

THE WORLD BANK GROUP ARCHIVES

ORAL HISTORY PROGRAM

TRANSCRIPT OF INTERVIEW WITH

**JAN WALLISER**

Interview By: Ann Raynal May

Washington, D.C.

June 13, 2018

(Transcribed from a digital sound recording)

## **FOREWORD**

The following is a transcript of an oral history interview that was conducted at the request of Mr. Walliser in his home shortly before his death on June 22, 2018. The interview is supplemented by two audio recordings, which were taped a few days after the interview. The second of these audio recordings was played at Mr. Walliser's memorial celebration in Preston Auditorium on September 17, 2018.

## INTERVIEW

**MAY:** Good morning.

**WALLISER:** Good morning.

**MAY:** On behalf of the World Bank Group Archive's Oral History Program, my name is Ann Raynal May. Today is June 13, 2018, and I'm here with Jan Walliser.

Jan is the Vice President for the World Bank Group Global Practice, covering Equitable Growth, Finance and Institutions. Jan is charged with ensuring high quality lending, analytical, and advisory services aligned with country demand, and in collaboration with regional teams. In this role he leads more than 2,000 staff, covering thematic areas of macroeconomics, poverty, trade, private sector development, financial sector, and governance. He oversees an annual lending volume that exceeds \$13 billion, and \$300 million annually in advisory services to World Bank clients. Before joining The World Bank in 2002, Jan was an economist at the IMF and a Principal Analyst at the U.S. Congressional Budget office, where he focused on the analysis of pension and tax reform. Jan, I'm delighted to interview you.

**WALLISER:** Thank you for doing this.

**MAY:** Let's start with your early life, can you tell me where and when you were born?

**WALLISER:** I was born in 1969 in a mid-sized town in Germany, Eckernförde, on the Baltic sea coast. It was, I would say a middle-class upbringing, you know, with the classic going through high school in Germany and all the things that you do at the time when you are growing up there, between piano classes and the academic achievements that you had to undertake to finish with your high school.

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**MAY:** And did you have any family members, or any experiences that you think led you to a career in development?

**WALLISER:** I don't think I have had any connections. My parents both were pharmacists and are now retired. There was a little bit of an inkling that you would get in your high school politics and economics classes about international affairs, which particularly bashed the World Bank and the IMF. (Laughter) But my main interest, actually, coming out of high school, was in the combination of economics and politics.

One of the reasons why I chose to study economics had a lot to do with it being universally applicable to a lot of the questions that are important for policymakers; for a wide of range of things to understand how economies work.

My first university degree was actually close to home. I went to Kiel University in Germany, and finished in 1993, with my degree. And then very interestingly, I had an Assistant Professor there who opened the door for the connection with Boston University in the U.S. After making some choices, whether to continue an academic career in Germany or go on to the U.S., I decided to pursue a PhD in the U.S. People who hear Boston University think immediately of development, but I actually didn't do development at Boston University. I was very interested in public finance issues, pensions, tax issues. That was the mainstay of the work that I did for my dissertation at BU.

**MAY:** And what was your dissertation topic?

**WALLISER:** I brought together actually two different things, one was annuities, so the question of whether when you retire, whether you can -- are there explanations for why so few people buy annuities. I did a simulation exercise that showed that the differences in life expectancies can explain some of the load factors, some of the higher costs for some of the annuities, and those may deter more people from buying annuities, but you cannot explain fully why people who should always have some annuity in their retirement income, don't.

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And then there was the second portion that was joint with other co-authors that had to do with simulating some of the impacts of changing the U.S. Social Security System.

**MAY:** Did you consider going back to Germany after you got your PhD, or did you think you would stay in the U.S.?

**WALLISER:** Well, again, it was an interesting coincidence. One of the professors who was supervising my thesis received somebody who wanted to work with him from the Congressional Budget Office [CBO] in 1996. And they both approached me, whether I would do a summer internship at CBO. That was before 9/11, so there were no issues of citizenship, or questions asked around these types of things.

I started with a summer internship, and the idea was that we were also completing to get jointly a major simulation exercise for tax reform. So, that was the summer, if you think back, to the second Clinton term, where, with a Republican, with a Gingrich House, where you had a lot of interest in tax reform, and what's going to happen.

And we were a bit at the forefront, and a paper came out of it in 2001 in the *American Economic Review*, and it is still being used to understand some of the tradeoffs between different types of taxes.

And so I went, and at the end of the summer, the CBO asked me whether I would spend a full year there, and my dissertation advisor suggested that I could, that he would be supportive, and would help me get through the final stages of my thesis as well, at the same time; which, you know, of course it always looks easier in the beginning than at the end (laughter).

Because of the times, I was able to get an H-1B visa, and I actually transitioned into the employment role with the Congressional Budget Office, from October 1996.

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And then I completed, over the course of that first year, and defended my thesis in the summer of 1997, and then stayed on for another year, until I decided that maybe if I didn't want to become a U.S. citizen and stay there forever, I should look at the job market again -- both academic and other job markets.

At the tail end of all that, of that job market, I then started working at the IMF, in the Africa Region of the IMF, in October 1998.

**MAY:** So, you went right from a U.S. focus to an international focus, and – [crosstalk]

**WALLISER:** I was back in a very different –

**MAY:** -- you worked in diverse countries, right? You worked on other countries besides the Africa Region at the IMF.

**WALLISER:** Yes. I also worked in Yemen. Yes, it was a big culture shock actually. So, the CBO was a place which is almost academic. They want to only put out things that are waterproof, right, because they are nonpartisan, so you put something out that the other side doesn't like, and will attack, you want to be sure that you have all the ducks lined up, and so on.

**MAY:** Sure.

**WALLISER:** So it's a lot of internal debate, but the hierarchies are very flat, and I worked in the Macroeconomic Analysis Division of the CBO, and it was of course also the one that did the macroeconomic forecasting for the U.S., which you may recall, if you dial back that many years, had become also very contentious because there were questions of whether the House of Representatives and the Senate would use the forecast of the CBO or the forecast of the Office of Management and Budget of the United States government. And in the end, they wanted to use

the CBO forecast. The differences mattered, because they have an influence on how much tax cuts or changes were affordable. This was also the time of the budget surpluses in the U.S.

**MAY:** Sure.

**WALLISER:** There was a lot of internal, open conversation about these things and there were, many things at stake, and you would see senators and committees, informally, and there would be conversations about what was going on. It was quite an interesting time.

Now, coming to the IMF, because I had French on my résumé, and that's the part that will tell you how I got to development, I was assigned to a relatively small division that was covering Central Africa, the Central African Republic, Gabon, Cameroon, I think, and I think the two Congos. And it was a very different move, right. So, you had the IMF way of putting macro numbers together, which has to rely in these African countries on much less information, which is not the same as what CBO was doing. Not that I was very deeply involved with the CBO forecast either; I was more on the tax reform and pension reform side, and I wrote a couple of papers on that at the CBO, but it was something where suddenly I was supporting the team for the Central African Republic. Interestingly enough, the Desk Economist was Makhtar Diop.

**MAY:** How nice. Okay.

**WALLISER:** So, he was at the Fund at the time, so that's when I met him the first time, in October 1998, I think he had just become a first-time parent. And so, we worked for one year together on the Central African Republic, and I think that was sort of the switch for me. I mean, I've never thought that I -- I felt the Fund would put me on the Americas, the Europes, with my background, but then I sort of got, I wouldn't say got stuck, but I actually fell in love with the work on Africa.

Not so much from a romantic perspective, but from a perspective that I could see that personal

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relationships, close interaction, and also transferring -- being open about how we analyze things, and how we exchange information are very, very important for us to succeed in these circumstances, or to do better actually, than what we did in the past.

That this idea of buttoned down, you know, that we know best. We come in, we give information that we collect, we tell them that's the program, we fly out again, it could be significantly improved just by improving relationships and working more closely with the counterparts.

And in the end, I worked there for a year, and then I spent a year in the Fiscal Affairs Department, as the Fiscal Economist for Yemen; and then went back to the Africa Region which surprised a lot of people, so that's a part of the story. I was Desk Economist for Senegal, but I also worked on Mali, and Guinea, and that first year actually I worked on Guinea. So, that was the pre-World Bank.

**MAY:** And I feel like that has really made a big impact. Can you tell me if there were any memorable experiences from then that that helped you when you joined the World Bank? You joined in PREM [Poverty Reduction and Economic Management], that was your first assignment.

**WALLISER:** Oh, yes. That was a funny story actually.

**MAY:** Okay. Yes.

**WALLISER:** I mean, the current Country Director for Kenya, Diariétou Gaye, she also was an Economist at the Fund on secondment at the time, so we worked together. And I worked as the Senegal Desk Economist, very closely with Nancy Benjamin, who was then the Senegal Country Economist for the Bank. There were frequent interactions and going across the street. The Sector Manager for PREM, for Africa, Emmanuel Akpa, he -- at some point I was in the



corridors, and he stopped me and said: I have an opening for Burkina, and would you be interested? And I thought it was -- not serious, or I didn't take it very seriously -- but I talked a little bit to Diariétou actually, who was with us at the time before she went back to the Bank. And she said, just go and talk to him and find out. This was also a time when where, at the Fund, I had done a lot of work in terms of -- in being in program preparation, and being engaged, but as you know, it's a long hierarchical climb in the Fund over many years. I was still an A-12 [employment grade], I had just been one year out of the Economist Program of the Fund.

**MAY:** I see.

**WALLISER:** And so, I didn't have any family or anything that would have any other considerations, so I thought, let's just look at what the job is about. In the end I applied for the job, only to get an email back that said: you are not short-listed (laughter).

So, I called Emmanuel, and I said, why this whole -- it was a classic Sector Board of the time kind of thing, that I wasn't being seen as having the length of experience for a GG [employment grade]. So, Emmanuel had to re-advertise the job as a GF-GG, and then I applied again, and then I had to go through two special interviews with -- one was with Sam Otoo, who was the Sector Manager, and the other one was with -- the name escapes me now -- he later became Country Director for India about how to convince the Sector Board that I had the qualifications for a G-level appointment. Then it took a while, and then as the Bank is, then it suddenly went through, and then they said: can you start tomorrow? And I pretty much then started the day -- I mean I started on April 8, 2002, in the Bank.

**MAY:** Do you remember what you worked on those first days?

**WALLISER:** Oh I don't know. Of course, you come in and you know nothing, right?

**MAY:** Right.

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**WALLISER:** Of course, you have colleagues that you can start asking. And I must say, the memories I have, first of all, Emmanuel Akpa as Sector Manager was really very strong, and somebody who had to -- if you listened very carefully to what he had to say, he had a lot of very deep knowledge and experience. And, that was something where you could get to learn something. But then also from a lot of your colleagues, but I also felt, in the beginning, that all these new systems, SAP, how do I do trips, all that stuff, a lot of really helpful ACS staff [Administrative Client Support] that know how the wiring works of the institution. I got a lot of hand-holding from people who showed me how I could see my budget for Burkina. And then the Interim Desk Economist for -- or Country Economist for Burkina Faso, a graduating YP [Young Professional], Nicola Pontara, also somebody who did a very nice hand over, whom I had done collaborative work with on the program. And then Burkina of course was a big program. The architecture had started to change, so then we had the Heavily Indebted Poor Country [HIPC] Initiative, we had the PRSPs [Poverty Reduction Strategy Papers], and at the tail end of that, the Fund had come out with the Poverty Reduction and Growth Facility [PRGF].

On the Bank side, there was a thinking that we need to have a long-term instrument, and there was then a general feeling in the donor community, that we should provide more budget support. I mean the thought that we should shift a greater portion of resources to budget support, in support of overall programs, as long as they are well represented in the budget.

Jim Adams, who was Country Director for Tanzania and Uganda, at the time; before he became VP [Vice President] for OPCS [Operations Policy and Country Services], was somebody who started doing that in Uganda, and then sort of the second country, maybe not with the same attention from senior management, had been Burkina.

There was this idea to build what was then covered still by an interim policy, the Poverty Reduction Support Credits. So multi-sector operations that would follow the program that the government itself had designed in the PRSP, and that would also, be our counterpart to the PRGF

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with the Fund.

Burkina had had its first and the second, and Nicola, as a YP, had sort of shepherded it through, and my job was to start number three, and go through with a third Poverty Reduction Support Credit.

So that was a bit the environment. There were actually relatively generous budgets because they were intended to bring in other people, and there was quite intense -- this was the Bank with Shengman [Zhang] core ESW [Economic and Sector Work]. You had certain things that had to be done at certain times, like public expenditure reviews, and poverty assessments.

We had a good work program, and a strong work program. But for me, of course the first navigational point was to build relationships with the Country Director [CD], David Craig, at the time who was still based in Washington, so that was before most of the CDs were out in the field; and his team, but then also finding out how this whole country team actually works. And of course, both the appeal and the danger of moving from the Fund to the Bank was that, you're very narrowly focused on your own topic at the Fund. Here, you suddenly have to understand who works on what, and especially with these PRSCs being multi-sectoral and so on, to find the right people who are already in the country team and motivate them to work together with you.

**MAY:** Tell me a little bit more about the dialogue with the government and being a TTL for this third PRSP project.

**WALLISER:** Yes. I think the great start really also owes a lot to the Country Manager in the field, Jean Mazurelle, who, when I came really opened a lot of the doors. And the Burkinabe, they were always treating the Bank with a lot of -- with the same kind of attention as they were treating the Fund. I would go there typically with the Fund missions and then have a lot of other missions myself, to develop these matrices. With the same philosophy that I had outlined earlier, or where I felt it could make a difference, I developed very close relationships with the

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counterparts, and the sense of trust, especially with the Finance Minister Compaoré [Jean Baptiste M.P.], who later became the Deputy Governor of the BCEAO [Central Bank of West African States]. And they were largely built on, that they knew or that they got over time, the sense that what I was saying was to help them rather than to make a point. I was honestly giving a sense of what the problem is, and what we analyze together. Here is what has worked, and what doesn't work, and the Burkinabe are quite honest to themselves also when things don't work, so that made things easier.

And then, how do we formulate that into the program that can be supported, and that it was understood sometimes that there was disappointment when measures weren't implemented as intended. And that that needs to lead to discussions, but they also, I think felt that once these discussions had taken place and, you know, I would see at the end of a number of missions, even the Prime Minister at the time, have had -- was sort of, well, we had concluded that I would then defend that outcome in Washington. Of course, I would be in close communications with, Headquarters and with the Country Director and Country Manager at all times. And most of the meetings, I would always have the Country Manager involved, so it wasn't a surprise on where we were heading.

But overall, the program of implementation was strong, so it wasn't a lot of crisis. There were periods of tension that were more important with the Fund. And there my Fund background was actually quite helpful because I could kind of explain to the Minister what made sense, and where he might want to place a question about what the implications were. We had an issue about reserve accumulation, in a country that was part of a monetary zone. There were questions on how sensible that was because it would have, potentially, also meant that our money, our budgetary disbursement that was intended for programs, would have been saved rather than spent in the coming budget.

And so that was the type of discussions where, understanding how the framework operates on the Fund, and bring people together in finding ways to finding solutions was also helpful.

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**MAY:** I'd like to go back to the PRSP topic that you just brought up, to talk about what the ideas were behind the PRSPs, and why did they eventually fail?

**WALLISER:** Well, I think the idea was that, there was a major effort of the international community with the Heavily Indebted Poor Country Initiative, and the Multilateral -- the MDRI, the Multilateral Debt Relief Initiatives, to take the debt burden off countries, and that this additional fiscal space should be used for development purposes.

The idea was that it shouldn't be imposed, but that the countries should come up with their own plans on how they want to see themselves develop and how they do that. That really was the driving force. It overlapped a little bit with a similar idea that President Wolfensohn had on the Comprehensive Development Framework, which eventually sort of merged into this PRSP.

Then it became -- I think that they had originally agreed to mobilize people, but they were often books of 150, 200 pages, so the real issue is always, vision, and then operationalization, and how concretely can you prescribe that, how much of it can you plan, and how much can't you plan.

So, there were, I think, good initiatives and good outcomes from a number of these PRSPs, but it became also increasingly clear, I think over time, that they were potentially heavy in bureaucratic burden, and that the PRSP units in countries were separate from the rest of the line ministries; they had no direct influence in setting the budget. And planning ministries are often separate from finance ministries.

There was a dichotomy between the often very aspirational plans, and the hope that the PRSP would give donors the idea to give a lot more money, against the reality that resources were much more constrained and then required prioritization, and to what degree that prioritization would respect the priorities that were actually formulated in the PRSP. That was not always clear.

I think in the end we did away with the formulaic kind of support for it. I mean, we had these Joint Staff Assessments with the Fund that had to be done. So, I think from that perspective there was quite a bit of bureaucracy that people felt was not going to be necessarily helpful for advancing the actual purpose, which was to have county owned documents.

Countries continue to have the national planning document, and the national priority setting exercises. And we continue to rely on that in our operations, of course, that we need to have some evidence of internal decision-making processes that lead to this -- that lead to prioritization in why a country -- how a country puts forward a particular program.

**MAY:** In 2006, you co-authored a publication called: "Budget Support, as More Effective Aid? Recent Experiences and Emerging Lessons" and the report provided the first comprehensive overview of the experience with Budget Support. If you asked the same question now: can Budget Support deliver on its potential for reducing transaction costs, ensuring predictable financing, increasing country ownership, and strengthening domestic accountability, do you think we have a more definite answer?

**WALLISER:** Well, I think what we've learned maybe over the course is that, maybe extremes don't hold for very long. You had a situation where there was lots of enthusiasm for budget support, exactly for that reason. Countries do their own budgets, we pay a portion of it if we agree with the priorities, we strengthen their PFM Systems, Public Financial Management Systems, along the way; and it comes with a lot of strong alignment of development direction between donor and the government so that it's ultimately a government-owned process. So, that was the idea. Now the reality is that there are also obstacles, one of them is that, certainly from any bilaterals, budget support is also a political instrument, so many countries perceive budget support as at higher risk for being interrupted.

And then you have a second issue which is that, I think some of the original idea that there would

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be a quick fix for public financial management problems. And for corruption, also didn't turn out to be true. Then you get corruption scandals, and then there's also again a stop-and-go mechanism for budget support, because donors then say: we can't defend that to our parliaments anymore that we pay directly into the budgets of these countries. So, over time, there are some countries that were never enthusiastic about budget support, but there were other bilateral donors where there has been a fairly strong support.

Maybe a third thing that happened is where there was a lot of budget support, there also was a lot of donor groups around this, for setting the parameters for budget support, the conditions, how it was going to be administered. In some countries that also became very transaction-heavy, because you had many groups sometimes. In a country like Mozambique I think you had 19 budget support donors, that were then headed by troikas, and who were trying to arrange conditions that everybody would agree to for their respective tranches and budget support disbursements. And these became then very -- they were still subject to the stop-and-go kind of problems, as we've seen in Mozambique now with corruption issues. There's no budget support anymore, or almost none. So these programs had very heavy internal transaction and coordination costs, because there was this idea that donors shouldn't have their own separate conditions and that they should all have been coordinated.

**MAY:** Tell me a little bit about PREM. You were a Country Economist during this period, from 2002 to 2004 in PREM 4 -- PREM had several units, how was it organized in the Africa Region at that time?

**WALLISER:** There were I think there were four units, and maybe one unit for governance under PREM, under one directorate. As I mentioned earlier, I felt excellent leadership from Emmanuel Akpa. And then after I'd been there about two years, Emmanuel moved, and I also felt somehow -- I got close to a point where I wanted to do something else. So, I started looking around for a new position. And through my work on the PRSC, I had developed a good relationship with Stefan Koeberle, who was then in OPCS as an Advisor, a Manager of the

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Country Economics Unit, and they had opening, and that was eventually the position for which I was selected. I applied for a few others more in the economic stream in other regions, but it was sort of a moment to also move on, the cycle at the time, PRSC-3, PRSC-4, Public Expenditure Review, Poverty Assessment, and a number of other things in those two years.

**MAY:** Did you start working on the publication with Stefan before you made the transition? Or after when you were at OPCS?

**WALLISER:** No, that was an idea. That was the book -- that was actually a conference volume.

**MAY:** Okay.

**WALLISER:** So, one of my tasks was to put together this conference, which I think it may have taken place in December 2015, or something, I don't know.

**MAY:** Sure. I was thinking of the budget support publication, it came out in 2006, that was one that –

**WALLISER:** Right, 2005 I think we had a conference.

**MAY:** Okay, 2005.

**WALLISER:** Yes. So this is the conference volume of it. Sorry, I misspoke in terms of the dates.

**MAY:** That's okay. I was just curious about the conception of those ideas, because you were really heavily involved at that height of -- you know, early-2000 was the height of the PRSP time.



**WALLISER:** Stefan had been instrumental in putting together the DPL [Development Policy Lending] Policy, which was one of Jim Adams's simplification, modernization things to replace all that adjustment policy and get out of this old structural adjustment which had a very bad perception, but also to make it simpler to have a single policy framework that should be applied. So, most of my beginning time in OPCS was to work on the roll-out of that. We were working very closely with the teams from OPCS, and the review mechanisms, and so on, participated in Regional Operations Committee Meetings, and giving out comments there but OPCS also, as Jim always said, you know, we would support teams from behind the scenes.

We were there to give guidance, not just to give the comments at the tail end. So, he was very much convinced that the supported needed to come upstream. And then a second was the support to, at the time, Shengman [Zhang], he still used OPCS as his front office, so Marisela Muñoz, who was his Advisor, for example, for clearances of Joint Staff Advisory Notes for the PRSPs, that was part of our work to support that.

And then Stefan and I also -- and the dates might escape me, and I would have to look it up, but we also worked on these good practice principles for conditionality that had been requested by the Development Committee. Those, I think were probably finished -- that there must have been a Development Committee Meeting in 2005. This was particularly a concern of NGOs in the United Kingdom. This was the Labour Government with Sir Hilary Benn as Secretary of DFID, and there was a constant demand for the Bank to define what we do see as conditionality, so there was a lot of looking and counting. Stefan had set up the database that tracked our conditions in budget support operations, and then we developed these Good Practice Principles which went into a Development Committee Paper.

**MAY:** Tell me more about working on the Regional Operations Committees?

**WALLISER:** I was a support -- I mean I was a GG, so I was -- what I would do would be either with the teams in the countries -- I mean the country teams as somebody who is assigned to a

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particular DPL [Development Policy Loan] or working with Stefan who was a member of the management team.

**MAY:** I see. So, from 2008 to 2012, you were a Sector Manager of PREM-3, so you went back to PREM.

**WALLISER:** Right.

**MAY:** Can you tell me a little bit about how you transitioned from OPCS and being an Economic Advisor to a Sector Manager?

**WALLISER:** Okay. Maybe I'll park that for a moment.

**MAY:** Sure, sure.

**WALLISER:** And come back to the work in OPCS.

**MAY:** Of course.

**WALLISER:** I think the interesting period for me in OPCS was that our work actually, and the work environment fundamentally changed with the change in the presidency. So, when Mr. Wolfowitz took on the Presidency, and very quickly thereafter Shengman [Zhang] also left the Bank.

So, there was for a time, it was a new relationship, Graeme Wheeler who then became the MD [Managing Director], was somebody who had not been working with Operations. He was in the Treasury before as a VP [Vice President]. The work that we had been doing as the Front Office of the MD, ultimately changed then, because Graeme wanted, having been appointed by President Wolfowitz, to have his own Front Office, being sort of more independent in the

clearance functions.

There was also this period where I think all staff at least, you know, again, I was a GG and I became an H in 2006 July, felt a sense of maybe distrust, and because of this -- and the feeling that originally, all things need to change, which is okay, but that perpetuated and that meant that the working environment changed.

Our work then, started focusing more on the -- of course continuing advising the country teams, and the DPLs [Development Policy Loans], and on the operations, but it was less into the machinery for clearances upstairs.

**MAY:** I see.

**WALLISER:** But it was also -- it was a particularly interesting period for me, because Stefan was promoted to Director in Latin America, Operations Services Director. So, he had, under Shengman, for many, many years, taken on the role of Secretary of the Operations Committee. So, I suddenly ended up, not knowing how, as a GG, as being the Operations Secretary -- the Secretary of the Operations Committee at a time when the flow of information, and the trust that had been there between the two offices, was much lower.

**MAY:** Sure.

**WALLISER:** And, you know, I just did my work, and I did it the way that Stefan had done it before, where we read the documents carefully, report back on information to the MD's Office, and where we ultimately also proposed decisions. But I could see that -- well, first of all, people had to get used to their new roles and understand things, but it was -- also it was not easy, because I didn't know many times whether my input was actually seen as helpful or accepted, or whether -- because it was never -- most of the time, I think I've had one meeting, pre-meeting with the MD. And most of time there was no feedback mechanism, and so I had to sit next to the

MD and take notes and try to figure out where the decision was going to head, without having had prior information of whether -- what had been prepared before the meeting was actually, where they wanted to go.

And so, you learn on the job, it always turned out to be fine, but it also showed that there -- at a certain Operations Committee Meeting, I remember one that was particularly complicated, on Ethiopia, Ethiopia at the time had, in 2005, I think there were hundreds of demonstrators that had been killed, and they had been a large budgetary support recipient.

So, when that didn't seem to be something that we could continue, the team, the country team under Country Director Diwan [Ishac Diwan], came up with a different approach, which is called the Protecting Basic Services, the PBS Operation. And so that came to the Operations Committee, and it was palpable that in essence the authorizing environment, on the one hand, wasn't good, and that that the President Wolfowitz himself was paying very close attention, so that the MD had to take the measure even after the meeting, of whether what we were proposing was acceptable, but also a much stronger focus on fiduciary aspects.

There was a long discussion in the meeting about overdue audits in the Ethiopia Program and a lot of back and forth and a strong focus on that. In which, particularly at the time, I think that the MD was really concerned about, because it was for him a strong measure, coming from the Treasury, as the country taking things seriously and following the rules. Later that was of course also Mr. Daboub [Juan José] came on board, and so we had other, not always easy, Operations Committee Meetings on countries such as Lebanon or Egypt.

That was an interesting learning experience, and you're not high enough in the hierarchy for you to get in the way, but you're still in the room when these conversations happen, and so you're getting a picture of how the atmosphere in the institution had changed. And how that made things more complex for even experienced Vice Presidents to operate, because they didn't really know what to expect when it went beyond a certain level. So that was one of the interesting

aspects.

There were two -- two other I think, episodes in the OPCS, that would go in a similar direction, because most of my time there overlapped with the Wolfowitz period. One was that in the Singapore Annual Meetings we were thinking that with the good practice principles for conditionality, we had everything in the bag, but Secretary Benn [Hilary] went on the radio, on BBC-4, shortly before the Annual Meetings, and suggested that the U.K. continued to be dissatisfied, or had not seen the evidence that these principles were actually applied. So, that triggered then from Singapore, a whole set of follow up with Jim Adams actually calling me, and he getting under a lot of pressure from the President's Office on what to do.

In the end, we offered follow-up reports to demonstrate how we were implementing them and how we were operating, but it wasn't an easy report to write, because the principle had been recently adopted, and if you take them seriously you should start with the concept note, and then in the end we could only look at a total of 18 operations or so, but because of that, eventually I think we had to go into other rounds of reporting on the same issue, at least one or two more times in which I was also involved in OPCS.

That was one of these experiences where you see where important external force that an external donor can exercise, through the OPCS' essential role and the response to how the Bank was actually trying to implement what it says it's going to do. One of the more, probably not very well known, but for me at the time, I would almost say disturbing experiences, was the Heavily Indebted Poor Country decision point work on the Republic of Congo.

It's actually an interesting story because at the time the Director in OPCS was John Underwood, and I happened to be there over a Christmas period when the documents came through for clearance. We all, of course, were already attuned to Mr. Wolfowitz' attention to corruption, and to oil countries and corruption in particular. I looked at this in detail, and I didn't think that it all met the bar. There were audits, that when I looked at them on the internet, the auditors had

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actually said they were not auditable, but in the document, they had been referenced as completed.

So we went back to the team, and we got an unpleasant earful from the IMF, because they had already gone through their processes, and Senior Management there felt it was ready to go, and there were expectations had been raised with the client, et cetera, and so actually the Deputy Managing Director of the IMF called John Underwood over the Christmas period to tell him that they were not pleased. So, they made some revisions, and we also knew, of course that when it went to the MD, that they would go and check carefully with the President's Office, given all the sensitivities. So, for me, it became therefore very surprising that in the end there was a very contentious Board undertaking. Because what happened ultimately was that the Board Meeting in the Fund had already taken place, and a decision meeting had been approved. On the Bank side, Mr. Wolfowitz decided himself to chair the meeting, and I think in the end they converted into an informal meeting rather than into a formal meeting, but still it was a meeting that lasted nine hours, and I was there for most of the nine hours.

It was an interesting disconnect to see how the President of the institution, who had signed the memorandum of the President, and proposed a certain document to the Board, in the end was dissatisfied with the document. And Mr. Wolfowitz tried to negotiate with the Executive Directors in this meeting, to change the document and put additional conditions, for example, minimum of three-year implementation periods for certain conditions et cetera, on the HIPC completion point conditions, and as an observer what was for me, puzzling was, that at that time we were talking I think early 2006, that one would have expected some better understanding of the workings of the institutions.

I came out of that meeting actually very concerned about the ability of the different parties to work together. This was not only staff and the President's Office, but the Board being very upset, a number of Board Members asking for taking a vote on the proposal which the Chair, Mr. Wolfowitz, refused. Then having to offer these behind-the-scene negotiations which were in the

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end, handled by the Dean of the Board, Mr. Alzetta [Gino], but it was -- and then of course for us as staff, having to go back to the Fund and say, we are reopening this document again that your Board already approved. So, that was a –

**MAY:** Uncomfortable –

**WALLISER:** -- sobering experience, I think I would call it, in terms of, let's say, the ability of really translating ideas and concerns, which I think people were not against, in terms of anti-corruption, and into functional relationships with Staff and the Board, and in terms of what we are actually producing and putting forward, be it loans, or in this case to help the HIPC decision point document.

**MAY:** That's an incredible story. I know that it was a difficult time, and I'm curious how you made that next transition, right. I mean, this is -- you're in high pressure, right, in this OPCS job, what made you take the next steps, the next job?

**WALLISER:** Well, I think things sort of calmed down, we had Mr. Zoellick come on board in 2007, then also in OPCS, the Country Economics, Manuela Ferro became the new Manager. So, we went back into sort of normal waters. And actually, my next step was largely because another of the fantastic people I worked with in the Bank, Sudhir Shetty approached me and asked me whether or not I was interested in this job. In parallel I knew it was time to move. I'd been there three-and-a-half years, at OPCS, and if you stay there too long there's no way that you can get out in the end. You know, you don't want to be in corporate all the time, you want to get back to clients and countries.

So, I applied for the LAC PM [Latin America and the Caribbean Practice Manager] job for PREM and for this particular job [Sector Manager, Africa PREM]. One of the two worked out, and there I was, suddenly having 30, 40 people. Now, I was very lucky. I inherited a unit that already had spent over a year and a half with Yvonne Tsikata, so it was a unit that was in very

good shape. And, yes, almost immediately you are in the middle of things, because the Africa Vice President, Obiageli Ezekwesili, was there. Obi, who doesn't let things rest and wants things to move. When I came on board, one of my first countries that had an issue was Central African Republic [CAR], which had in the meantime gone through a regime change.

When I was there in 1998, it was Patassé [Ange-Félix], or in 1999 it was Patassé, and now it was Bozizé [François], the President, and with some really torturous work, we had brought them out of arrears. That was before I arrived in the unit, but they had gotten through the arrears clearance process. And with some of these things, I was already involved in OPCS, so I had familiarity with what had happened.

But now they were facing the situation that they are potentially having a cash flow problem, so actually my very first trip just after coming on board in January 2008, was to CAR, and to see what we could do. CAR had reached, I think, their decision point already for the HIPC, so that was a well-laid out structural work program, but we were not having any financing -- neither the Fund in some sort of interim period before the new Fund program could kick off, and there was some gap period. I don't think that anybody had fully accounted for the fact that, while numbers may add up for a year, they may not add up month by month, if you're a country that has a cash flow constraint.

So, I went with the Country Economist, Luc Razafimandimby, and we looked at the situation, and in the end when I came back, I managed to convince the State and Peace Building Fund to mount an operation that essentially funded the teachers' salaries for \$2 million for an interim period, and was also then cleaning some of the payrolls, against verified attendants. The idea there was that it helps with the cash on the government's side, and it tides them over, and indeed then we managed to get them all the way to the completion point eventually, not always easy, but also with a lot of questions around it.

It was a country where, when I went there in 2008, the Finance Minister was the nephew of the

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President -- or rather the uncle of the President; the Forestry Minister was the sister, and the nephew of the President was the Petroleum Minister on Energy. So there were all these governance questions that I think in the end came home to roost for them, but were I think quite - - in the beginning of this -- at the same time when you make the tradeoff which was happening in 2013, if they had never reached the completion point they would have been in arrears with us, and all the massive support that we were able to offer in 2013, would not have been on the table at all.

And that was my general theme because I worked on a lot of completion reports in that unit. We had Congo, Brazzaville, so the things that were written in the Board Meeting with Mr. Wolfowitz, we now had to implement, and make sure that they were implemented, and it wasn't easy. We worked on the DRC [Democratic Republic of Congo] completion point, which is the largest debt relief ever, and that had its own complications.

I think when I arrived there was also Burundi, that relatively quickly early on reached its completion point. Yes, but the trickiest ones were the Congos. In fact, the DRC became one which was quite contentious, so we had -- worked with the Fund toward the Board Meeting. But very shortly before the Board Meeting, there was something that was sent to President Zoellick who was very well informed about these things, about the corruption issue in the mining sector, and that was a big concern to him.

He didn't feel like we should go ahead. The documents had -- I think had already been distributed, and in the end, the Fund went ahead anyway, they decided that they were going, and on our side what it resulted in was, we did go ahead, but immediately after we froze the whole program until we had agreement on new governance matters that the government had to implement.

You can imagine a lot of drama, because there was also a lot of communication and channeling between Obi and the Country Director, Marie Françoise Marie-Nelly, at the time; and how to

manage these tensions, because on technical grounds we had checked the boxes and we had made sure that, of course, the completion point boxes were checked. And so then holding it up became very difficult, and I think that's the conclusion that the Fund reached also. In the end I think that it was a reasonably elegant solution, but it also became a very difficult period of country relations, with the frozen country program and then the agreement on new, additional governance measures. Because I think the government had the feeling with the completion point they were done, and they didn't have to continue with some of these structural conditions.

**MAY:** But they did.

**WALLISER:** Yes. So, it was DRC, and then I think maybe one more thing in the Africa Region that happened after I'd been there, so I started 2008, and then 2010 in the summer, Sudhir left, so I also then became the Acting PREM Director for a period of time.

**MAY:** I see.

**WALLISER:** Between summer 2010 and in February 2011, when Marcelo Giugale came as the new PREM Director, was another of these experiences of having to lead a department of 160 people, but with a lot of collegiality from my Practice Manager colleagues who were all superb, because I didn't ask for it right, it was Obi's decision.

One of these ways in which you pick up in some of the different things that are happening in -- you know, what other requirements are there, and you get these stretch assignments which are -- which can be very helpful for your -- we are talking now a lot of our career management and career enhancement, and acting assignments are actually very often mentioned as one way in which you can strengthen, the career management, and I can certainly attest to that. Assignments that are a little beyond your -- showing trust, and then if there's enough guidance and support there it can be very helpful.

**MAY:** Did you get any other help for preparation -- for that role?

**WALLISER:** Not really.

**MAY:** Not really?

**WALLISER:** It was a phone call: she wants you to do this, to tell you the truth.

**MAY:** But the colleagues?

**WALLISER:** Yes, the people who had actually been in longer PM jobs than I. The first question that you ask yourself is, how do you exercise authority, and how do you make it work in a way that you're exercising in a collegial way, so that that everybody contributes, and it doesn't look like you are preordained for the job. And they were all superb. They were all working like they knew me, I knew them, and that we were all trusting each other, and that made all the difference.

**MAY:** Because you moved right out of that and in July 2012, you were appointed the Director of Strategy and Operations in the Africa Region?

**WALLISER:** Yes. That's was a very short appointment. Well, what happened there was -- at first I actually, when Michel Wormser left the Front Office in October 2011 as Operations Director for Africa. Obi asked me to take his job, as an Acting. And maybe we can come back sort of on a broader picture later on about, how all the experiences fit together and who you are and how you learn. And so, I was in that job, and then applied from there for that position in -- Otaviano Canuto's Front Office, which was a new position to sort of tie together some of the PREM anchor work, and support Otaviano in that work.

Now, that didn't last very long because Makhtar Diop took on the role of Africa Vice President

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on May 1st, 2012 and had chosen Laura Frigenti to be his Ops Director. Now, very shortly after, Dr. Kim decided to make her his Chief of Staff. At that moment, Makhtar had to choose a new Ops Director, and he basically got the upper hand, because, he had given up Laura, and therefore lo and behold I was standing at a bus stop, dropping my kids off for camp, and I got a call, in July I think, 2012, that I was back to where I had just left, from where I had just left as an Acting, and that's how I moved back as Operations Director to the Africa Region.

**MAY:** Tell me a little bit more about working with Makhtar, because you knew him at the Fund, and you hadn't really worked with him up until this point, right?

**WALLISER:** I mean, it's the point where it's also interesting to talk about the different styles, and what you learn. I think one of the things that's interesting, especially if you are a number two, for different people, is that you don't succeed from the beginning in knowing exactly how they think, but you are really, without giving up your own personality, given how closely you work with them, you need to understand how they function.

It was an interesting transition because Obi was very directive, and extremely responsive, on email, for example, and was very engaged in a lot of things. And so the role was much more of, what she told you to do, or toward the tail end of her tenure, of course, she also traveled a lot, so to run the shop while she was not there, if you were the Acting, like during the Board Meetings and so on. And she always wanted to be very closely informed about all the things that you did.

When I started working with Makhtar, his division of labor was very different, in terms of some of the strategy and ideas, and a drive that he wants to implement, to drive the region forward. And then the Ops Director being sort of an instrument of implementation, and support of that vision, and of course it, means you need to keep him very closely informed on a lot of the things that you do as well. But you figure out, over time, which things you can decide yourself, and which things he wants to be involved in.

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I think that is a learning process, and once that works, and you have the trust, and it operates, I think you can function and operate and work together very, very well, and very constructively and actually achieve a lot. And if you really even ask me today, what was your best job in the Bank, and I'll still say the Ops Director in Africa.

**MAY:** Really?

**WALLISER:** Because people think it's the VP job that gives you more power, but it was working with the teams, with the countries, with the understanding, of course having so many years in Africa, also knowing very well, what the quirks are in each country so, what to ask the teams, where to challenge them, but also where to support them.

I was involved in three evacuations, for example, in the region, you know, and you learn through these processes as well. So, there's a whole connection, with what development is all about that I carry with me from that work in Africa, and so if you asked me where I think had the biggest impact in the institution, it was in that job.

**MAY:** Tell me about these evacuations. What prepared you for handling these situations?

**WALLISER:** Well, you have these Incident Commanders' situations where, and I think I will only pick one, but in once case we had the CAR again, actually two of them were CAR evacuations, but one case it was over the Christmas period, and I was Acting VP, and essentially the rebels that had been held at bay, outside of Bangui, had descended on Vangoué, if I recall correctly, and so we had -- let me back up.

The first evacuation actually was a decision we had to make in December, and that was whether we had to fly people out or not, even though the rebels hadn't entered town. And we only had a GF, or a GG in the office and the U.N. decided to evacuate, and we were able to get on the U.N. flights at the time, but at the same time we were looking for our own options, on whether we

could get our own planes, and it was virtually impossible to get anything into Bangui. At that moment we evacuated everybody to Yaoundé, with families and so on, because it seemed like the rebels were about to enter Bangui, and that that was happening. And then there was a long stalemate, between the rebels because they stopped outside of Bangui and they never went.

Eventually I think we relocated everybody to Bangui, just to face a second evacuation when they actually entered town, and then it became more complicated because Midou Ibrahima who was our Country Manager at the time, he and staff and families were trapped for three or four days, in the U.N. building where, also one person got injured from a bullet.

And so it was a lot of stress. The role of this Incidence Commander, is often if you are -- sometimes almost helpless, but you're on the phone regularly with a group of people who are all supposed to provide support, but it's the Travel Office to see, it's our security people of course, it's HR to make sure we have the lists, and we know where people are.

You constantly have regular phone check-ins, and you try to do the same with the people on the ground, the Country Manager, and so on, to involve them to the extent possible, and that they have phone coverage and so on, to give them the sense that, you are going to support them. But most of course, in the end, what happens on the ground happens because of other decisions.

I mean, in this particular case, the arrival of Sangaris, the French troops was essential to clear a path to the airport, where then, again, the U.N. was good enough to take our staff out.

**MAY:** Are there any projects that you would like to talk about from your time working in the Africa Region?

**WALLISER:** Oh. There are so many.

**MAY:** I know, that's a tough question.

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**WALLISER:** It's really hard to point anything out. I try to follow some of them over time, and one of the things that I think I learned when I was in the Front Office, and was reviewing and chairing a lot of the Regional Operations Committee Meetings, was the ones that I started to be interested in, were the results-based financing ones that we did in a lot in health in particular. And in fact, when I was acting as Country Director for the Congos for six months, it was one of the operations that came through, and I think that was one that seemed to make sense and work even in fragile environments to pay in return for services delivered and rendered and verified.

So, I think that's something. And then I think we saw, of course the surge of PforRs [Program-for-Results Financing] that offer interesting opportunities. We had one in Ethiopia, also for the health sector. But then there were interesting ones that the Urban team did for urban development, institutional development, the Urban model in Uganda, and Tanzania, and I think also in Ethiopia.

So, that was sort of showing that we were changing instruments and using new instruments for trying to disburse against some of the achievements under these operations. I think that's more from the institutional perspective, and I see that a number of these are actually quite successful and are doing a good job.

It's really hard because, I've looked through many of them when they came through, and I was responsible for reviewing every single one that went to the Board. In everyone you see the labor that's behind it. Once in a while you have to shoot back and say, there's a quality issue and a problem.

But the real work that people are trying to do and put into it, you want to challenge that in our conversation in the Committee, in the Regional Operations Committee, and make sure that the assumptions hold. I've had a couple of disappointments as well, but when I look back I see that some of the economic assumptions didn't hold, and that therefore the operation was sort of doomed from the beginning.

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You have the occasional emergency operation, that three years later doesn't disburse. And it's not always our fault, it's of course you're working with a client, and getting the procurement and all these things.

But I think *grosso modo*, what I can say is that, we had these operations for local water supply, and operations for rural roads, regional projects such as the road connection from Mombasa via Kenya, through South Sudan, a big struggle for the Chinese co-financing for the South Sudan road.

Every one of them had an idea on how we can have development with them. And so many of them had strong justifications, and when you looked at them, you had to dial up with the teams; you could see how they were investing in them and putting time and the heart into that.

So, that's where you felt that connectivity in the Front Office with the actual development objective of the institution.

**MAY:** And your leadership.

**WALLISER:** Well, I mean you have to find a way in which you have a -- well what do they say, an iron fist in the velvet glove. Sometimes you get horrors, okay, and you cannot just wave them through. If you get one horror in a fortnight, that's not good, right? So, you need to make sure that people can anticipate on how -- when they come for review, on how prepared they have to be. For me it's an equilibrium that you have to create. Don't rely on saying we'll fix this before appraisal. Come to the meeting, the decision meeting with documents and ideas that are well formulated. I always try to read the documents carefully enough before our meetings, that I chair so that I could focus on really two or three things that I didn't understand. Or, that why are we doing it that way? And what is the experience?

But that could be clarified in the meeting if the team is well prepared and has good ideas, and



that gives a good conversation because it means even today when certain operations I open, and I could look at them, in the ISR [Implementation Status Report], or on the [on-line project] portal on how they are doing, I can remember what my questions were.

It's not always possible to fix everything, not between the ROC [Regional Operations Committee] and so on, but I feel that's the dialogue that you have to have in setting expectations for high quality, but with a full understanding that everybody works very hard, and puts their heart into these documents, that is not a punitive exercise, but it's a kind of examination of certain questions.

I always felt I was sitting there like someone who is asking the team the questions that I would want to know if I sent this to the Board. If I can't answer these questions then I wouldn't be happy in defending that operation to the Board, and that that was sort of a way of framing these meetings.

**MAY:** Would you like to talk about the transition to EFI [Equitable Growth, Finance and Institutions Global Practice]? Or are there other things in the Africa Region that you would like to talk about?

**WALLISER:** No. I think that's –

**MAY:** So, when you became the Vice President in July –

**WALLISER:** 2015.

**MAY:** -- 2015, right after the big reorganization in the Bank, the new Global Practices. Can you tell me a little bit about the process that you went through to be selected for Vice President?

**WALLISER:** Oh. That was very funny. Sri Mulyani Indrawati, the Managing Director, called me to her office, and I thought that she wanted to discuss an operational matter. And she gave a

relatively long speech on how she felt that the Global Practices needed to have more structure, and more oversight. And at the end of that conversation she -- and she explained how she wanted to make them in to three, and at the end of that conversation she offered me the position, so it wasn't a competitive or structured process, it was an internal selection that was made, but it was a big surprise. And it was also quite early between then and the announcement, because we were informed I think, potentially, before some of the others knew, not other VPs, but the sitting VPs, and of course the staff. So, it was quite a long period of being a good corporate citizen, and not telling anybody but your wife.

**MAY:** You had a lot of time to think about it, so did you start planning? How did you prepare for that Vice President role in the new Global Practice?

**WALLISER:** First it's about getting to know the senior directors, and the directors that are there in this period, and then immediately it was compromising on how we are calling ourselves, because it wasn't evident as it was for SD [Sustainable Development] and HD [Human Development] and that's, I guess, important for identity but also for sending a signal on -- am I going to decide this by myself or am I going to work with others, and so that's how maybe that lengthy name came about to be all encompassing of the different practices that were there. And how do you prepare yourself, I think the issue then was to really make something out of a job that didn't exist before.

I mean, the role of the GP VPs in the first year was bringing all the senior directors together, but the main idea was that the senior directors are the main drivers, and thematic drivers. And here this was sort of about, how do we think about the Front Office, how big should it be, what role should it have in unifying some of the themes, and create an identity. And that was tougher for me in EFI than for SD and HD, because simply FPD, PREM and OS, which is the part of part of the fiduciary staff had not really been under one roof before as a single VPU. And so we were thinking about the different styles or the different objectives.

First I think about the way you want to work together, trying to bring the directors together around that. But then also, eventually trying to recognize and identify the linkages while working together, which was one of the issues of the first years, the first year of the GPs, with the siloing of the GPs. Thinking about cross linkages at least across EFI was one of the topics that we set ourselves in the first year. And then, of course, you have the usual stuff, of the budget, the staffing, and who was with what responsibilities, so that's a lot of systems, and so issues, for a new VPU that really fall into the first year.

**MAY:** And you had to deal with, of course, span of control at this point too, right? And coming from a very -- you were a Sector Manager with many people under you, and then you were dealing with many levels of span of control.

**WALLISER:** Well, I think in case of the GPs it wasn't so complicated, because the senior directors were only five, so in that sense -- but then that was also a big debate. You know, one of the things in the beginning that I tried to break down a little bit is this hierarchy. This idea that when a director writes something that it needs to be cleared by the senior director; and that the director can never talk to the VP without clearing it with his senior director, didn't make a lot of sense. I think it created a lot of frustration and inefficiencies.

So, in fact, in my case we made, from the beginning, and in the case of Keith [Hansen] and Laura [Tuck] as well, all of our meetings were with all our directors, our Management Team Meetings, they weren't just meetings with senior directors.

There may have been special occasions for HR Reviews, things like that, where the senior directors were playing a specific role, but the Management Team Meetings themselves were meetings that were with all directors that are in the VPU.

**MAY:** And then you went through another reorganization in the Vice Presidency, right?

**WALLISER:** Well, I think maybe that's part of, the overall things that then happen. We had

originally budgetary issues in the governance practice that had to be dealt with through some consolidation, and also I think that over time, some directors left, and so we needed to find replacements. So that there were, in the first year for me, actually we had two senior directors leaving their role, and over time, actually, now out of the five that were there, I don't think there is anybody left.

There are these transitions that happened with realignment, and that also reflect, I think, the fit for people in particular positions, that were originally created and the learning that happens over time, and how well they can play that role.

Eventually -- in 2017, I decided that with the opportunity that we were given with the four-year rotation of a number of directors to consolidate even further, the GPs, with the ultimate perspective that we had -- we had, as EFI, we had less sectors and more themes.

And that for us it mattered more being thematically well-represented at the country level, it was a smaller -- I mean with PMUs with smaller country span of control -- and that also allowed me to put more directors to be region-facing. And so the idea was as in the case of Governance we did some consolidation -- some reshuffling and then between -- it was Trade, Competitiveness, and Finance and Markets, and Macro, we consolidated from five into four good global practices, and that allowed me in particular with the new Finance and Competitiveness and Innovation Global Practice to have four directors that are region-facing, and practice managers that are only having three CMUs [Country Management Units]. So that, as in the case of Governance, by putting the public sector teams with the financial management teams in the regions, under one PM, PMs now only face two, three CDs each, which makes it easier for our type of relationships; the PMs know the countries better, and you're also able to offer a broader thematic line up at the CMU level, than you would be if you were completely fragmented, which allows you to potentially also better staff in the field for being represented as a GP.

**MAY:** How does IFC play into this structure?

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**WALLISER:** So, we are, EFI has originally had two joint practices -- Finance and Markets and Trade Competitiveness -- now we have the IFC staff still in the new MTI [Macroeconomics, Trade and Investment] looking after the business climate, and business regulation, and we have the private sector teams from the IFC Advisory Teams in the FCI [Finance, Competitiveness and Innovation] teams.

So, the big picture is that the joint practices had integrated the Public Sector-Facing Advisory Services of the IFC, at the creation of the Global Practices. And then with the reorganization we corrected some of the things that we felt were going in the wrong direction, which was making everything together which was making everybody working on everything, and which was particularly the case in Trade and Competitiveness.

And again having dedicated managers for IFC Advisory in the regions, and then have global teams that are mingling IFC and World Bank Staff, for some of the thematic areas where we are drawing both on IFC trust funds and World Bank funds. The regional teams are intended to serve the IFC new regional VPs, and regional directors, in providing these advisory services on the ground, where they have an interest in advising the public sector, and they are still coordinating, of course within the same practice with their colleagues who are doing the work on the Bank side.

**MAY:** You are a very gifted leader.

**WALLISER:** I wouldn't say that (crosstalk)—

**MAY:** Yes you are. And I hope that you could share how your leadership has grown over your career. What lessons can you share about managing a large vice presidency and the things that motivate you?

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**WALLISER:** Well, I think if you are maybe also thinking back to the different stations what we've touched on in the interview in terms of the work and the career, there are two things that I always felt were very important for me. I think one is to have your own compass, so that means for me that you have your own values and your own context in which you feel what is right or wrong, that doesn't get distorted by the environment in which you operate.

That meant for me that you need to be able to loyally work for somebody and throughout the hierarchy and over time, but always retain your own personality, and your own views, and your own positions, in a way that -- to the extent that you have to be able to say to yourself, if this crosses a particular line, you're not willing to continue to work in a particular environment.

So, I mean retaining some mental independence that when you're going through your career, that it's not all about the next promotion, but the place that we work for, is the World Bank. The values that we represent are the World Bank's, and the integrity that you have to bring to this is your own internal compass that you have to stick to, and that has to be consistently applied, and you have to be comfortable with that.

Of course, you compromise on a question, this is not an absolute yes or no question, but it's about being comfortable that it's within the parameters, that you find are a part of, your own compass and your own value system. For me that's the only way in which you can actually lead others, because if they don't know your compass, they don't have a sense that you are both fair, but also tough when needed, I think you lose on one side or the other. You may think you're tough for a particular reason, that is not related to the work, or that you are -- you know, that you're helping others that's related not to the work that they do and how well they work, because you like them for other reasons.

You hear that in the Bank a lot, people feel that people are being put forward because somebody likes them, or they are a part of a group of people that they have worked with for a long time, or that also things are being put down sometimes because it helps making a particular point about a particular person. I think it's very important, therefore, at all levels, and at all times to have that

type of direction, internal direction.

The second one I think is the respect for clients that was a key motivator, that's what brought me to Africa -- wanting to see a respectful and even-handed relationship with an understanding of what each person's role is. When I'm a Senior Economist, and somebody is a Minister, you know what the actual hierarchy is, even if I'm the one providing, potentially, the financing for the budget. I think the constant respect for relationships, but also internally, to always listen and apply that respect in your day-to-day work, I think is very important. It's the only way in which you can create an inclusive environment, because if you are dismissive, or if people feel that they are not respected, then you don't learn what they have to say and what their ideas are.

It never hurts to bring a sense of humor. So, the more self-deprecating the better probably but, sometimes asking tough questions: haven't I seen this already three times before, kind of thing, in a humorous way, it helps convey the message, but in a way that people will absorb and will respond to much more easily.

In the end a lot of the learning is through observing and understanding people and their motivations. We touched on this a little bit, you have to be able to work with different people, and different styles.

For me it was therefore invaluable that I have this experience, OC secretary, suddenly thrown in from the deep end. PREM Sector, Acting Sector Director in Africa, Ops Director Acting, and then, having that opportunity to see how different people work, and by supporting them, working with them, not always agreeing with them, not always finding their style appropriate, but learning from that as well, and how you can damage or enhance your own leadership by doing that in a correct way.

So, I think that's being really an important part of the way that I've gone through, and you see a lot of different approaches. Somebody I only mentioned very briefly, but who was certainly

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when you were thinking about our last two MDs, between Kristalina [Georgieva] and Sri Mulyani [Indrawati], they tackle and approach problems in a very different way, but you learn from them each differently. It's not that one or the other is right or wrong.

One of the things that I had to learn, as somebody who likes to take quick decisions, and never look back, is that if you don't have to take a decision -- that's something that I learned from Makhtar -- maybe you don't do it today. You know maybe wait until more information arrives. And then sometimes it turns out that you don't even have to take that decision anymore.

So, sometimes you know in the hierarchy, and the bureaucracy people try to pressure you into certain decision-making, because it solves their problem, but it might not have to be solved that day or that moment, and that many more information that arrives, particularly on politically sensitive engagements with governments that help you make better decisions.

So, I mean, a lot of things that you learn through over time. And you walk with open eyes.

**MAY:** Jan, is there anything that we have not discussed, that you would like to add?

**WALLISER:** I think not.

**MAY:** Okay. It's been a wonderful interview. And I really thank you for taking the time to do this. Thank you very much.

**WALLISER:** Thank you for coming.

\* \* \* \* \* **END OF INTERVIEW** \* \* \* \* \*

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After the interview, on June 19, 2018, Jan sent two voice recordings to the WBG Archives to expand on questions that he did not have time to address fully. The transcripts are as follows:

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In addition to the trips that one undertakes as Sector Manager, Practice Manager, or TTL, there are of course always trips with management and senior management and some of them are quite memorable or demonstrate also the impact that these visits can have on moving forward very important agendas.

One of these trips that I participated in at her request was a trip to the Central African Republic with Vice President [Obi] Ezekwesili and this was just after the Central African Republic had reached its completion point under the Heavily Indebted Poor Country [HIPC] initiative. This was an effort – and everybody who knows Obi -- to put additional momentum behind good governance and issues of good use of resources for a government that had just achieved a big milestone getting debt relief and therefore additional fiscal space.

Of course, there are always interesting anecdotes around these types of visits. One of them, in the case of the Central African Republic, is that the President never announced when he would actually meet the delegation. As it happened we also visited at a time when there were no proper hotels in the country. The long defunct Sofitel was not appropriate and so we had to stay in different private residences or in smaller hotels as part of the delegation.

We had a good set of meetings especially with the Minister of Planning at the time. The time went on, our program continued, and we were supposed to depart. And lo and behold no call from presidency. Given that I was in different hotel, I had already departed for the airport, checked in, and then received a sudden call from the Country Director, Mary Barton Dock, who said, “Bozizé has called. We are on the way to the airport, but Obi needs to turn around and change and then go to the presidency.” For me it was impossible to join that meeting, which I

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did let them know that I could not uncheck my luggage et cetera. And then an interesting race against time began because the plane that was about to depart was a Kenyan Airways plane going to Douala. It was not going to necessarily wait for the other part of the World Bank delegation. In the end Obi made it, but it was quite an adventure for her to catch this particular plane and it tells you also about some of the difficulties in traveling around Africa. From there we went to Douala in Cameroon and then continued a country visit in Cameroon, in Yaoundé.

Let me maybe highlight two other visits that I still remember very distinctly. Both of them with then Managing Director Sri Mulyani Indrawati, who went with us to Senegal and Niger. In Niger she was interested in the construction of the Kandadji reservoir. We went out to a site that had been identified for a multi-donor project but where construction was only about to begin. At that point, the project had actually encountered quite a bit of trouble. And I will never forget how she stood on the sides of the river there, interrogating the Russian contractor who had not properly mobilized the equipment to start the works despite some of the prepayments that had been made, and questioning him trying to get some answers on how the project could get off the ground.

Equally impressive, her dialogue with President Issoufou. I think this is something that is very impressive about Sri Mulyani. She was able to relate a lot of the dialogue to issues that she faced herself as Finance Minister and always leave clients with some good set of advice or experiences related to taxes or fertility issues that Niger was facing or natural resource management.

And then last but not least, a very moving trip for me to DRC and Rwanda also with Sri Mulyani. We went to Kinshasa to meet some government officials first. Then went to Goma and visited schools and sites where children were going back to school that had been ravaged and been subject to the real devastation of the Civil War -- many of whom had lost their parents -- kids that were really traumatized and to see how with an emergency project the Bank was trying to get them back into a normal rhythm of life through schooling. At the same time, we visited a hospital for women who had been subject to sexual violence, and children also -- devastating to

see, at the same time important to see how we could contribute to healing and to overcome what had been a very traumatic period in eastern Congo.

We crossed from there into Rwanda as well and that was the part where Sri Mulyani had an opportunity to discuss gender issues at the border crossing. In particular the Bank actually followed up with the work to reduce the exposure of women to gender-based harassment at the border between DRC and Rwanda, as part of a broader engagement that we had.

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Well there is always the question of whether the World Bank Group, and the multilateral system more generally, are still relevant and will remain relevant in the future. I am an eternal optimist. When I see the energy and the amount of effort that is being put in by countries to travel to our spring meetings and annual meetings so that the countries can interact with each other, discuss the problems both globally and locally that they have, and use the platform of the World Bank and other multilateral institutions for actually finding solutions. That is something that is unique and cannot be replicated and it probably also remains the most efficient way for countries to put forward positions and resolve these issues.

That doesn't mean that there isn't a big threat out there today. There are those who feel that these institutions are making decisions without the population or the shareholders being sufficiently connected to what's actually happening and what the questions are, who are now being grouped generally among populists. But I think the ultimate question is that in the end every country and government faces a very similar issues and similar questions and the platform that remains for the multilateral system is therefore ultimately the only platform where you can exchange these experiences but also address issues such as climate change, issues of coastal erosion, of fisheries, of all areas of global public goods that we engage in.

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There is for that reason, from my perspective, a good rationale and platform. Nobody can argue that they have a nobler mission than the World Bank to reduce poverty and boost shared prosperity. As long as I think we stick to that, there will always be an ability of us to show that we are adding value to the world.

Finally, of course this cannot be done in complacency. There will be demands that are shifting and it's our often complex job, as we have seen with the last capital increase, to balance these different interests of our shareholders in a discreet manner without being direct decision makers so that the multilateral platforms can continue to function, and everybody who is a member of these institutions feels that they can benefit from being a member and therefore invest themselves into them.