# WORLD BANK CONSULTATIONS ON THE EVOLUTION PROCESS EAST ASIA AND PACIFIC SUMMARY - MULTI-STAKEHOLDER MONDAY, JULY 17, 2023 10:00 AM - 12:30 PM JAKARTA, INDONESIA (HYBRID)

# **World Bank Group Representatives:**

Akihiko Nishio, Vice President of Development Finance, World Bank Satu Kahkonen, Country Director for Indonesia and Timor-Leste, World Bank Bolormaa Amgaabazar, Portfolio and Operations Manager for Indonesia and Timor-Leste, World Bank

# **Moderator:**

**Ms. Nina Sardjunani**, former Deputy Minister for Human Resources Development and Cultural Affairs at the Indonesia Ministry of National Development Planning (Bappenas)

# **Introduction**

The World Bank engaged in a number of global consultations on the Evolution Process. The parameters of these consultations are outlined on this website <a href="here in an outreach plan">here in an outreach plan</a>. 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, the second phase of the World Bank's public consultation period consisted of **regional consultations** that took place in all seven regions of the Bank's work during the month of July 2023 (see full schedule in Annex 2).

# **East Asia Consultations**

The World Bank hosted two consultation meetings on the Evolution Roadmap on July 17, 2023 with stakeholders in the East Asia and Pacific region. The morning session was conducted with high-level representatives from CSOs, think tanks, and academia in Indonesia and across the EAP region. A total of 11 representatives from Indonesian CSOs, think tanks, and academia participated in the room, with another 40 representatives from a wide range of organizations across the region connected virtually. A total of ten countries were represented: Cambodia, China, Indonesia, Malaysia, The Philippines, Thailand, Timor-Leste, and Vietnam.

Ms. Nina Sardjunani, the moderator, greeted the participants and introduced the speakers. Aki Nishio provided an overview of the economic outlook of the East Asia and Pacific region, indicating that it has been affected by global challenges, including high energy prices, the COVID pandemic, and that the pacific island countries in EAP are particularly vulnerable to climate change impacts. In his presentation, Aki Nishio indicated that the World Bank is committed to a collaborative and inclusive process informed by the Bank's stakeholders, and then provided an overview of the three main pillars of the Development Committee paper, which was shared with participants ahead of the consultations. The moderator then opened the floor for

questions (see Annex 1 for detailed comments and questions from participants). The discussion was substantive with active engagement from online, and the main themes resonated around:

**Participants**: A total of 51 people attended (see full list of participants in separate file).

# **MAIN HIGHLIGHTS**

- Governance: Good governance is fundamental to achieving development goals.
- Capacity building: Capacity building at local and community levels is important, especially to youth groups. In FCV settings, capacity building around conflict resolution and post-conflict reconstruction could be helpful.
- **Concessional financing**: Concessional financing to the poorest countries needs to be protected.
- **Civic engagement**: Greater engagement of civil society is needed in the Evolution process and the WBG's future work.
- Inclusion/Inequality: Promoting inclusion and empowerment of the youth, including women and girls, people with disabilities, as well as marginalized and/or vulnerable groups is needed. Youth and children are part of the solution. They are often most affected by development challenges, but they can also drive positive change. The Bank can do more to mainstream gender equality and social inclusion.
- **Operating model**: Knowledge sharing, capacity building, outcome orientation, support to indigenous people, the environmental and social framework, and community driven development are all important considerations in the operating model.
- **Defining new mission/vision**: What does "a livable planet" mean? The WBG needs to unpack and define it more.
- **Environment/climate change**: Environmental problems are equally important as climate change, such as biodiversity and air and waste pollution. The Bank can do more to promote biodiversity. Climate change is a cross cutting issue, touching on many sectors and impacting global problems like food security.
- **Private sector**: private sector participation is key to addressing the polycrisis and driving growth. But important to also consider domestic resources and not put all the focus on private capital.
- **Partnerships**: World Bank needs to do more to foster partnerships with various stakeholders, including local communities, private sector, regional and sub-regional organizations and other development partners.

### Annexes

Annex 1: Detailed Comments from Participants Annex 2: Full Regional Consultation Schedule **Annex 1: Detailed Comments from Participants** 

| Governance                    | Partnership for<br>Governance Reform,<br>Indonesia   | While the new vision and mission, "a world free from poverty on a livable planet," is commendable, there are necessary steps to achieve it. The vision and mission can only be realized if corruption levels in every country are reduced. We observe numerous negative impacts stemming from corruption, and I believe that the World Bank should implement cross-cutting interventions as prerequisites to any program.                        |
|-------------------------------|--|--|
| <b>Concessional Financing</b> | The Reality of Aid<br>Network, Philippines   | The Bank's plan to improve concessional financing through better allocation mechanisms is commendable, but there should be more concrete steps on how this can be done effectively and efficiently.  |
|                               | Analyzing Development<br>Issues Centre (ADIC),<br>Cambodia   | It would be beneficial to incorporate concessional or grant-based support to facilitate projects involving multiple stakeholders.  |
|                               | Indonesia Biodiversity Foundation), Indonesia  | The Bank is planning to expand financial support to middle-income countries and the private sector. I assume that when you shift your financing to middle-income countries, you will take some from poor countries. How will this changing financial model impact Indonesia in terms of World Bank support? Will Indonesia receive less or more support?  Secondly, with the shifting focus from the public to the private sector, how will this |
|                               | NGO Forum, Cambodia  | impact the public sector, particularly the non-government sector?  The Bank should continue to promote green and just finance in the form of grants or loans with low interest rate or soft loans on the agriculture and water sectors across the region, especially Mekong and sub-Mekong regions.  |
| Inequality                    | Center for International Forestry Research - International Council for Research in Agroforestry (CIFOR-ICRAF), Indonesia | CIFOR has recently undergone its own evolution by merging with its sister company, ICRAF. CIFOR-ICRAF's new vision and missions are aligned with the new vision and mission of the World Bank Group. We have specific strategies in place to tackle global challenges, including the climate crisis, transforming the food system, and addressing extreme inequality.  |
| Civic Engagement              | FEB University of Indonesia  | There is a need to build additional platforms to help facilitate civil engagement.   |
|                               | Wahid Foundation,<br>Indonesia   | The WBG should adopt a participatory approach in engaging local communities.   |
|                               | Fongtil, Timor Leste   | How will the CSOs in Timor Leste engage in the WBG Evolution process?  |

|         | Yayasan Sejahtera,<br>Malaysia                  | NGOs face challenges securing resources, matching grants would be helpful.  Micro-loans through NGOs to communities, including women, would also be helpful.   |
|---------|---|--|
|         | The Reality of Aid<br>Network, the Philippines  | Despite the Bank's push for the country and regional-level initiatives, there is little to no mention of strong participatory mechanisms for CSOs and communities to engage in consultations and dialogues on all levels of project programming and implementation.  |
|         | Plan International,<br>Indonesia                | The World Bank Group should enhance its practice of consulting with civil society to provide constructive feedback on its work to ensure that its agenda contributes to global development while respecting the rights of vulnerable groups at the country level.  |
|         | Wahana Visi, Indonesia                          | Support the scaling up of investment in social accountability by strengthening the Global Partnership for Social Accountability (GPSA) as a platform to create institutional resources for CSO funding.  Involving faith-based organizations will ensure that the World Bank's strategic leadership engages diverse actors in the process.   |
| Climate | Indonesia Biodiversity<br>Foundation, Indonesia | Environmental problems exist that are equally important as climate change, such as biodiversity and air and waste pollution.   |
|         | ActionAid, Vietnam                              | What is the collaboration between WB and the Building Resilience Infrastructure and Communities (BRIC) for climate financing?  |
|         | Sampoerna University,<br>Indonesia              | Climate change is a cross-cutting area that covers several sectors, such as water and sanitation, macro and public expenditure analyses, and urban transportation. The mapping of climate change issues across sectors needs further elaboration.  |
|         | CIFOR-ICRAF,<br>Indonesia                       | Climate change causes food insecurity. The inequity gaps are widening. The second issue related to climate change is blue carbon. Indonesia holds a significant share of blue carbon assets, with nearly 25% of the world's mangroves located here. Unfortunately, the condition of our mangrove forests is currently under severe threat. The Bank has been actively involved in addressing this issue and working towards solutions. |

| Domestic Resource<br>Mobilization | Prakarsa (Centre for<br>Welfare Studies),<br>Indonesia   | Domestic Resource Mobilization is important at both the country and global levels, not just in the Global South.   |
|-----------------------------------|--|--|
| Private Sector                    | CIFOR-ICRAF (Center<br>for International Forestry<br>Research - International<br>Council for Research in<br>Agroforestry), Indonesia | How can we effectively engage the private sector in Indonesia, particularly in areas like Blue Economy and Blue Carbon?  |
|                                   | Reality of Aid,<br>Philippines   | The World Bank country program efforts are a good start to ensure that the development initiatives adapt to country circumstances and national ownership discourses and practices. However, the use of the Cascade approach could negatively impact country initiatives as it puts primacy on private capital.   |
| Biodiversity                      | Thailand Environment Institute, Thailand   | What is the WBG doing to help protect biodiversity?  |
|                                   | Asean Centre for<br>Biodiversity, Philippines  | Can the Bank play a role in identifying actions and innovations for sustainable financing of the new global biodiversity framework, including environmental and social safeguards.   |
| Gender                            | Pekka Foundation,<br>Indonesia   | To empower women and girls, skills training only is not sufficient. There needs to be systemic changes that are sustainable and long term.   |
|                                   | Wahid Foundation,<br>Indonesia   | Mainstream gender equality and social inclusion. The World Bank Group should prioritize gender-responsive programming and ensure that marginalized groups are not left behind.   |
|                                   | Plan International,<br>Indonesia   | Gender equality and women empowerment, including adolescent girls and young women is important and essential for achieving sustainable development.  WBG can play a key role in improving education and skills development in Indonesia.   |
| Resilience                        | Yayasan Plan<br>International, Indonesia   | Emphasis on resilience and sustainability is important. The WBG can play a major role in building greater resilience in Indonesia.  The WBG needs to consult the civil society more in its future work.  The WBG also needs to respect the rights of minority groups in countries.  Engagement at the sub-national level is necessary and crucial. And the engagement needs to be inclusive and accountable. |

|              |   | Gender equality and women's empowerment are critical to achieving sustainable development in Indonesia.  Education and skills development are another area where the WBG can make a substantial impact in Indonesia.  |
|--------------|---|---|
|              | Wahid Foundation,<br>Indonesia                | Promote peacebuilding and conflict resolution. The World Bank Group should integrate peacebuilding efforts into its development programs, particularly in conflict-affected areas, by investing in conflict prevention, mediation and post-conflict reconstruction.   |
| Partnerships | NGO Forum, Cambodia                           | Need to continue fostering multi-stakeholder support across government agencies, the private sector, development partners and local communities in all projects funded by the World Bank.   |
|              | Wahid Foundation,<br>Indonesia                | Foster collaboration with local partners. The World Bank Group should actively seek partnerships with such organizations, leveraging their expertise, knowledge and networks to enhance the effectiveness of development, intervention, collaboration, foster innovation, and local ownership and strengthen the overall impact of the project. |
|              | Asean Centre for<br>Biodiversity, Philippines | Expanding partnerships with regional and sub-regional organizations is important. Highlighting engagement with regional organizations and transboundary cooperation to optimize the impacts and measure the outcomes and results is critical.   |
| Youth        | Save the Children,<br>Indonesia               | Promote localization and capacity building at the community and local levels, e.g., supporting youth groups. Building local capacity and fostering local involvement is crucial. Client engagement should not only involve government agencies but also extend to local NGOs.   |
|              | Green Light Year, China                       | Can the WBG help organize more youth engagements, e.g. the Youth Summit?  |
|              | Wahani Visi, Indonesia                        | The WBG Evolution needs to acknowledge and address the challenges face by children. Children can drive change and should be given opportunities to engage. Civil society engagement in the Evolution process is crucial.  There needs to be a multi-dimensional definition of poverty, especially considering the impacts on children.          |
|              | CIFOR-ICRAF,<br>Indonesia                     | It is crucial to prioritize these initiatives to enhance the capacity of young researchers in Indonesia.  |

| Inclusion              | Wahid Foundation,<br>Indonesia                             | Emphasize an inclusive, participatory approach. The World Bank should adopt similar approaches by actively involving local communities, civil society organizations and marginalized groups in the design, implementation and monitoring of development projects. Strengthen local capacity and empowerment.  |
|------------------------|--|---|
|                        | PRAKARSA, Indonesia  | A person with a disability is among those affected by the climate crisis, as climate change has already affected human life. Hence, disability is not just a physical issue.  |
| <b>Bank Operations</b> | Analyzing Development<br>Issues Centre (ADIC),<br>Cambodia | The WBG's safeguards standards can slow down project implementation. Flexibility on these standards could help speed up the process.  |
|                        |  | Prioritizing programmatic-level support rather than transaction-by-transaction financing is important and is tied to the importance of supporting not only civil society organizations but also partnership projects involving public-private partnerships.   |
|                        |  | The WBG needs to focus more on the outcomes instead of the inputs.  |
|                        | The Nature Conservancy<br>Indonesia (YKAN),<br>Indonesia   | How is the WBG supporting PPP at the subnational level? Capacity building for improving the project pipeline is needed. Knowledge sharing on setting common standards for eligible projects would be helpful.   |
|                        | ACB, Philippines   | Is the proposed operational model considering any support to indigenous groups?   |
|                        | Sampoerna University,<br>Indonesia                         | The financial and operating tools/instruments should differ from one country to another I wanted to highlight the balanced use of CAT DDO (Deferred Drawdown Option) and DPL (Development Policy Loan) by Indonesia, which has now become a middle-income country. Therefore, exploring the use of cost-based operations could be beneficial to support Indonesia and ensure its fiscal sustainability position.  Information sharing such as hosting workshops would be helpful to the academia. |
|                        | Prakarsa, Indonesia  | The WBG needs to better facilitate the scaling up of successful projects/programs. Independent review/assessment of WBG projects is important.  |
|                        | NGO Forum, Cambodia  | Continue supporting a resilient and sustainable community through community-driven projects.  |
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**Annex 2: Full Regional Consultation Schedule** 

| Region and Country                                       | Management Representative                         | Dates                                 |  |
|--|---|---------------------------------------|--|
| South Asia (Dhaka, Bangladesh), regional, online         | Ed Mountfield, Vice President,                    |                                       |  |
| multi-stakeholder  | Operations Policy and Country Services            | July 5, 2023                          |  |
| South Asia (Dhaka, Bangladesh), country-focused in       | Ed Mountfield, Vice President,                    |                                       |  |
| person multi-stakeholder                                 | Operations Policy and Country Services            | July 5, 2023                          |  |
| Latin America and the Caribbean (Panama City,            | Axel van Trotsenburg, Senior Managing             | I 1 10 2022                           |  |
| Panama), regional, hybrid multi-stakeholder              | Director  | July 10, 2023                         |  |
| Latin America and the Caribbean (Panama City,            | Axel van Trotsenburg, Senior Managing             | Int. 10, 2022                         |  |
| Panama), regional, private sector, in person             | Director  | July 10, 2023                         |  |
| Africa West (Abidjan, Cote d'Ivoire),                    | Anna Bjerde, Managing Director of                 | July 10, 2023                         |  |
| parliamentarians, hybrid                                 | Operations  | July 10, 2023                         |  |
| Africa West (Abidjan, Cote d'Ivoire), regional, hybrid   | Anna Bjerde, Managing Director of                 | July 11, 2023                         |  |
| multi-stakeholder  | Operations  | July 11, 2023                         |  |
| Africa West (Accra, Ghana), regional, private sector,    | Anna Bjerde, Managing Director of                 | July 13, 2023                         |  |
| hybrid   | Operations  | July 13, 2023                         |  |
| Europe and Central Asia (Tirana, Albania), regional,     | Ed Mountfield, Vice President,                    | July 17, 2023                         |  |
| multi-stakeholder online                                 | Operations Policy and Country Services            | July 17, 2023                         |  |
| Europe and Central Asia (Tirana, Albania), country-      | Ed Mountfield, Vice President,                    | July 17, 2023                         |  |
| focused, in person multi-stakeholder                     | Operations Policy and Country Services            |                                       |  |
| East Asia Pacific (Indonesia, Jakarta), regional, hybrid | Aki Nishio, Vice President,                       | July 17, 2023                         |  |
| multi-stakeholder  | Development Finance                               |                                       |  |
| East Asia Pacific (Indonesia, Jakarta), regional,        | Aki Nishio, Vice President,                       | July 17, 2023                         |  |
| private sector, hybrid                                   | Development Finance                               |                                       |  |
| Africa East (Washington, DC), regional, virtual*         | Axel van Trotsenburg, Senior Managing             | July 20, 2023                         |  |
|  | Director  | , , , , , , , , , , , , , , , , , , , |  |
| Middle East and North Africa (Rabat, Morocco),           | Anshula Kant, Managing Director &                 | July 24, 2023                         |  |
| regional, hybrid multi-stakeholder                       | Chief Financial Officer                           | •                                     |  |
|  | Aki Nishio, Vice President,                       |                                       |  |
| South Asia (Delhi, India), country-focused, hybrid       | Development Finance                               | I1 27 2022                            |  |
| multi-stakeholder  | Augusto Tono Kouomá Country                       | July 27, 2023                         |  |
|  | Auguste Tano Kouamé, Country<br>Director of India |                                       |  |
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<sup>\*</sup> 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.