



World Bank Group Archives Exhibit Series

Creating a New World Bank: The Strategic Forum

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The World Bank Group Archives Exhibit Series contains exhibits originally published on the Archives' external website beginning in 2002. When the Archives' website was transferred to a new platform in 2015, it was decided that older exhibits would be converted to pdf format and made available as a series on the World Bank's external database, [Documents & Reports](#).

These exhibits, authored by World Bank archivists, highlight key events, personalities, and publications in the history of the World Bank. They also bring attention to some of the more fascinating archival records contained in the Archives' holdings.

To view current exhibits, visit the [Exhibits](#) page on the Archives' website.

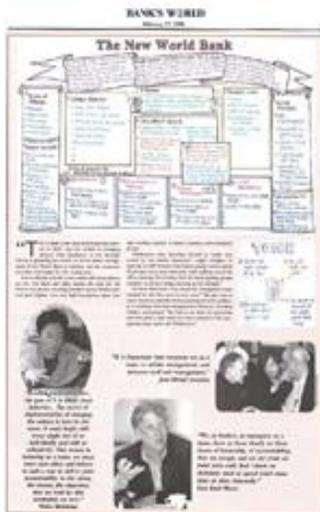


Creating a New World Bank: The Strategic Forum

The World Bank was fifty years old when James D. Wolfensohn became president in June of 1995. World War II and the reconstruction of Europe, which led to the creation of the World Bank, had ended long before. By 1995, the world of development aid had changed, and new technologies were in the process of completely reshaping the way services and products were delivered and how people communicate. Though the World Bank adapted to meet these changes, Wolfensohn entered office believing the institution needed to evolve further and faster to remain relevant. In his Address at the 1995 Annual Meetings, entitled *New Directions and New Partnerships*, Wolfensohn stated the problem succinctly: "The world around us has changed, and its expectations from, and demands on, our institution have become ever more complex. I regard this as a difficult period, but one of enormous opportunity." During President Wolfensohn's Oral History



James D. Wolfensohn, 9th President of the World Bank Group



"The New World Bank" in Bank's World, February 27, 1998. See below for larger version

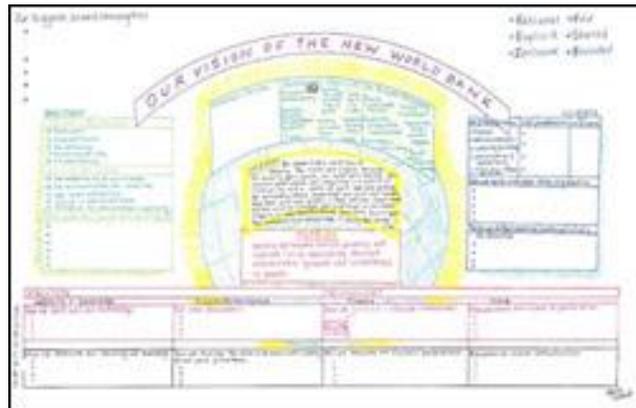
Interview, which was conducted after his tenure as Bank President, he stressed that when he first came into office "the institution...had gotten soft in terms of objectives and in terms of accountability." Wolfensohn, therefore, spent the first years of his presidency creating the Strategic Compact to address what he believed most challenged the World Bank. Specifically, that "there has been too much emphasis on lending volume and not enough on results on the ground; too much focus on economic response and not enough on the effectiveness of the policy dialogue" (*New Directions and New Partnerships Address to the Board of Governors, 10/10/1995*).

The Strategic Compact set forth goals for the World Bank, namely "strengthening the development effectiveness of our lending and non-lending services; improving our responsiveness to client needs; developing a broader range of products and services;



reducing overhead and shifting resources to the front line; further decentralizing our activities; rebuilding our professional expertise and technical capacity; and sharing the best global knowledge on development with our clients and partners." (*Implementing the Strategic Compact: First Semi-Annual Progress Report*, 8/20/1997, Archives Folder 1662710). To discuss how to implement these lofty goals, management met in January of 1998 at the Strategic Forum.

The Strategic Forum took place in a room that was later described as very unusual for the Bank at the time. The walls were covered with colorful hand-made posters, charts and graphs. These items displayed the latest information from client surveys, staff surveys, the Strategic Compact, the Annual Report, and cost-effectiveness review. The posters set the tone; the meeting was largely informal, with open discussion among small groups, and plenty of chances for large scale discussions.



One of the posters used during the Strategic Forum: Participants were tasked with filling in the blank areas.

The basic attitude, as laid down by moderator Chris McGoff, was that the attendees were "engaging in dialogue rather than debate" about a question that had "many right answers." Over two days the attendees discussed several aspects of the "new World Bank" centered mainly on corporate priorities and new options for allocating the budget. Through the Strategic Forum the managers of the Bank achieved what VP Mark Baird described as 'Real change - and deep cultural change... [with a] strong and enduring commitment to succeed.'

The New World Bank

THE ISSUES ARE URGENT. BECAUSE AS POVERTY GETS WORSE, OUR TASK GETS HARDER. YOU CANNOT HAVE PEACE AND STABILITY IN A WORLD OF INEQUALITY & PAIN. WE ARE GETTING THE NECESSARY PEOPLE, KNOWLEDGE AND POLICIES IN PLACE, TOGETHER WITH NEW PRODUCTS THAT ANSWER CLIENT NEEDS.

OUR VISION - OUR DREAM IS A WORLD FREE OF POVERTY. WE ARE BUILDING STRONGER PARTNERSHIPS WITH OTHER PLAYERS IN THE DEVELOPMENT BUSINESS. FOCUSING ON THE COMPARATIVE ADVANTAGE OF EACH. WE HAVE A NEW SPIRIT AT THE BANK. WE ARE A UNIQUE AND POTENT FORCE FOR GLOBAL PROSPERITY AND PEACE.

WE ARE CAPITALIZING ON COORDINATING THE SYNERGIES BETWEEN THE BANK, IFC, AND MIGA AT THE POLICY, COUNTRY, PROJECT LEVELS TO RESPOND TO CLIENT NEEDS UNDER A SINGLE SERVICE WINDOW.

VALUES and BEHAVIORS

- TEAMWORK
- SHARED VISION
- EXCELLENCE
- ACCOUNTABILITY
- CLIENT FOCUS

BUSINESS PHILOSOPHY

- Focus on sustainable results.
- Teamwork, collaboration and partnership.
- Innovation and risk-taking.
- Client Orientation
- Openness, trust and mutual support.
- Fun at work.
- Honesty, Integrity & Personal Accountability.
- Continuous learning, creating & sharing knowledge & exp.
- Respect for difference

COMPACT PRIORITIES

- RURAL DEVELOPMENT
- CAPACITY BUILDING - AFRICA
- CATALYSE THE PRIVATE SECTOR.
- SOCIAL DEVELOPMENT
- FINANCIAL SECTOR
- ANTI-CORRUPTION.

MISSION

HELPING BORROWERS REDUCE POVERTY AND IMPROVE LIVING STANDARDS THROUGH SUSTAINABLE GROWTH AND INVESTMENT IN PEOPLE.

BUSINESS LINES

- FINANCE
- POLICY & ANALYSIS
- CAPACITY BUILDING
- COORDINATION & NETWORKING
- FIDUCIARY & OTHER SERVICES

GUIDING PRINCIPLES

To BE:

- Client responsive
- Accountable for quality results.
- Efficient & cost effective.
- In partnership with others
- Committed to professional and managerial excellence.
- Committed to continuous learning.

DEVELOPMENT RESULTS

- * NUMBER of PEOPLE IN EXTREME POVERTY REDUCED 1/2 BY 2015.
- * ELIMINATE GENDER DISPARITY IN PRIMARY & SECONDARY EDUCATION BY 2005.
- * UNIVERSAL PRIMARY ENROLLMENT BY 2015.
- * MATERNAL MORTALITY RATES REDUCED BY 3/4 BY 2015.
- * INFANT & UNDER 5 MORTALITY RATES REDUCED BY 2/3 BY 2015.
- * 100% ACCESS-THROUGH PRIMARY HEALTH CARE TO REPRODUCTIVE HEALTH SERVICES ACHIEVED NO LATER THAN 2015.
- * NATIONAL STRATEGY FOR SUSTAINABLE DEVELOPMENT UNDER IMPLEMENTATION IN EVERY COUNTRY BY 2005.

HOW WE MEASURE CORE PERFORMANCE IN 8 (represents FY '98 target)

SCORE CARD

- * **KNOWLEDGE**
 - KNOWLEDGE ACCESS INDEX (staff/survey)
 - TIME SPENT ON KNOWLEDGE MANAGEMENT (% of 2 SW)
 - DIVERSITY COMPOSITE INDEX (TBD)
- * **EFFECTIVENESS and EFFICIENCY**
 - % PROJECTS SATISFACTORY AT COMPLETION (75%)
 - QUALITY OF SUPERVISION (75%)
 - PRODUCTIVITY INDEX (85%)
 - REALISM INDEX (75%)
 - PORTFOLIO MANAGEMENT COMPOSITE INDEX (90%)
- * **FINANCIAL PERFORMANCE**
 - RETURN ON ASSETS (0.88%)
 - DEBT FUNDED SPREAD ON LOANS (0.45%)
 - FRONT-LINE SERVICES % OF NET ADMIN COST (59%)
- * **CLIENT SATISFACTION**
 - RESPONSIVENESS INDEX (client survey)
 - QUALITY AT ENTRY (85%)

CORE COMPETENCIES

- Financial resource mobilization + transfers.
- Policy & institutional reforms based on global knowledge & best practices.
- Catalytic & brokering role between dev. stakeholders

"This is really a new team and things have started to click," was the verdict of managing director Sven Sandstrom at the Strategic Forum, a gathering last month of all the senior management of the World Bank to hammer out the corporate priorities and budget for the coming year.

Surrounded by colorful home-made wall charts (above on the new Bank and right, setting the tone for the forum) the group, including president James Wolfensohn and Jamil Sopher from the Staff Association spent two

days working together in plenary sessions and in breakout groups.

Wolfensohn, who described himself as "really very moved by this whole experience", urged managers to open up to staff "to hear what they're saying" and to spend 10 percent more time with their staff "walking round the office, meeting them, having them for lunch, getting groups together to discuss things, opening up the dialogue."

VP Mark Baird said: "The corporate management team worked for the first time as one team." The aim was to reach decisions speedily without passing the buck endlessly or creating mountains of paperwork. Director Christine Wallich commented: "You had to be there to appreciate just how great a new spirit has been created in this management team under Jim Wolfensohn."

STONE

- * We are the right people to do this
- * We will make this work
- * Our dialogue is often about right vs right
- * We decide in service of the whole World Bank Group



"Renewal implementation... the guts of it is about team behavior... The secret of implementation of changing the culture is here in this room. It must begin with every single one of us individually and with us collectively. That means in behaving as a team, we must trust each other and behave in such a way to deliver joint accountability to the vision, the dream, the objectives that we hold for this institution we love."
Mieko Nishimizu



"We, as leaders, as managers, as a team, have to focus clearly on these issues of leadership, of accountability, that we accept, and on the trust we build with staff. And I think we definitely need to spend much more time on that, internally."
Caio Koch-Weser

"It is important that everyone act as a team — within management, and between staff and management."
Jean-Michel Severino



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