Chairperson’s Summary: Committee on Development Effectiveness

The Committee on Development Effectiveness (CODE) met to consider the evaluation entitled Investment Climate Reforms: An Independent Evaluation of World Bank Group Support to Reforms of Business Regulations and the draft Management Response.

Summary

The Committee welcomed the evaluation’s findings and recommendations and agreed they highlight the main challenges facing the World Bank Group in investment climate activities. They were pleased to see that overall the World Bank Group has targeted the right countries, supported the right reforms, and been effective in improving the regulatory environment of client countries, particularly in terms of reducing procedures, time, and costs for business. Members found the evaluation timely, given the internal changes in the World Bank Group and the new Global Practices and Cross-Cutting Solutions Areas. As investment climate moves into the joint Trade and Competitiveness Global Practice, they saw this as an opportunity to take advantage of the complementarities and strengths of the Bank and International Finance Corporation delivery models to provide collaborative solutions to clients. Members concurred that the current diagnostic tools should be enhanced and integrated to produce comparable indicators to capture areas of the business environment not yet covered; they encouraged management to enhance coordination and collaboration with other multilateral development banks, donors, and institutions in this respect.

Members agreed with the need to develop a differentiated approach to identify the environmental and social effects of regulatory reforms. Members welcomed management’s intent to try to standardize environmental and social considerations in order to measure the impact of investment climate reforms on the bottom 40 percent, women, and fragile and conflict-affected countries. They underscored the importance of conducting ex ante social impact assessments and building client capacity on this front. Members highlighted that gender-focused investment climate projects still correspond to a small proportion of all investment climate reform-targeted projects. They urged management to strengthen the gender focus in the World Bank Group’s investment climate activities.

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