FORWARD LOOK
A VISION FOR THE WORLD BANK GROUP IN 2030
MAIN MESSAGES

Forward Look: Main Messages

The objective of the Forward Look exercise was to shape a common view among shareholders on how the WBG can best support the development agenda for 2030 while staying focused on its own corporate goals. Its preparation is an unprecedented collaboration between the Board and management, and responds to the Governors’ Roadmap endorsed in Lima in 2015.

This effort built on critical work completed in recent years that includes:
- Setting clear corporate goals and a strategy to achieve them;
- Creating global practices to improve services to clients, enhance WBG’s capacity to offer multi-sectoral and cross-institutional solutions, and better leverage knowledge;
- Enhancing work on global public goods, bringing together development and humanitarian communities to lead the global response to the Ebola crisis, and enhancing focus on fragility, conflict, and violence (FCV);
- Bringing WBG institutions closer together for bigger impact on the private sector agenda and mainstreaming joint solutions, especially in challenging environments;
- Implementing an expenditure review to realize savings that could be directly allocated to front line operations, making them sustainable and funded only by loan revenues, and;
- Introducing a new citizen engagement framework to ensure a focus on results, and modernizing procurement and safeguard policies.

Building on these reforms, the Forward Look presented an opportunity to further reshape the role of the WBG. On a strategic level, the Forward Look reaffirms:
- The value of multilateralism and the role of the WBG in supporting a vision for development that is both inclusive and responsive, giving voice and bringing benefits to all members and advancing economic opportunities, including for women and disadvantaged groups.
- The WBG role in development architecture remains central both in helping advance global policies as essential conditions for growth, poverty reduction, and economic transformation and in leading a global agenda to address and mitigate the risks of globalization.
- The value of the WBG is in its ability to work at the nexus of global and local issues, complementing policy work with operational responses, and engaging with both the public and private sectors.
- WBG’s operations must be aligned with the mission of the institution: ending extreme poverty by 2030 and boosting shared prosperity of the bottom 40 percent of the population in developing countries – its measure to fight inequality – in a sustainable manner.
- The WBG needs to continue forging collaboration with partners, including new and established multilateral and bilateral; civil society; and UN to strengthen support for multilateral approaches.

The main strategic directions of the Forward Look are for the WBG to stay engaged with all clients while continually ensuring that its resources are strategically deployed to meet global and client needs and targeted to areas of the world that most need funding, through:
- Enhancing overall engagement on FCV, including a stronger financing framework in IDA18 and onward and establishment of a sustainable concessional financing facility.
- Helping Small States address development challenges, requiring special attention and approaches.
- Building up the IBRD portfolio for IDA graduates and lower middle-income countries in line with the current trend, with the intention of significantly increasing lending to these countries; and expanding the product offer for upper middle-income countries beyond traditional financing. In this regard, WBG management will engage the Board in an annual conversation on overall lending volumes and aligning the lending pipeline with strategic priorities.
- Leading on the global public goods agenda, including robust implementation of the Climate Change Action Plan, and enhancing the WBG approach to crisis preparedness, prevention, and response through the recently announced Global Crisis Response Platform; and contributing to global efforts to bridge the infrastructure funding gap, critical to achieving the SDGs.
... and “create markets” to broaden the reach and impact of private sector solutions, support economic growth, and multiply the impact of WBG resources, through:

- Systematic coordination of upstream policy, institutional and regulatory reform and IFC/MIGA capacity to structure and demonstrate private sector solutions in new areas.
- Strengthened economic/strategy capacity at IFC to proactively engage in shared efforts to identify reforms, partnerships and mechanisms to de-risk private sector opportunities.
- Scaling up mobilization through strengthening internal coordination mechanisms, aligning incentives, exploring new and strengthening existing instruments; and fostering relations with a wider group of institutional and private investors.

To enable the shift towards this strategic direction, the WBG will need to continually improve its effectiveness and internal operational model by:

- Focusing on development results and the scale of impact by systematically pursuing an innovation-learning-scaling approach, and strengthening its overall evaluation framework.
- Becoming faster and less bureaucratic, while upholding standards, which will require shifting mindsets and behaviors, as well as building a culture of continuous improvement and problem-solving.
- Leveraging the WBG’s global talent, guided by the upcoming FY17-19 People Strategy.
- Setting staff incentives to ensure focus on the scale of impact, working across WBG, mobilizing private, partner, and domestic resources.
- Reforming the trust funds framework and integrating trust funds with budgetary processes.
- Strengthening the management of the WBG’s core advantages on knowledge for greater impact, guided by a new Knowledge Action Plan.

To be able to deliver, the WBG needs adequate financial capacity for all its institutions to meet the rising demand for services, generate income, and build flexibility and buffers to respond to changes in the global context and strategic priorities. The steps that are being taken include:

- Complete the IDA18 Replenishment in December with new integrated framework that blends shareholder contributions and reflows with market debt.
- Review IBRD and IFC approach to transfers to IDA, which remain an important element of the WBG business model.
- Improve IBRD efficiency by completing expenditure measures; meeting budget “anchors”; implementing balance sheet optimization measures; continuing business reviews, integrating administrative services, and enhancing a shared services model to further shift resources towards front line operations.
- Strengthen IFC’s ability to successfully implement the “creating markets” approach and attract private investments where they are currently reluctant to go. This would further leverage IFC resources by warehousing, packaging and placing projects once they meet requisite standards with institutional investors.
- MIGA is looking to increase its statutory underwriting limit, after having increased its portfolio reinsurance limits, and to help catalyze significant amounts of additional foreign direct investment.

Financial capacity of the WBG institutions will need further engagements with shareholders per the roadmap agreed at the 2015 Annual Meetings:

- Implementation of Forward Look commitments through engagements with the Board as needed, integrating agreed priorities into the WBG budget and corporate review processes, and updating the Governors at Spring Meetings 2017.
- Present more details on capital needs and options to ensure adequate capacity for Spring Meetings 2017, including loan pricing, administrative expenses, income transfers to IDA, and a general and/or selective capital increase.
- Present a package of measures for decision by Annual Meetings 2017 that ensures adequate financial capacity for all WBG institutions and synergy of WBG engagements.