To: The Board of Executive Directors
From: The Secretary

Inquiries to: Mr. Luis Echeverri (extension 1009)

Reference: GN-2330-6(10/04)
The Policy and Evaluation Committee met on the 23rd September to consider management’s proposal for facilitating and deepening the Bank’s participation in operations that adopt a Sector Wide Approach (SWAps).

There was a wide-ranging discussion during which Directors raised a number of important issues, and these have been fully reflected in the minutes of the meeting. The great majority of Directors expressed their support for the approach since it contributes to strengthening country ownership and donor harmonization in projects supported by the Bank, while reducing transaction costs.

From the borrowing countries, a number of Directors noted the interest in this approach in their constituency, while from the non borrowers, a number of Directors described their constituent’s bilateral experience with this approach in other parts of the world. Most development Banks have already adopted a sector wide approach.

The Directors for the US, the Caribbean and Japan, raised a number of specific questions regarding the proposal. Management has prepared substantive responses to their concerns, which were distributed for information in documents GN-2330-2, GN-2330-4 and GN-2330-5.

After an initial discussion here at the Board on 13th October, Management’s proposal was given a line-by-line scrutiny on 21st October by the Policy Committee under the Vice Chairman Rogerio Studart, and I thank him for his collaboration. A variety of changes to the language of the text were proposed, and after careful examination and, in some cases further amendment, a number of changes were adopted. These changes have been incorporated into the document now before you (document GN-2330-6).

Given the extensive consultation and analysis of the proposal, and the important goals that can be furthered by adding SWAps to the Bank’s toolkit, I urge all Directors to join in approving the resolution attached to document GN-2330-6.