

WORLD BANK CONSULTATIONS ON THE EVOLUTION PROCESS
SOUTH ASIA REGION
SUMMARY OF MULTI-STAKEHOLDER MEETING (VIRTUAL)
4:00 PM – 5:30 PM (DHAKA TIME)
WEDNESDAY, JULY 5, 2023

World Bank Representatives:

- **Ed Mountfield**, Vice President, Operations Policy and Country Services
- **Abdoulaye Seck**, Country Director for Bangladesh and Bhutan
- **Martin Holtmann**, IFC Country Manager for Bangladesh, Bhutan and Nepal

Moderator:

Dr. Ahsan H. Mansur, Executive Director, Policy Research Institute of Bangladesh

Context: The World Bank has been engaging in global consultations on the Evolution Process. The parameters of these consultations are outlined on this website [here](#) in an outreach plan. The first Evolution Roadmap Forum, held on April 11, 2023, at the Spring Meetings, kicked off the official consultations in parallel with the online multi-stakeholder consultation process. While participants expressed appreciation for the opportunity to engage in the Forum in Washington, they underlined *the importance of taking the consultation on the road to global south stakeholders*.

Building on the Evolution Forum, this second phase of the WBG’s public consultation period consists of **regional consultations** that will take place in all seven regions of the Bank’s work during the month of July 2023 (see full schedule in Annex 2).

Dhaka, Bangladesh and **New Delhi, India** served as consultation hubs for the South Asia region. The consultations in Bangladesh, which took place on July 5, launched the in-country consultation process with two sessions: one “in-person” consultation with Bangladesh specific stakeholders and another virtual consultation that connected most of the other countries in the South Asia region. Separately, there was a consultation meeting in India for country specific stakeholders on July 27, 2023.

South Asia Specific Consultations

This completely virtual event hosted a diverse group of organizations, including civil society, foundations, think tanks, academics, development partners and the private sector. In total, 34 people connected via Webex from Afghanistan, Bhutan, Nepal, Pakistan, and Sri Lanka (see Annex 1 for comments and questions from participants).

The moderator opened the discussion by welcoming stakeholders and sharing ground rules for discussion. The World Bank’s Country Director for Bangladesh and Bhutan, Abdoulaye Seck, provided opening remarks by providing a global overview on the consultations, and encouraged participants to share their views on how the World Bank can be even more impactful in South Asia. Ed Mountfield, Vice President for Operations Policy and Country Services reiterated that

the World Bank's commitment to a collaborative and inclusive process He then opened the floor for questions (see Annex for detailed comments and questions from participants).

Participants: A total of 28 people attended the virtual meeting. (See full list of participants in separate file).

MAIN HIGHLIGHTS

The discussion was substantive with active online engagement and the main themes resonated around:

- The need for **affordable and sustainable financing**, important for both small businesses and the country at large. The global community needs to be thinking about concessional financing for MICs as well. There needs to be awareness that concessional funds are expensive, with a constant need for replenishment.
- A strong emphasis was placed on the **importance of governance**. Mechanisms, including safeguards, need to be in place to ensure the poor and vulnerable are not excluded from development, and effective governance and standards exist.
- Investments need to be made **in the inclusion of women and the youth**, which is vital to economic success, and equally important to ensuring peace and stability.
- **Domestic resource mobilization is a key priority**, and the creation of strong policy environments and reforms are necessary in countries.
- There is a need to tackle and prioritize **conflict prevention and fragility**. The challenges of working in weak governance environments needs to be considered and addressed.
- Critical importance of **partnerships across the MDB system**, particularly around policies and procedures, procurement, environment, and social safeguards, as well as the need for regional coordination and south/south knowledge sharing. Partnerships with CSOs also raised.
- **Capacity building** is an issue which needs to be addressed, and the need to **speed up the pace of implementation** of Bank projects and adeptly address bottlenecks.
- **Climate change adaptation** remains a priority issue for the South Asia region. Need for support for the renewable energy sector in countries like Bhutan and private sector investments.
- Creating an **enabling environment for private sector growth** is important. There is a need for coordination and capacity building to empower the private sector, particularly in challenging environments like Afghanistan.

Annexes

Annex 1: Detailed Comments from Participants

Annex 2: Full Regional Consultation Schedule

Annex 1: Detailed Comments from Participants

<p>Partnership</p>	<p>ADB</p>	<p>We share some stakeholders, and I believe that in order to address certain challenges, there is a need for more space in terms of partnership.</p> <p>In the context of South Asia, there is a lot that could be gained for countries like Nepal, Bhutan, India, Bangladesh, and Pakistan if we work more closely together and achieve hands-on collaboration. Fields such as trade, energy, and transport can greatly benefit from sharing information and fostering substantial dividends through governmental organizations.</p> <p>In Nepal, joining hands to co-finance projects for the larger and greater good has been our collaborative approach. However, there is currently no formal agreement between ADB and the World Bank to safeguard us and establish a framework for handling procurement. There is a lack of drive between the two organizations.</p> <p>Moving forward, I suggest that we make efforts to establish these mechanisms and institutionalize them within the organization to enable a greater partnership.</p>
	<p>ISDB Pakistan</p>	<p>Given the complexity and scale of challenges that South Asians are facing, it is crucial for international financial institutions to foster collaborations and partnerships among themselves. Together, they can tackle these complex problems more effectively. Furthermore, considering the global signals for financial resources, these institutions can mobilize additional capital and provide significant support in mitigating poverty and other areas of concern.</p> <p>Moreover, these collaborative efforts will enable these institutions to gather and manage information more effectively, leading to better outcomes. The development of innovative financial institutions is also essential. Although there is a platform at the government level to address development financing, it is crucial to institutionalize these mechanisms. This will allow all development partners to come together and devise better policies, encompassing both financial and tactical aspects. Risk management should also be a core consideration in these collaborative endeavors.</p>
<p>Private Sector</p>	<p>Afghanistan Women’s Chamber of Commerce and Industry</p>	<p>Stakeholders in the private sector institutions and processes play a vital role in the current evolution. There is a need for coordination and capacity building to empower the private sector, particularly in challenging environments like Afghanistan. Authorities should advocate for creating an ecosystem conducive to business growth and development. This will contribute to shared prosperity, poverty reduction, and addressing climate change issues. Working in partnerships with the private sector is crucial. Capacity building and interregional coordination are necessary during this period of transformation.</p>

		In the financial sector, there have been banking restrictions, and neighbouring countries possess expertise in this area. The World Bank can facilitate the movement by supporting collaboration and knowledge sharing. It is essential to reconsider key evaluation indicators to assess the impact of projects in the private sector. Programs implemented in the private sector have the potential to strengthen the sector and contribute to the sustainability of communities. Chambers of commerce and other institutions should work closely with the private sector. Effective communication within the country is also critical for fostering collaboration between the public and private sectors.
Climate Change	Bhutan Chamber of Commerce and Industry (BCCI)	By 2035, Bhutan aims to fully transition to electric vehicles (EVs). To achieve this goal, we seek the World Bank's support, particularly in the renewable energy sector and private sector investments.
	State Bank of Pakistan	The expansion of crisis response, specifically in addressing climate change-related issues, is vital for countries like Pakistan that experience flooding, rain, earthquakes. These challenges need to be effectively addressed. We should draw lessons from the global pandemic response to better respond to crises at a global level. Therefore, it is necessary to take proactive steps and be prepared to respond as swiftly as possible when a crisis occurs.
	FECOFUN, Nepal	What we expect from the World Bank is their continued support for the empowerment of local communities, youth, and the promotion of inclusivity. Secondly, we are actively engaged in building capacity for policy advocacy with the locals, aiming for community-friendly policies that address any existing loopholes. Effective utilization of resources also requires better management. Working in the same areas as the World Bank, we have implemented more than 22,000 programs focused on climate resilience, reforms, and community capacity building. We are grateful for the support we receive from the World Bank.
Operating Model	State Bank of Pakistan	We support the proposed enhancements that were mentioned in your presentation and paper. Regarding the operating capacity of the World Bank Group, we believe that these tools, such as domestic resource mobilization and market resources, are crucial for countries like Pakistan in achieving sustainable development. Furthermore, we appreciate the World Bank's support in ensuring that our domestic moves are efficient and sustainable. Our partnership in both the public and private sectors will facilitate strong collaboration. The speaker's mention of corruption highlights the importance of ensuring that money reaches its intended destination and benefits the people, thus enhancing development.
	WWF Pakistan	The World Bank should actively participate in shaping reforms and promoting domestic resource mobilization. When planning projects, the World Bank needs to ensure that long-term reforms are considered, and countries should utilize their resources accordingly. The World Bank cannot

		endorse or support methods that are unsustainable. Whenever planning projects, there should be a comprehensive review to avoid compromising important aspects. It is crucial to ensure that the World Bank takes a more consultative and assertive role, making sure that all necessary measures are in place.
Youth and Women	FECOFUN Nepal	We believe that the World Bank can play a crucial role in collaborating with us in the development of youth, women, and local communities. In cases of inclusion, where more than 50% of the participants are women, it is important to emphasize their leadership. Therefore, we urge the World Bank to support the development of leadership among local women and youth.
	WWF Pakistan	The World Bank, as a representative of youth and gender, can have a substantial influence in ensuring that development methods are sustainable. We should not pursue short-term gains at the expense of long-term sustainability. Unfortunately, the current vision for sustainability is lacking.
Civil Society	Rural Reconstruction Nepal	Need to recognize civil society and adopt a more direct approach. Prioritizing the root causes of poverty and quality, gender equality, basic healthcare, education, and the protection of human rights is needed. Implementation of programs, including cash transfers, to support vulnerable communities is necessary, as well as an integrated learning program.
Education	Bhutan Chamber of Commerce and Industry (BCCI)	The education platform is a significant concern for countries like ours. The decelerated growth rate poses substantial challenges to the economy. We need to mitigate these challenges by considering changes in regulations. Currently, we are not yet an enterprise, and the existing financing model is highly challenging and inaccessible for many. In this scenario, we look towards the World Bank for measures and guidance.
	Rural Reconstruction Nepal	Implementation of programs, including cash transfers, to support vulnerable communities is necessary. Furthermore, an integrated learning program should be established. As an international NGO from Nepal, we emphasize the importance of these recommendations and urge their consideration.
WBG Mission	Center for Innovative Governance, Nepal	The mission itself has now been expanded beyond the twin goals. We also know that you speak of extreme poverty, and there are three key drivers for extreme poverty: Covid, poverty, and climate change. However, I cannot see this working in the context of Nepal. I think this needs to be taken into consideration regarding poverty, and I wonder whether the mission itself is successful at the national and subnational levels of society.
Other	SAWTEE	Nepal is graduating, and there is a 5-year adjustment period. We have an opportunity to collaborate with the World Bank and vice versa to ensure a smooth transition for Nepal's graduation. According to a study conducted by the World Bank in 2020, Nepal has an untapped export potential of USD 12.1 million, which is twice the natural potential. It is important to develop strategies in consultation with stakeholders and effectively implement them. Regarding the Least Developed Country (LDC) status, I would like to emphasize that most stakeholders are unaware of the impact it will have on them. Even the private sector is unaware

		of the implications. Therefore, we need to implement awareness-building programs to educate and inform stakeholders about the consequences of the LDC graduation.
	Center for Policy Alternatives, Sri Lanka	<p>Sri Lanka is currently facing a severe and unprecedented economic crisis that has greatly impacted the country. The World Bank has provided funding for a new poverty evaluation scheme, and the beneficiaries have already been announced. However, there is a problem with the poverty alleviation scheme, as the poor are not receiving the intended benefits due to political interference. It is crucial for the World Bank to ensure the effectiveness of the scheme in any way possible. Monetary evaluation plays a particularly important role in this regard.</p> <p>Corruption and political interference are persistent issues in South Asia, and they often hinder development efforts. Additionally, we have several projects in place, aiming for most jobs to be related to technology and artificial intelligence (TI and AI) by 2030 or even earlier. The World Bank should focus on developing the necessary infrastructure to support this transition. It is important to note that Sri Lanka lags behind in terms of education, which is a critical aspect to address. To overcome these challenges and uplift ourselves, we must also consider the prospects and challenges associated with IT and AI.</p>
	State Bank of Pakistan	<p>Congratulate the World Bank on their partnership with the State Bank, which has been wonderful. Our timing has improved, and their engagement has also seen an improvement compared to previous statements. Therefore, I extend my congratulations to the World Bank and the team.</p> <p>In all other aspects, the World Bank has been a wonderful partner for Pakistan. I would also like to thank you for developing committees to address the real challenge of poverty, which is prevalent not only in Pakistan but across the globe. Environmental and social aspects are shared concerns that should be recognized by all of us, and we should work together to address them.</p>
	Rural Reconstruction Nepal	It is important to take urban action to increase financing and impact.

Annex 2: Full Regional Consultation Schedule

Region and Country	Management Representative	Dates
South Asia (Dhaka, Bangladesh), regional, online multi-stakeholder	Ed Mountfield, Vice President, Operations Policy and Country Services	July 5, 2023
South Asia (Dhaka, Bangladesh), country-focused in person multi-stakeholder	Ed Mountfield, Vice President, Operations Policy and Country Services	July 5, 2023
Latin America and the Caribbean (Panama City, Panama), regional, hybrid multi-stakeholder	Axel van Trotsenburg, Senior Managing Director	July 10, 2023
Latin America and the Caribbean (Panama City, Panama), regional, private sector, in person	Axel van Trotsenburg, Senior Managing Director	July 10, 2023
Africa West (Abidjan, Cote d'Ivoire), parliamentarians, hybrid	Anna Bjerde, Managing Director of Operations	July 10, 2023
Africa West (Abidjan, Cote d'Ivoire), regional, hybrid multi-stakeholder	Anna Bjerde, Managing Director of Operations	July 11, 2023
Africa West (Accra, Ghana), regional, private sector, hybrid	Anna Bjerde, Managing Director of Operations	July 13, 2023
Europe and Central Asia (Tirana, Albania), regional, multi-stakeholder online	Ed Mountfield, Vice President, Operations Policy and Country Services	July 17, 2023
Europe and Central Asia (Tirana, Albania), country-focused, in person multi-stakeholder	Ed Mountfield, Vice President, Operations Policy and Country Services	July 17, 2023
East Asia Pacific (Indonesia, Jakarta), regional, hybrid multi-stakeholder	Aki Nishio, Vice President, Development Finance	July 17, 2023
East Asia Pacific (Indonesia, Jakarta), regional, private sector, hybrid	Aki Nishio, Vice President, Development Finance	July 17, 2023
Africa East (Washington, DC), regional, virtual*	Axel van Trotsenburg, Senior Managing Director	July 20, 2023
Middle East and North Africa (Rabat, Morocco), regional, hybrid multi-stakeholder	Anshula Kant, Managing Director & Chief Financial Officer	July 24, 2023
South Asia (Delhi, India), country-focused, hybrid multi-stakeholder	Aki Nishio, Vice President, Development Finance Auguste Tano Kouamé, Country Director of India	July 27, 2023

* The consultations were planned to be held hybrid out of Nairobi, but were relocated to Washington, DC, because mission travel was suspended, and staff asked to work from home at the advice of WBG Security.