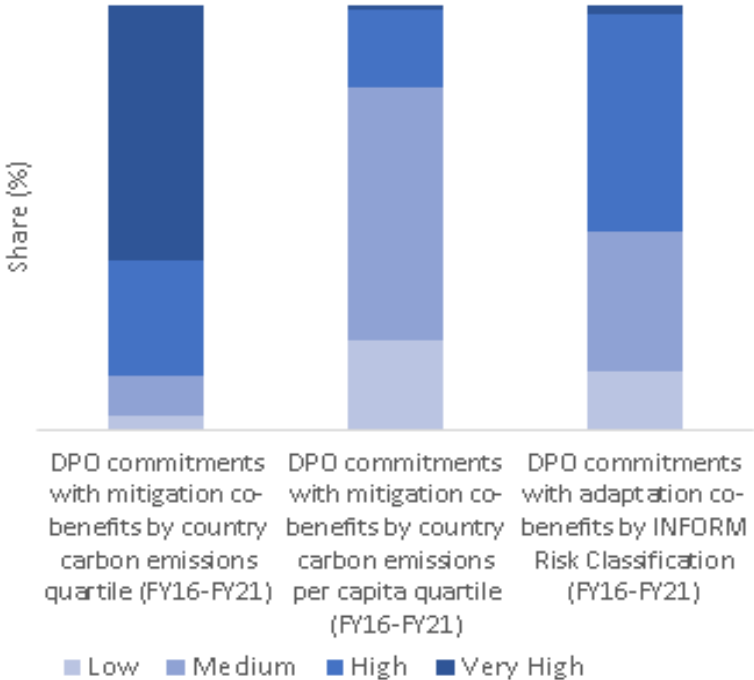


Energy and extractives lead the way in terms of sectoral distribution of Development Policy Climate finance. Climate mitigation finance concentrates in countries with high carbon emissions and about half of adaptation finance goes to countries with a high climate vulnerability.

Classification of Climate Co-Benefits in DPO by PA sector (FY18-FY21)

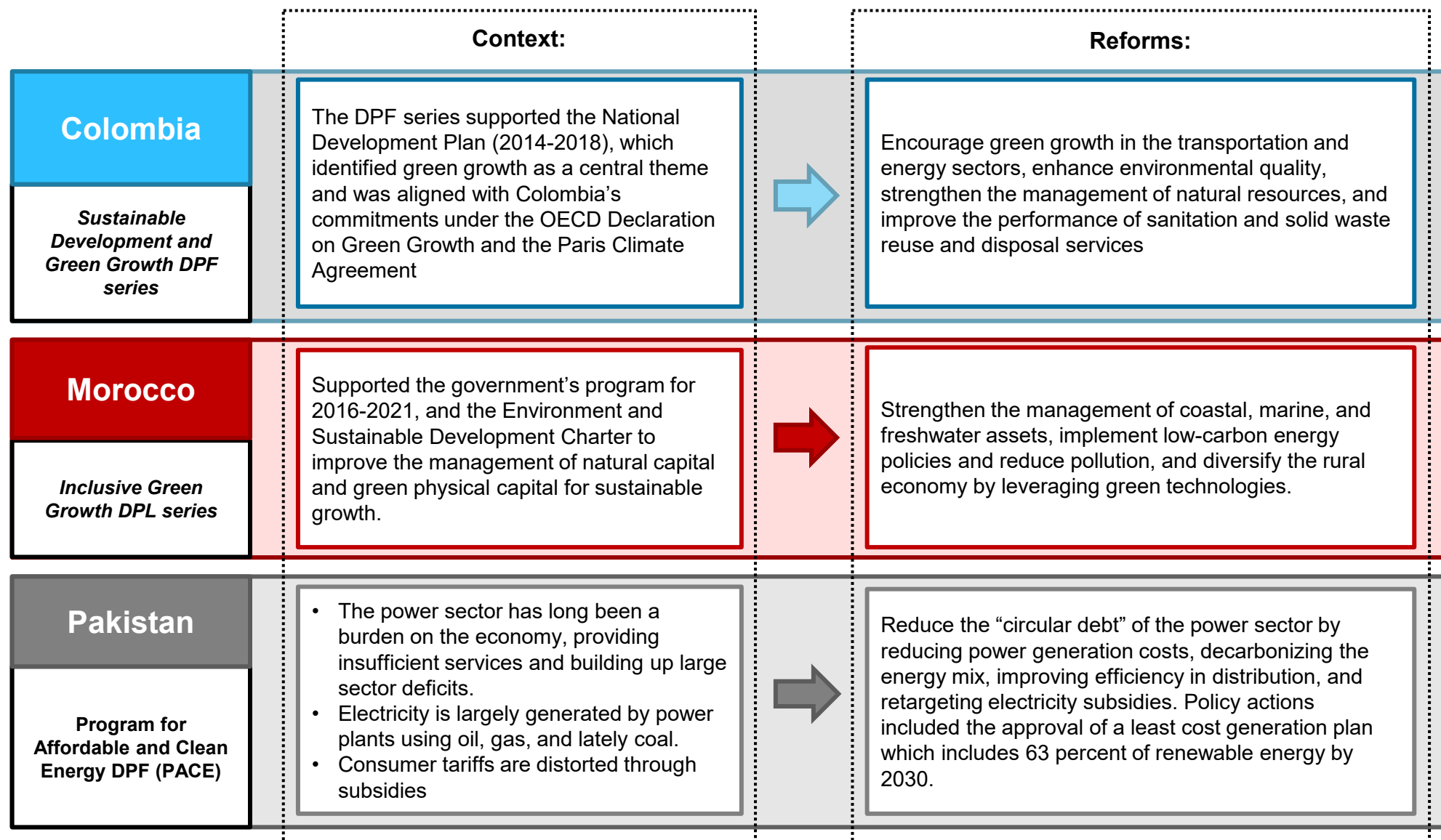


Climate Co-Benefits in DPF by Country Classification (FY16-FY21)

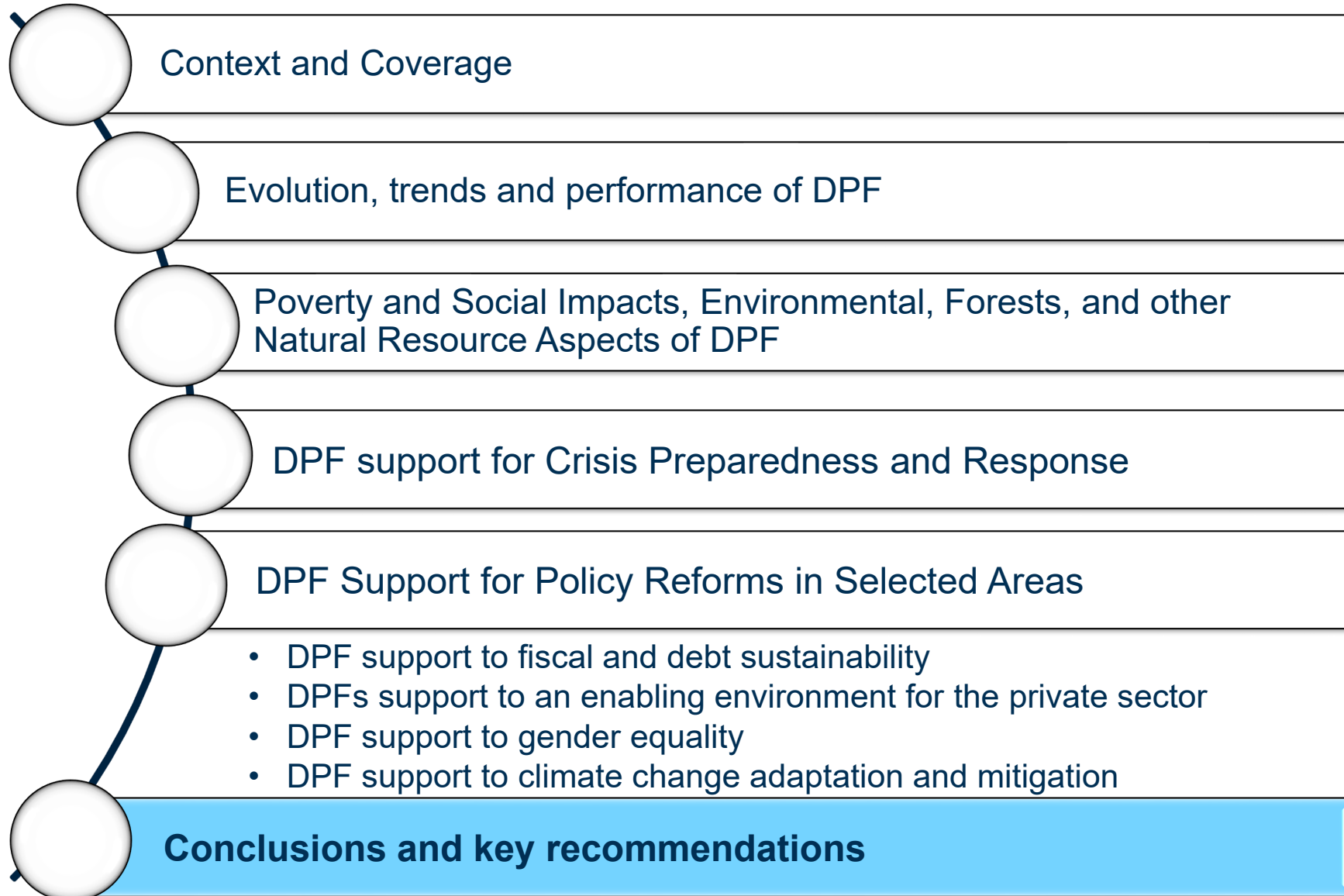


For carbon emissions and carbon emissions per capita, countries were classified in quartiles using the last available data in the World Development Indicators (WDI). The INFORM Risk classification is driven particularly by a country's exposure to natural hazard. Source: <https://drmkc.jrc.ec.europa.eu/inform-index/>

Examples of DPFs with Climate-related reforms



Outline of the Presentation



Conclusions

1

DPF has been instrumental in supporting policy reform in client countries. Operational policy guiding DPF support is sound, though it can be enhanced to respond to current development challenges. This Retrospective provides some recommendations.

2

The share of DPFs to low-income countries, especially those in Africa and countries dealing with fragility and conflict, has increased.

3

The scope of policy reforms has widened to include a range of development challenges. These include sectoral areas such as energy and agriculture, climate change and gender inequality

4

DPFs are an important tool to help clients respond to a range of crises. During crisis periods, the Bank stepped up and expedited DPF support, often addressing policies to that could help mitigate future crises.

5

The DPF's value during periods of crisis response, and its ability to complement other Bank instruments was evident during the COVID-19 crisis. CAT-DDOs proved useful as a source of contingent funding in 2020, with record disbursements of these DPFs

6

The 328 DPFs provided over the Retrospective Period demonstrated their ability to address diverse development challenges, including (i) fiscal and debt sustainability; (ii) creating an enabling environment for the private sector; (iii) gender inequality and (iv) climate change.

7

The instrument has strong potential to support the newly endorsed World Bank Group Approach to Green, Resilient, Inclusive Development (GRID), as presented in the [2021 Development Committee Paper](#) on this issue.

Recommendations

There is room to enhance the design and implementation of DPFs to provide more effective support for crisis preparedness, and on the development issues covered in this Retrospective.

To better support crisis preparedness, the CAT-DDO instrument could be enhanced by:

- (i) expanding drawdown triggers to include different types of crisis;
- (ii) including support for social protection reforms;
- (iii) prepare complementary programs targeted at crisis preparedness where possible;
- (iv) use Contingent Emergency Response Components (CERCs) and other financing sources to increase financing available and find ways to mitigate constraints imposed by earmarking funds for contingency, especially in IDA countries.

Mainstream gender equality into policies and institutional reforms supported by DPFs, building on good progress. The need for a strong recovery further emphasizes the importance of economic empowerment of women.

Sharpen focus on fiscal and debt management reforms in DPFs, especially in IDA countries at higher risk of debt distress

Greater attention could be paid to crafting reforms resulting in the creation of more quality jobs. The private sector plays a key role for sustained growth and creating jobs - a core element of social inclusion. Monitor the contribution of policies and institutional reforms supported by DPFs to an PCM-enabling environment (now somewhat underestimated by the MDBs methodology).

The systematic design of impactful policy & institutional change measures in DPF can help to align climate relevant policies in client countries with the goals of the Paris Agreement. Because much of the climate agenda is related to policy and institutional change, DPFs have a key role to play in supporting effective policies to build a climate-resilient and low emission development path for client countries.

Issues for Discussion

How effective do you think World Bank DPFs have been to support countries achieving their development goals? What are the areas of strengths? What are the areas for improvement?

Are DPFs a useful instrument to support a green, resilient and inclusive set of policy reforms?

Any other suggestions to make use of DPFs more effective?



Thank you