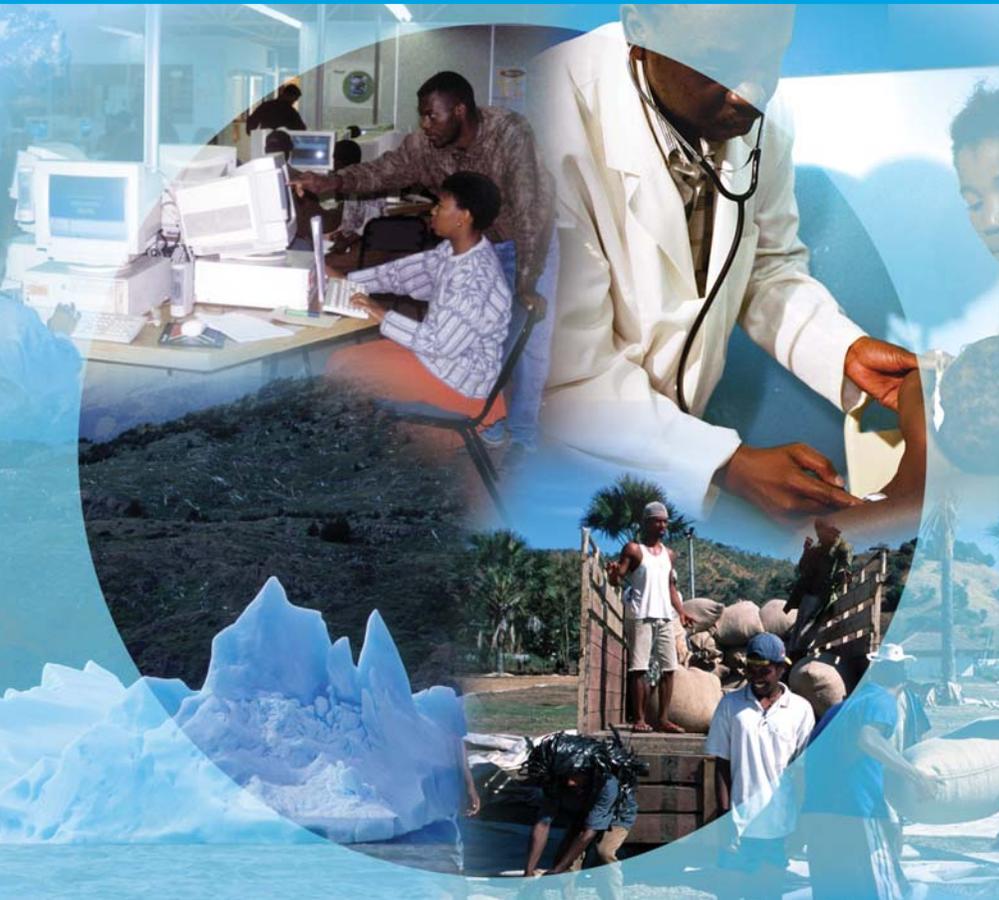


Strengthening the World Bank's Role in Global Programs and Partnerships



OPERATIONS EVALUATION DEPARTMENT

ENHANCING DEVELOPMENT EFFECTIVENESS THROUGH EXCELLENCE AND INDEPENDENCE IN EVALUATION

The Operations Evaluation Department (OED) is an independent unit within the World Bank; it reports directly to the Bank's Board of Executive Directors. OED assesses what works, and what does not; how a borrower plans to run and maintain a project; and the lasting contribution of the Bank to a country's overall development. The goals of evaluation are to learn from experience, to provide an objective basis for assessing the results of the Bank's work, and to provide accountability in the achievement of the Bank's objectives. OED also improves Bank work by identifying and disseminating the lessons learned from experience and by framing recommendations drawn from evaluation findings.



Strengthening the World Bank's Role in Global Programs and Partnerships



Copyright ©2006
The International Bank for Reconstruction
and Development/THE WORLD BANK
1818 H Street, N.W.
Washington, DC 20433, U.S.A.

All rights reserved
Manufactured in the United States of America
First printing March 2006
1 2 3 4 04 03 02 01

The opinions expressed in this report do not necessarily represent the views of the World Bank or its member governments. The World Bank does not guarantee the accuracy of the data included in this publication and accepts no responsibility whatsoever for any consequence of their use. The boundaries, colors, denominations, and other information shown on any map in this volume do not imply on the part of the World Bank Group any judgment on the legal status of any territory or the endorsement or acceptance of such boundaries.

The material in this publication is copyrighted. The World Bank encourages dissemination of its work and will normally grant permission promptly. Permission to photocopy items for internal or personal use, for the internal or personal use of specific clients, or for educational classroom use is granted by the World Bank, provided that the appropriate fee is paid directly to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, U.S.A., telephone 978-750-8400, fax 978-750-4470. Please contact the Copyright Clearance Center before photocopying items. For permission to reprint individual articles or chapters, please fax your request with complete information to the Republication Department, Copyright Clearance Center, fax 978-750-4470.

All other queries on rights and licenses should be addressed to the Office of the Publisher, World Bank, at the address above, or faxed to 202-522-2422.

ISBN-10: 0-8213-6410-3
ISBN-13: 978-0-8213-6410-9
e-ISBN: 0-8213-6411-1
DOI: 10.1596/978-0-8213-6410-9

Contents

V	ACKNOWLEDGMENTS
VII	ACRONYMS AND ABBREVIATIONS
IX	PREFACE
1	OPENING SESSION
	3 Welcome
	5 Opening Remarks
9	PLENARY SESSION 1: WORLD BANK SUPPORT FOR GLOBAL PROGRAMS
	27 Concluding Comments and Floor Discussion
31	PLENARY SESSION 2: GLOBAL HEALTH PROGRAMMING
	45 Floor Discussion
49	CLOSING SESSION
59	CONFERENCE SPEAKERS

Acknowledgments

This volume is based on presentations made at the OED Conference on Addressing the Challenges of Globalization held on April 15, 2005, in Washington, DC. The conference was organized by the Operations Evaluation Department (OED) of the World Bank, under the leadership of Ajay Chhibber, Acting Director-General; Uma Lele, Senior Adviser; and Klaus Tilmes, Manager, Knowledge Programs and Evaluation Capacity Development. The conference was planned and coordinated by Maisha Hyman and Lauren Kelly with substantial assistance from Barbara Yale and Liana Bianchi.

The conference Web site and CD were produced by Ramin Aliyev, Julius Gwyer, and Alex McKenzie and IT support was provided by Maria Mar and Tom Yoon. Special thanks are due to Betty Bain, Nishi Bhatnagar, Rose Wairimu Gachina, Joost Gorter, Vivian Jackson, Pierre-Joseph Kingbo, Gloria Mestre-Soria, Princess Moore-Lewis, Lydia Ndebele, Soon-Won Pak, Yvonne Playfair-Scott, Juicy Qureishi-Haq, and Aravind Seshadri for their support.

Special thanks are also due to the speakers, session chairs, commentators, and conference participants for contributing to the success of this event. We extend our gratitude to Shengman Zhang, World Bank Managing Director, for opening the conference, and to Adele Simmons, Former President, John D. and Catherine T. MacArthur Foundation, for her thought-provoking Opening Remarks. We are also particularly grateful to the distinguished chairs—James Adams, Sven Sandstrom, and Jean-Louis Sarbib—for their contributions, and, for provoking a stimulating debate, to session commentators Ambassador Ruth Jacoby, Louka Katseli, Hon. Brigadier (retired) Jim Muhwezi Katugugu, Inge Kaul, Johannes Linn, Deepak Nayyar, and Nafis Sadik.

Ajay Chhibber
Uma Lele

Abbreviations and Acronyms

CAS	Country assistance strategy
CGIAR	Consultative Group on International Agricultural Research
DFID	Department for International Development (United Kingdom)
DOTS	Directly Observed Therapy: Short Course
GAVI	Global Alliance for Vaccines and Immunization
GEF	Global Environment Facility
GFATM	Global Fund to Fight AIDS, Tuberculosis, and Malaria
GFHR	Global Forum for Health Research
GPG	Global public good
GPP	Global programs and partnerships
IDA	International Development Association
IFI	International financial institution
MDGs	Millennium Development Goals
MMV	Medicines for Malaria Venture
NGO	Nongovernmental organization
ODA	Official development assistance
ODI	Overseas Development Institute
OECD	Organization for Economic Cooperation and Development
OED	Operations Evaluation Department (World Bank)
OETF	Organizational Effectiveness Task Force (World Bank)
PCF	Prototype Carbon Fund
PRSP	Poverty reduction strategy paper
STD	Sexually transmitted disease
STIP	Sexually Transmitted Infections Project (Uganda)

TA	Technical assistance
TDR	Special Program for Research and Training in Tropical Diseases
UNDP	United Nations Development Program
WHO	World Health Organization
WTO	World Trade Organization

Preface

The World Bank has gradually shifted its focus from projects to country programs and now to a growing number of global programs. In all these programs, the Bank works very closely with other partners—public and private, multilateral and bilateral—with the object of addressing growing and often unaddressed global challenges. Its work is global, but, to borrow a recent phrase, also meta-national. The Bank is now (2006) engaged in some 90 such programs.

This volume is based on verbal presentations at a conference held by OED to discuss the Bank's current and future role in global partnership programs. The starting point for the discussions was a very comprehensive review by OED of the effectiveness of 26 programs, including the Consultative Group on International Agricultural Research, and programs in health, environment, infrastructure, and trade, together representing 90 percent of the Bank's total spending on global partnership programs. Participants at the conference shared cross-cutting lessons about program design, implementation, and evaluation, and about how the Bank can best assist in building commitment and assuring financing for high priority global public goods that benefit the poor. Our main goal in publishing these proceedings is to help shape the future direction of global programs to best serve the common good and, in particular, the interests of the poor in the developing world.

Ajay Chhibber
*Acting Director-General, Operations Evaluation
World Bank Group*

Opening Session

Welcome

Shengman Zhang
Managing Director
World Bank

The World Bank has long recognized the growing importance of global programs on the international development agenda, and has actively engaged in many of these global programs as an integral part of carrying out its mandate. As with country programs, we face the challenge of achieving better results from our participation in these programs.

OED has provided a number of recommendations that we believe can substantially improve the Bank's engagement in this area. Partly thanks to the OED review of global programs¹, we are working on improvements at two levels.

The first is to achieve a more selective set of criteria for our engagement in such programs. For this purpose we have established an institution-wide steering committee, the Global Programs and Partnerships Council, which consists of almost all our vice presidents. The Council takes a comprehensive perspective on existing and proposed engagements to help the institution make sensible but selective choices.

The second challenge is to align our policies and incentives to better discharge our responsibilities in this area. An Organizational Effectiveness Task Force (OETF) has now made recommendations for this purpose, including for strengthening the link between our global programs and country operations. Looking ahead, the Bank will continue to engage in many global programs (perhaps even more than at present), but it will do so with a sharper focus on achieving results, and making a greater contribution both at the global and at the country level.

I want to assure you that we remain very open to good suggestions, because by doing better, we believe that the Bank can better serve the causes that we share.

Note

1. Operations Evaluation Department, 2004. *Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank's Approach to Global Programs*. Washington, DC: World Bank.

Opening Remarks

Adele Simmons
Former President

John D. and Catherine T. MacArthur Foundation

I have had the real pleasure of being a part of the Advisory Committee for OED's review of the Bank's involvement in global programs. I hope my observations will provide a context in which to view the rapid expansion of global programs over the last decade and for the discussion today.

My colleagues on the Advisory Committee—Nafis Sadik, Rolf Luders, and Wolfgang Reinicke—and I met over a period of almost four years. When we began our work with the OED global team, we focused on two things: the definition of global programs and an understanding of what effective partnerships might be, since all the global programs are also partnerships.

We began with the assumption that global programs at the Bank would be providing global public goods through concerted global collective actions, which are beyond the capacity of individual countries to provide. In fact, we found that while some of the global programs are financing global or country-level investments that provide global public goods, a majority of the programs are multi-country programs providing essentially national public goods on a country by country basis. They advocate approaches to development, provide technical assistance, or help build capacity in certain sectors. Hence, a first and important contribution of this review for the Bank and the development community is to suggest the need to more clearly understand what global programs are actually doing and to have strategies for better selectivity.

We also looked at the requirements for successful partnerships. The World Bank itself has done some of the best work available on what makes for successful partnerships, and indeed, we learned a lot from the Bank's own work on partnerships as we looked at the partnerships in the global programs.

What, then, are some of the issues surrounding the expansion of global programs and partnerships since the mid-1990s?

One relates to resources. Global programs are taking a growing share of official development assistance, which has been fairly stagnant until recently. We were asked whether this reallocation of development assistance at the global level is justified, but we found that that is really the wrong question. The real question is, how can global programs effectively complement and strengthen work done at the country level? And everybody in the development business needs to understand better how this complementarity can best be achieved.

Second, while the Bank has clearly embraced subsidiarity as a selection criterion for global programs, it has become evident that applying this principle is more difficult than stating it. Let me give you an example: CGIAR, the Consultative Group on International Agricultural Research, is the oldest global program, and it was instrumental in creating a first-class agricultural research system at the global level. Donors provided money; developing countries reaped the benefits. But more recently, OED found that CGIAR's initial success had tempted donors to sidestep funding national agricultural research in developing countries. It had diverted resources to the international centers, so that a global program was being used to pursue donors' agendas rather than to help developing countries to adapt globally produced agricultural technologies to their local conditions. This has put CGIAR under pressure from donors to fill national and local public goods gaps in agricultural research—something that CGIAR was never designed to do and that is not consistent with either its comparative advantage or its core competency as a global agricultural system.

Selectivity

Before we get too critical about global programs at large, it is important to remember that the concepts were new, the idea of global programs was new, and that there is a lot to be said for letting a hundred flowers bloom and seeing what works and what the problems are.

Now the time has come to become a little more strategic, but I would caution here that context matters. One size does not fit all. Different types of partnerships succeed in different circumstances, and global programs and their contributions will shift and change with time.

For the World Bank, under the scrutiny of opposing ideological viewpoints, making the right choices can be very difficult in a confused and contradictory political environment. Sebastian Mallaby, in a recent article¹, points out that constituencies on the left are pressuring donors to support a quasi-utopian vision of development, with everything free of corruption, fully in line with

First World environmental and labor standards, and fully respecting the lifestyles of indigenous peoples. Constituencies on the right believe that markets can provide private capital, and that grants should replace lending to the least developed countries. Both camps agree that we need to think about the provision of global public goods, though perhaps for different reasons. Some want to champion First World standards through global programs; others want to use these programs as a mechanism to serve the interests of their constituencies.

How does this debate play out in developing countries? A responsibility we all share is to ensure that the links between global programs and country programs are clearly understood at all levels and to try to get buy-in at both the global and the country level for the two to come together. It does no good to have a malaria vaccine if you can't deliver it locally, and if you have a proper local delivery system it helps enormously if you have something wonderful to deliver.

So, a key criterion for successful global programs will be to connect a shared global concern with the delivery and capacity of country-owned assistance programs. For the Bank, this means understanding how the two can complement each other.

The central mandate of the Bank is to fight poverty, and global programs make an enormous contribution here. Some of them reflect new thoughts, experiments, and willingness to experiment on the part of individuals or donors. At the beginning of anything new, ideas come in from many different places, and many of them need to be tried. But we have now reached the moment where we need to make more choices. In addition, it is clear that people are thinking quite differently: about cross-cutting problems and about cross-cutting ways to solve traditional problems.

Management and governance

The OED review shows that it is important to professionalize the field of global program management.

The Bank should also apply what we have learned about governance to its partnerships as they grow and develop, both in the global program area and elsewhere. The next decade of global programs should give more attention to governance principles guiding the mission and operation of the global programs—principles of transparency, clarity of roles and responsibilities, fairness, accountability—all of which have been endorsed by the OECD and, I find, are generally accepted and valued within the Bank. I think the developing countries can have a more active voice in the global programs at the level of governing bodies, in decision making, and in implementation at the country level, and as I say this, I do so on behalf of all of my colleagues on the Advisory Committee.

Exit strategy

The Bank will also need to think about an exit strategy where appropriate. Again, one size does not fit all. Some projects need startup money and can then thrive on their own. Some need a long-term commitment. And if the Bank plans to get involved in something that requires a long-term commitment and does not want to make that long-term commitment, it has a responsibility to help mobilize continuing funding for the successful aspects of the project. If I have any criticism of the private foundation world from which I come, it is that foundations start programs, then they say “Okay, we’ve done that for ten years, now we’re moving on”, without stopping to think whether that is an appropriate response for the particular problem and the particular issue. I would hate to see the Bank adopt this strategy towards global programs.

Questions for discussion

Questions that I would propose for discussion are: How can we focus our collective efforts on those global programs that really matter? How can we be sure that we learn from and know about the experience of the World Bank and elsewhere in designing these programs? Is there a role for advocacy programs, and if so, how can we connect them better to country priorities? What would it take to close the gaps that the OED evaluation has identified? How do we judge whether these programs deliver results and provide value for money? How can we improve the governance and management of global programs? And what are the implications for the World Bank as the largest manager of global trust funds?

Finally, please don’t let the perfect be the enemy of the good. Global programs can play a significant role in increasing the impact of the development community’s work. None of them will be perfect or free of tension and challenge. But each presents a wonderful opportunity and an important source of lessons.

Note

1. Sebastian Mallay. 2005. “Saving the World Bank,” *Foreign Affairs*, May/June.

Plenary Session I

World Bank Support for Global Programs

World Bank Support for Global Programs

CHAIR

Sven Sandström

Director, Secretariat of the Taskforce on Global Public Goods

The Bank has done a tremendous job in initiating global programs, developing very rich experience, innovating, and experimenting. And now we also have a tremendously valuable evaluation by OED that has been well vetted within the Bank as well as outside.

How should we make the best use of the experience and of the evaluation? What should the Bank itself do to increase the effectiveness of its global programs? Equally important, what should other institutions, donors, and governments do, in terms of how the international community operates and what individual organizations do? These decisions are not up to the Bank itself to determine—they need a broader consensus.

SPEAKER

Uma Lele

Senior Adviser, Operations Evaluation Department, World Bank

As a channel for aid, global programs have been growing rapidly. One reason is a growing awareness of global issues and interconnectedness, but another is a considerable amount of dissatisfaction with traditional inter-

national organizations and aid programs, based on concerns that aid may not be effective, and that it does not respond adequately to the priorities of the global community and of countries themselves. Other reasons motivating global programs include new technologies that now make it possible to scale up programs in a way that could never be done before; a number of new actors including the Gates Foundation, non-governmental organizations, and private sector bodies; and a perceived pressing need for global collective action on a variety of issues, ranging from child labor to climate change to financial stability to trade, health, and the environment. World Bank management asked OED to provide some input on a regular basis, so that our results would be reflected in the Bank's decision making. So we produced a sequence of three reports over a period of four years. The 26 programs that we studied in depth account for a major share of the Bank's total expenditures on global programs. We focused on cross-cutting lessons. We interviewed more than 800 stakeholders and focused on four dimensions:

- What does international consensus mean?
- What is the development impact and what is the value added of these programs?
- How do their governance, management, and financing work?
- And, in particular, how has the Bank performed?

As evaluators we had to make sure that we allowed for the differences in ages among the programs—ranging from 32 years (CGIAR) to two years—and in activities—ranging from knowledge creation and dissemination through advocacy, capacity building, research, and the development of international standards, to country-level investments. And the tremendous diversity in the nature of partners involved in the programs made evaluation much more complex. So at the outset, the job was like looking at lots of needles and trying to figure out what the size or shape of the haystack was going to be.

Findings

We found that much of the growth in the number of programs has occurred in what the Bank has called corporate advocacy programs. These programs receive a much smaller proportion of resources than do other programs, and therefore, they rely heavily on the Bank's country assistance strategies and the assistance strategies of other donors for resources to operationalize the ideas that they think are important at the country level.

Most of the 26 global programs really focus on supporting the provision of national public goods rather than global public goods. (Though the pro-

grams providing genuine global public goods are few in number, they take the bulk of resources.)

This, then, raises a number of questions about subsidiarity. Are global programs necessarily the best way of providing national public goods? Here we found that there is often a question about the extent to which the global programs are actually contributing to the Bank's country assistance goals.

On program governance and management, we found that most programs have moved from a shareholder model, in which financial contributors (donors) largely dominated, to a stakeholder model, in which representatives of the affected parties—developing countries, NGOs, civil society organizations, private sector bodies—also play a role in decision making. But we found no standard model either for governance or management of the programs.

The Bank itself plays different roles (as many as eleven) in contributing to global programs. We listed these roles because within each global program it is involved in, the Bank should assess how well it is performing each of its roles.

There is general recognition that the Bank and donors need to be much more selective in their support for global programs. There are a variety of issues on governance, management, and financing. Value added to the Bank's objectives and especially to client countries is important. It has been difficult for the Bank to be selective because international consensus is an amorphous concept. In the history of why each program was formulated, one could always point to something or other as part of an international consensus. But in many cases, global programs are donor-driven. An additional problem is that they do not always exploit economies of scale and scope.

The subsidiarity question is the one that has created the biggest tension between the Bank's country operations and the agendas that global programs are promoting. We found that there is often poor alignment between the Bank's declared poverty alleviation mission and what the programs are trying to do.

A fundamental feature of the most successful programs is country-level action. More evidence is accumulating on what these programs are or are not contributing to development—which is a very positive sign.

By and large the programs providing global public goods have had a number of positive impacts.

We found that programs that are housed in the Bank or close to the Bank tend to have more impact on the Bank's country operations than programs housed outside the Bank. If a program is housed in WHO, for instance, accessing knowledge with which to shape the Bank's country operations in health is much more challenging than if the program is housed inside the Bank.

We also found that if the programs are external, one can hold them much more accountable for their performance than if they are internal, and further, that the external programs had a tremendous potential to add value to the Bank's work by introducing new knowledge and new ideas, but they were not necessarily exploited for that purpose.

Two other important findings are that global programs have revealed major gaps in investments and in global policies. As regards investment gaps, a number of assessments by the Integrated Framework for Trade-related Technical Assistance have shown a need for investment at the country level. This program relies heavily on the Bank's country assistance strategies to make sure that those investments occur, but the links between the country assistance strategies and such global programs are not as strong as they could be, and therefore there is a major investment gap—which frustrates developing countries. There are important deficiencies in global public policies affecting developing countries. These deficiencies include policies on intellectual property rights and trade, which global programs do not and often cannot address. Yet it is crucial that they be addressed.

We found that the governance of several global programs is quite weak, and there are huge differences in the quality of governance from program to program. Particularly because a large share of external assistance is channeled through these global programs, it is very important to strengthen their governance. Developing countries' voices, and even the Bank's own regional voices, are not always sufficiently reflected.

Though there are important exceptions—the Gates Foundation and the Prototype Carbon Fund—most global programs we reviewed have added very little new money to external assistance. Mostly, global programs are reprogramming external assistance away from country programs.

Implications

World Bank management has undertaken a number of reforms, but we feel that the Bank needs a more selective strategy for global programs, so that it can target its support to those that truly add value for the Bank's clients. The Bank also needs to strengthen its sector strategies and improve its oversight of global programs. Thus OED made a number of recommendations: a Board-approved strategy; a closer link between financing and strategy; more rigorous selectivity and oversight; improvements in governance and management of individual programs; and development of international standards for independent evaluations.

The management response on a variety of these recommendations has been positive. The Bank is developing a strategic framework. It has accepted most of our recommendations, and we hope that this workshop will identify some additional areas in which we can learn some lessons.

SPEAKER

Chris Gerrard

**Senior Evaluation Officer, Operations Evaluation Department,
World Bank**

At a workshop held yesterday, we gathered about 40 global program practitioners including board members and staff of global programs, developing-country counterparts, and others who have been intimately involved in global programs over the last few years. We focused on (1) strategy and priority setting; (2) evaluation and impact; and (3) governance and management of global programs. I will summarize the general findings of the workshop.

Within the Bank, global programs should be linked with country operations, with the Millennium Development Goals providing guidance at the global level and the poverty reduction strategy papers providing guidance at the country level. There was a strong feeling that global programs should not be limited just to providing global public goods, and that there is a role for corporate advocacy programs—although the term “corporate advocacy” was discordant to many ears.

Almost every program has its political entrepreneurs, and global programs often arise out of political considerations. Objective and technical assessment of needs and priorities should receive greater emphasis than it does, relative to the influence of global politics. If the World Bank has a particular advantage in helping engender or nurture global programs, it should be able to promote coherence among programs. This assessment of needs and priorities is especially important at the country level, so that trends can be tracked and the international community can act before common problems reach crisis proportions.

On the subject of impacts and evaluation, there is a strong need for streamlined, harmonized standards for global programs. The World Bank and the UN should work with donors and other organizations to achieve common standards and bring more coherence to the evaluation of global programs.

Participants were very positive about results-based management and evaluation, which are now the norm within the Bank and under various names are becoming the norm in other organizations as well. Results-based management needs to emphasize impact assessment, not just outcomes, and it requires capacity building. Evaluation of global programs should start with needs and objectives that are jointly defined by stakeholders.

Finally, global programs today are primarily accountable to donors, because donors are providing most of their funding. But the accountability of programs should get beyond this. It should be framed not just in terms of donor requirements for the use of public funds but also in terms of outcomes

and other obligations. Explicit written charters can be ways of defining appropriate roles and responsibilities and performance by all actors.

Enhancing developing country voice in global programs is a particular challenge. The approach that some programs are taking, encouraging membership through sliding financial contributions, was viewed very positively, but an effort also needs to be made to build capacity at the country level, so as to promote meaningful participation of developing country experts in global programs. Of course, issues like transparency, clarity, and fairness are also important for the governance and management of global programs.

PANELIST

Louka Katseli

Director, OECD Development Center

I would like to congratulate both the authors and the OED staff for this excellent and indeed bold report. I will first focus on what I consider to be five important criteria and then provide some suggestions and ideas about a future strategy.

In reviewing 26 global programs, the authors of the OED evaluation underline five interlinked systemic problems that characterize almost all global initiatives or partnerships including development cooperation, and become, in my view, even more acute in the case of global programs. These can be summarized as problems of ownership, selectivity, subsidiarity, alignment and coherence, and governance. Let me say a few things about each.

Ownership

According to the World Bank, global programs are partnerships and initiatives whose benefits are intended to cut across more than one region in the world. They are supposed to promote global public goods (GPGs): commodities, resources, and services, but also systems of rules or policy regimes, with substantial cross-border externalities that are important for development and poverty reduction and can only be produced in sufficient supply through collective action.

Now, in the absence of a global governance system, the first question that arises is: who decides which are the most important development-promoting and poverty-reducing GPGs to be underpinned by appropriate global programs? Whose preferences and priorities should programs cater to? Those of donors? Those of recipient countries, as represented by national governments? Those of international financial institutions? Or those of the “international development community,” broadly defined

to include all of the above as well as some interested private sector or NGO representatives?

The OED report suggests that in fact donors and international organizations sit in the driver's seat in both the design and management of global programs. The voice of the World Bank's client countries is still weak: the permanent members of the programs' governing bodies tend to be the major international organizations and donors, and many programs—12 out of 26—are in fact located within the Bank. Ownership thus remains asymmetric, as programs tend to reflect what donors and international organizations think are the most important global priorities.

Selectivity

Linked to the problem of asymmetric ownership is the issue of selectivity. Despite the four criteria endorsed by the Development Committee in the fall of 2000, and despite the report's conclusions that the programs largely meet these criteria, the question still remains whether all the problems with substantial cross-border externalities require collective global action. This is true, in my view, for the 16 programs that are expected to deliver national public goods and it could also be true for the eight programs that finance country-level investments approaches or foster country-level approaches to delivering global public goods.

The table reproduced below from the OED evaluation report distinguishes programs that deliver GPGs from those that deliver national public goods. In fact, as the report indicates, only three programs—if we include part of the Global Alliance for Vaccines and Immunization (GAVI)—are financing global-level investments to deliver GPGs by mobilizing global resources for the benefit of the poor.

The issue seems to center on those programs that service what have been called corporate advocacy priorities: that is, programs that aim to promote common approaches, advocate political mobilization, support capacity-building efforts, or provide technical assistance for reforms. Given the wide differences in capacity across countries and regions, should not such programs be more explicitly tied to country-led strategies or regional programs? Further, since these programs will be effective only if advocacy is translated into investments or reforms at the country level in the selected priority areas, should not their design and promotion activities be moved downwards, closer to implementation?

Applying the principle of selectivity also raises questions about the proper selection of global programs or under-financing of programs that promote true GPGs. For example, preventing natural hazards and even managing migration have been singled out as two important areas where GPG priorities might justify global collective action.

Most Programs Primarily Address National Public Goods or Capacity^a

	Financing global investments	Financing country-level investments	Fostering country-level approaches, standards	Financing country-level technical assistance ^b	Strengthening country-level capacity	Number of programs
Delivering global public goods	CGIAR (1972), TDR (1975)	GEF (1991), MLF (1991), ProCarbFund (2000), CEPF (2000)	UNAIDS (1996), RBM (1998), Global Forum (1997), Stop TB (1999) ^d			10
Delivering national public goods		PostConFund (1998), GAVI (1999) ^c	CGAP (1995), GIF (1996), GWP (1997), UCW (2000)	WSP (1978), ESMAP (1982), IF (1997), PPIAF (1999), Cities Alliance (1999)	InfoDev (1995), World Links (1998), GDN (1999), FSAP (1999), FIRST (2002)	16
No. of programs	2	6	8	5	5	26

a. Each program is classified by OED in only one category, corresponding to its primary activity.

Programs are listed chronologically by start date within each category.

b. With the intent of stimulating public or private investments in the sector.

c. The GAVI Vaccine Fund also finances research and development of new vaccines and promotes strategies to address the constraints on R&D investment.

d. Stop TB also has a small drug facility that finances country-level investments in the form of drugs for the treatment of tuberculosis.

Source: Operations Evaluation Department, 2004. *Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank's Approach to Global Programs*. Washington, DC: World Bank.

Subsidiarity

Selectivity concerns are also linked to my third issue, namely, the principle of subsidiarity.

Concerning what economists call the optimal regulatory area for different types of programs, the report addresses these issues indirectly, by arguing that some activities within programs or even some programs themselves could be moved to the national or regional level. As I said before, this is especially true for programs involving national or regional infrastructure development, local capacity building in information, educational research, or those addressing global concerns at the country level.

The subsidiarity principle is, in fact, violated in many instances when country-led strategies are either not explicitly articulated or not taken adequately into account in the formulation of global programs so that synergies are not exploited, and capacity or financial gaps are not addressed.

Now, when coordination between national, regional, and global programs is not ensured—whether because coherent strategies are not in place, information is insufficient, harmonization is inappropriate, or cooperation is limited—the system as a whole tends to become more segmented and less manageable. Programs proliferate, ambiguities on responsibility and accountability multiply, and conflicts of interest tend to diminish the transparency and efficiency of operations. Some of these problems seem to prevail in the Bank’s operations, and they are mentioned in the OED report on pages 15 to 19.

Alignment and coherence

Global programs should thus be linked to or preferably aligned with clearly established country and regional priorities. It would be interesting, for example, to explore the interface and coherence between poverty reduction strategy papers (PRSPs) and global programs favoring social inclusion, education, health, investment, or public sector governance. A recent working paper by the OECD Development Center looks at global assistance for health, AIDS, and population. It finds an important divergence between local priorities, as stated in PRSPs, and the global priorities driving global programs.

Are there synergies between PRSPs and global programs? Have global programs mobilized additional incremental resources or changed local policy priorities? Another recent Development Center working paper, on financing global and regional public goods through official development assistance (ODA), looks at the OECD creditor reporting system, and finds that 30 percent of ODA has been spent on the provision of global public goods. Who is benefiting and who is losing from this diversion of ODA towards GPGs?

Without alignment to or coordination with the priorities of recipient governments, the impacts of global programs are hard to evaluate. Thus non-alignment, more often than not, goes hand-in-hand with lack of coherence between the aims and actions pursued by the global program and the other policies of either donor or recipient countries.

Governance and management

The report raises substantial concerns related to program location, since the number of programs housed within the Bank has increased. The concerns include the lack of an appropriate arm’s-length relationship with the Bank and the fragmentation of coordination and management functions, as well as the potential conflicts of interest due to the Bank’s multiple functions. (As Uma Lele pointed out, the Bank potentially exercises eleven functions for each program that it supports.)

The excessive concentration of functions within the Bank, including evaluation, raises problems of legitimacy, influence, transparency, effectiveness, and accountability. These are made worse by the lack of appropriate external and independent oversight that is able to monitor outcomes at the global or local levels and to help create a results-based management system through appropriate terms of reference, benchmarks, and accountability procedures.

Management problems become even more acute at the country level. How can a developing country manage such a multitude of donors and programs at the country level?

The report's conclusions

In light of these concerns, how is one to judge the report's conclusions? Are they appropriate, and are they ambitious enough? I would suggest that the report's conclusions are indeed appropriate, and actually, they are very bold—if one reads between the lines and not only the subheadings, which are somewhat misleading and require adjustment. Thus, while one subtitle states that GPGs programs meet most criteria, the report is quick to note that the programs are largely supply-driven and that consensus is driven by constituencies in donor countries and by the staff of international agencies.

Similarly, while the report states that the corporate advocacy programs meet the Development Committee selectivity criteria, it points out that this is largely because the criteria are broad and difficult to apply. It also notes that few of the Bank's networks demand links to country operations before program approval, nor do they track these links during program implementation. The report claims, again in a subheading, that evidence on value added to the Bank's development objectives is increasing; the text, however, points to the lack of clear, shared, measurable objectives, appropriate methodology, or measurable evidence.

One of the most important conclusions of the report, and one that we should focus on to be able to move ahead, is that value added on the ground in client countries is typically a joint product of global and country-level activities. This is evidenced by the programs—especially the agricultural research and the tropical disease programs—where the Bank, donors, and governments have made complementary investments at the country level.

The need for alignment and synergies between global and country-level investments is also highlighted when the report focuses on the investment gaps that exist at the global level. This important conclusion does not come out as clearly as it should. As a result, the implications of these findings for the Bank's future strategy are not really worked out.

The same can be said for the report's conclusion that there is a lack of coherence between global programs and supporting policies involving industrial countries' policies in trade, aid, finance, and intellectual property rights, re-

quiring restructured mandates to address global public policy gaps and to foster a more inclusive and pro-poor global environment.

In summary, the reader wonders whether the recent reforms are indeed promising, as stated on page 86, when the Bank has not yet worked out a global strategy in conjunction with its partners, with network anchors, or regions with a clear focus on outcomes and impacts.

Elements of a strategy

A future strategy that could cater to the needs of specific client countries, while simultaneously promoting global policies and investments that are of high priority for developing countries, might use a two-pronged approach: on the one hand, underpin and complement national strategies with regional programs that create positive externalities and mitigate negative spillover effects across the board, and on the other hand, address at the global level, through global programs, priorities that require global collective action.

The regional pillar of such a strategy should be worked out in close cooperation with national governments and regional stakeholders, and be supportive of national government priorities as expressed in PRSPs or national medium-term action plans. Most programs catering to corporate advocacy priorities, as well as some of those catering to GPGs—such as those pertaining, for example, to information and knowledge—could be served by the regional pillar and thus move downwards to the national or local level. Regional specificities could then be taken into account; one cannot successfully apply the same advocacy programs in Asia as in Africa or Latin America. In the design of the programs, complementarities with local investments and programs could be exploited. A decentralized management structure would best serve such programs while monitoring and evaluation procedures could be agreed by all regional stakeholders.

The global pillar could then include only global programs covering GPG priorities, such as those pertaining to agricultural or health research, or global environmental concerns, and it could include most of the ten programs that deliver GPGs. These could be more centralized in governance and management and possibly be housed in one of the international organizations, including the Bank. Even in that case, however, when country-level investments, approaches, or standards are involved, these would need to be coordinated and linked to national strategies and action plans. The Bank's Global Programs and Partnership Council could concentrate its activities on the global pillar programs while the regional pillar ones could be outsourced to appropriate regional stakeholders. NGO and parliamentary representation should be strengthened to reduce the risk of global programs being captured by private sector interests, working either directly or indirectly. As all of us who are researchers know quite well, the direction of research, its con-

tent, and its results can be readily influenced by donors and by the amount of funding provided. If the needs of the poor in developing countries are to be served by global programs, we must make sure that these programs are relevant and effective.

To conclude, I believe that thinking about a strategy for global programs should take place in a broader context of thinking creatively about the global development architecture. There is a need for a regime switch in this domain. To encourage this, at the OECD Development Center, we recently organized a workshop on the future of aid architecture together with the Overseas Development Institute in London.

It seems to me that there are several challenges here: how to provide vertical integration, or, in other words, how to strengthen leadership at the country level; how to create incentives so that aid-recipient countries can sit in the driver's seat and propose development support frameworks to donors; how coordination and harmonization can be achieved through alignment; how to pool private and public resources to underpin initiatives; how to create manageable governance systems at the country level; and how to negotiate benchmarks and choose performance indicators.

Insofar as global programs are concerned, we need to think about both vertical integration and horizontal coordination among all of the implementing agencies, about how better to integrate global programs into comprehensive, country-driven agendas for development, and about how to select those global programs that need to be managed at the global level.

Thinking this way is a very ambitious challenge, but only by confronting it can we build ownership and trust between developing and developed countries. This is because ownership is not really a precondition, but something that is built, like trust, among partners. This can be done both with country-led programs and global programs only if these are sufficiently integrated.

PANELIST

Inge Kaul

**Director, Office of Development Studies,
United Nations Development Program**

I would like to congratulate OED for this excellent piece of work, couched in very diplomatic language.

Where do we go from here? Reading the evaluation report, I was struck by the many purposes that global programs serve. Some have been established in order to produce national building blocks of global public goods like communicable disease control. Others, termed corporate advocacy here in the Bank, support activities that are being "rolled out"; support for global

norms and standards is an example. A third set of activities seeks to create a joint international-level platform or facility. And a fourth set of initiatives promotes trading in GPGs or services, such as carbon reduction credits or biodiversity preservation, as is, for example, being done through the Global Environment Facility, in part.

The report also tells us that different purposes tend to be pursued through different organizational forms. Some of the global programs are managed from within the Bank, while others are within the Bank but have their own governing boards. Then there are the so-called arm's-length initiatives: global public-private partnerships with independent organizational status, whether non-profit or for profit, where the Bank is a cofinancier or contributes some ideas.

The independent partnerships within this last category are part of a much larger universe. In a recent UNDP survey of so-called global public-private partnerships, we found 400 of them before we stopped counting, and there may well be more. These partnerships bring together governmental actors, civil society, and business actors who have realized that certain things can no longer be done by either the government or the private sector alone, or without civil society participation. So the partners have come together, mixed their resources, comparative advantages, and competencies, and performed often very well-defined tasks in a time-bound manner with well-defined contracts and outputs.

These global public-private partnerships in a way reflect a trend that we all have seen happening since the 1980s at the national level where, increasingly, the reengineering of the state has led to out-contracting and public-private partnering, whether for rail stations like Union Station in Washington, DC, prisons, or hospitals in the UK. Because governments want to prevent tax and expenditure hiking, they transfer the task of mobilizing money to the private sector, and hope to reap the efficiency gains that the private sector can allegedly provide.

The trend of reengineering the state may now be hitting the shores of international cooperation. It may be that in the partnerships evaluated here we are seeing the first signs of intergovernmental organizations like the World Bank or UNDP being reengineered into more modern organizations that will no longer deliver aid directly to individual countries. Instead we may see more light-footed intergovernmental organizations, which can recognize trends happening out there and then give a little incentive and subsidy to encourage private initiative and entrepreneurship to act on the trends. For example, though I don't want to give any preference to nonprofit organizations, why should the World Bank do forestry projects? Maybe we should take a look at the Forestry Stewardship Initiative and see whether maybe some World Bank money could give them a little boost. Similarly with the Fisheries Stewardship Initiative or Transparency International. Why do corruption con-

trol work within the Bank, or UNDP? Maybe instead we should support Transparency International.

In making this recommendation, I am fully aware that, as other speakers have noted, the industrial countries are probably much better at articulating their preferences for such initiatives and are also in a better position to put money behind their preferences than are developing countries.

So my complementary suggestion is that the Bank and other aid agencies bear this fact in mind when undertaking country programming exercises. At present, we design country programs that suggest that all the money is to be spent at the country level. Instead could we not apportion one part of country program aid for domestic use and another part to support the participation of the country's authorities in global international cooperation initiatives?"

My idea is that the Global Fund to Fight AIDS, Tuberculosis, and Malaria (GFATM or the Global Fund), for example, should be projected as a cooperation initiative of developing countries and reflected in country programs so that its resources would go into the budgets of the countries concerned. Such an arrangement could help to sustain the results of international cooperation over the longer term, after international assistance stops.

To conclude, the World Bank, UNDP, aid agencies, and others should think more the way a modern state thinks about incentivizing and encouraging initiatives "out there," and doing less in house. They should also consider how to encourage and enable developing countries to become much more actively involved in international cooperation.

PANELIST

Deepak Nayyar

Vice Chancellor, University of Delhi

**Chairman, Board of Governors of the World Institute for
Development Economics Research**

I would like to begin as my predecessors did by complementing OED for a splendid study on a very important issue. We all know that beginnings are difficult. Therefore, I am going to take the liberty of situating this study in its wider context.

If we think of the present conjuncture, governing the world economy is both more necessary and more difficult than before. It is more necessary for two reasons. First, in a world economy characterized by openness and interdependence, rational economic behavior—by individuals, in the form of utility maximization, or by firms, in the form of profit maximization, or even by governments, in some abstract pursuit of the national interest—has consequences that spill across national boundaries. Second, rules made by governments and

laws enacted by parliaments apply within national boundaries, but in the world today, economic space no longer coincides with geographical space. Governing the world economy has become more difficult because there is no world government to enact laws and, in many spheres or domains, no international institution to set the rules. What is more—as we know from the WTO—negotiations between national governments, zealous about sovereignty, are both complex and slow.

Now, this was, in a sense, a preamble. I have a sense of discomfiture about the term global public goods, which means different things to different people. The term now includes almost everything. I am not an orthodox economist, but I feel more comfortable distinguishing international public goods—say, environmental commons, which are in excess demand because of self-interest by individuals or communities. If we think of preserving the environment as an objective, the rank order of preferences of people or countries will run as follows: first, I do not contribute, but everyone else does: this is the free rider problem. Second, everyone contributes, which is what we call a cooperative solution. Third, no one contributes, which is what we call a prisoner's dilemma outcome. And fourth, no one else contributes, but I do, which is the isolation paradox in reverse. Everybody hopes for outcome two, the cooperative solution, but ends up with outcome three, the prisoner's dilemma outcome, where everyone is worse off.

The same is true of what I would call international public bads—communicable diseases, trade in drugs, trafficking in people—which are in excess supply because of the same pursuit of self interest without coordination or governance. Within countries, governments provide public goods and regulate public bads. Across countries, for public goods, you need institutions or rules to ensure contributions or self restraint, while for public bads, rules are necessary for regulation. But public bads are not just the analogue of public goods. They are negative externalities that spill across borders. And you also need resources with which to compensate the losers for the restraint that you impose on them.

The OED study recognizes this: it reveals gaps in investment at the global level just as it reveals gaps in global public policy. The evaluation also shows that it is easier said than done to make the transition from shareholder models to stakeholder models, and that the voices of developing countries are inadequately represented, and that the global programs do not much increase the worldwide pool of resources available for such purposes; indeed they become a substitute for rather than a complement to what exists.

In a world where resources are scarce and priorities need to be defined, the OED prescriptions to the Bank's involvement are eminently sensible, linking finance to priorities through a strategic framework.

The issue is not only about attaining the minimum needed to make a difference; it is also about resource utilization, and about selectivity and over-

sight of global program portfolios. The Bank's experience has shown the importance of governance and management, whether embodied in selection criteria, voice for developing countries, ownership on the part of the losers, guidelines on conflicts of interest and so on, and last but not least, the importance of evaluation in terms of procedure and practice.

In conclusion, I would like to go somewhat beyond the OED study. I think that evaluation is necessary, but it is not sufficient. A, we need to create capabilities in individuals and institutions; B, we need to impart voice to those who are actual or potential losers from the absence of public goods or the presence of public bads; and C, we need to develop consciousness. This last point is about thresholds of tolerance. For example, in almost every society, states have acted to control pollution when it has exceeded thresholds of tolerance. I live in what was the most polluted city in the world, until five years ago.

Now, the litmus test, I believe, is what happens to global programs when the World Bank's support fades away. Does the activity collapse? Does it continue at the same level? Does it multiply as a role model, in a virtuous circle? Insufficient supply of public goods arises because the market does not produce these goods, because it cannot charge for them or cannot charge enough. There are three solutions here: what is called the patronage solution, where the government produces the good and gives it to the people; the procurement solution, where the government gets the private sector to produce the good and pays the private sector to do it; and the intellectual property rights regime solution, where the government allows people to produce the good but regulates the price they can charge.

I have a sense that the focus so far, on what is being described as GPGs, is essentially on providing resources to finance the *provision of public goods*. This is an important segment but just a segment of the problem. We also need to find methods of *preserving public goods*, and preserving the environmental commons is part of that problem, just as we need to find methods of *regulating public bads*.

The World Bank, I think, should try to become a catalyst if not a leader in developing norms for contributions, rules for self-restraint, and institutional mechanisms for coordination, that would help provide public goods and regulate public bads in the international sphere when they cross borders. In a sense I can think of no institution better placed to perform such a role, because the conception and design of the Bretton Woods institutions was in large part motivated by the logic of international collective action. I believe that the provision of public goods and the regulation of public bads in the international context of a globalizing world sets out the logic of international collective action with amazing clarity.

Concluding Comments and Floor Discussion

Louka Katseli: Inge Kaul, could you articulate a little more clearly your suggestion on how to encourage private sector initiatives? Aren't there risks in doing so? Which kind of programs do you have in mind? Is it a matter of, as Deepak Nayyar said, a procurement solution, where you finance somebody else who can deliver the good more effectively? Or is it a partnership?

Inge Kaul: It's not my suggestion, but more a question of what I have seen: this amazing phenomenon of 400 independent global public-private partnerships does exist. The intellectual challenge for us is to try to understand why. Apparently, intergovernmental organizations were somewhat slow in picking up issues, or were constrained by their mandates.

The Medicines for Malaria Venture (MMV), for example, could not have been pursued within an intergovernmental organization, because differential patenting is involved. Where there are sophisticated contracting issues on very clear products, we have to think in terms of moving in this direction, and there are many technological and R&D issues where this would apply. Earlier today, we discussed the Bill Clinton initiative on the purchase of HIV/AIDS medicines, where he encourages developing countries to let his organization know how much of particular medicines they want to purchase, then bundles the purchasing requirements and forwards bulk orders to pharmaceutical companies who can then reduce the price, and all of this happens over many years. This is a new way of brokering. It requires market-state relationships that are clear, precise, issue-oriented, and not part of a multi-principled, multi-mandate agency.

Public-private partnerships have often, in the infancy stage, gone wrong at the country level, but we are here to learn, so we have to ask ourselves about the different comparative advantages of public and private actors and

civil society actors. I think this idea of contracting for very specific inputs has a lot of promise, rather than merely focusing on endless capacity building and institution building. There are challenges, but there are opportunities, too.

Deepak Nayyar: In countries, it is the unambiguous role of governments to provide public goods and regulate public bads. Now, in a globalized world, there is no obvious substitute for government. And therefore, we need to re-define the relationship between the state and the market in an international context, because there is no state that can be a complement to the market. We know the market-state relationship within countries, whether in the form of public-private partnerships, rule-setting institutions, or private arrangements, and we see some evidence that the appropriate form at the international level would really depend on the nature of the public good or the public bad. Because ultimately, we're not going to get rules so quickly. We may get conventions, practices, soft law arrangements that will evolve into rules and institutions. So I think we need to be somewhat eclectic and open-minded about how we want this to evolve.

Jana Matesova, Senior Adviser to Executive Director, World Bank: Most of the risks of public-private partnerships stem from the governance role on the side of the public sector. Thus it doesn't matter whether we use procurement or a property solution to these issues: it doesn't take away from the issue of the concerted action on the side of the public sector at the global level.

Participant: Deepak Nayyar suggested that the World Bank could become a catalyst to establish institutional mechanisms for coordination. Could you expand on this? The regulatory part is going to be even more difficult for an organization like the World Bank, don't you think?

Deepak Nayyar: Yes; I think you're right, because the World Bank is sometimes seen as a rule-setting institution, given the conditionality associated with its lending programs. And I think that just as OED is at arm's length from the management of the World Bank, any such initiative would have to be at arm's length from the World Bank. I say this because the problem here is the law of inertia. It is very difficult for governments to get together and start up such processes. It is easier for concerned citizens, but as a collectivity, they do not have enough voice or influence. I believe there is also a need for much greater policy coherence between and among the international institutions, and there is no reason why this should be the preserve of the World Bank alone. The logic of international collective action is embedded in the Bank's history, but the Bank, UNDP, and a whole range of other international organizations could be thinking of this and working together as catalysts.

Chris Gerrard: On this point I would like to highlight one of the findings of our review, which is that very few of the global programs the Bank is involved in are actually formulating or implementing global public policy. Policy

and rule setting really hasn't been the mandate of the Bank. It's really been the mandate of the United Nations system and of WTO, while the mandate of the Bank has concentrated more on implementation. And while I think the Bank has the intellectual capacity to study global public policy issues, it's not at all clear to me that it has the mandate to set policies.

Uma Lele: The trade policies of industrial countries are a major factor inhibiting the growth of trade for developing countries. The Bank is doing a lot of intellectual work on trade issues from its research department, and providing associated technical assistance in developing countries. There is considerable scope to use the studies that are being done in a number of developing countries to highlight why these countries' trade cannot increase without either further investment or a change in the global policy framework. There are limits to what global programs can do when the global policy framework is not conducive to achieving their goals. And I think that is where the linkage between global programs and the Bank's other work can be enhanced to increase the effectiveness of each program.

Participant: I was intrigued by Deepak Nayyar's comments about the nonexistence of a world government, and of course, it would be heretical, in this city at least, to say that there should be one. But, as some of the other speakers have pointed out, the UN has adopted some policies—for example, on the prevention of child labor or trafficking of people or drugs; or genocide, the International Court of Justice, and the Kyoto Protocol—to try to regulate public bads. While the UN has fulfilled that mission to a certain point, I'm not sure what else you would propose or how that function should be strengthened or developed.

Deepak Nayyar: A short, simple answer: the United Nations has a mandate to establish institutional mechanisms for cooperation between nation states, but the UN remains a creature of the nation states. It does not have the space or the freedom to act as a secretariat, in much the same way that the WTO does not have the freedom.

I think that in this matter, the more people who are engaged, the better. And more power to the United Nations' elbow for anything it does in this domain. If others—groups of nation-states, civil society organizations—want to be catalysts in the process, that can do no harm. It can only do good. But remember, at the end of the day, whatever rules are set must be accepted by sovereign nation states.

Plenary Session 2

Global Health Programming

Global Health Programming

CHAIR

Jean-Louis Sarbib

Senior Vice President, Human Development, World Bank

The tension between global programs and country programs comes out clearly in many fields but perhaps nowhere as clearly as in health. Prevention of communicable diseases, in particular, fits many of the characteristics of a global public good, and when they are not controlled, these diseases become a global or an international public bad. And health affects people, and people live in countries, so what is done at the global level and its relationship with what happens within countries becomes a particularly salient issue in the field of health. It has come up in high-level forums on health, and it will be a major topic for discussion at the third High-level Forum on Health in November 2005 in Paris.

This session will focus on the field of health, and we're going to start by hearing about the work that Uma Lele has done on this.

SPEAKER

Uma Lele

There is a general recognition that health challenges need comprehensive solutions, for a variety of reasons: declining health indicators in Africa and South Asia—which have important implications for meeting the Millennium

Development Goals—and the prevalence of malaria, TB, and HIV/AIDS, which have been the focus of global health programs, and are a classic global public bad if not controlled. There is a crisis in communicable diseases in Africa, which is related to a number of other issues, including high dependence on aid, unpredictability of aid, budgetary shortages, human and institutional capacity issues, and conflict.

Another reason why health issues have come to the fore is that advocacy has had a tremendous impact on creating new partnerships and substantially raising health expenditures. There is a view that partnerships can help to scale up treatment quickly, and probably in a way that the World Bank and WHO could not. Collective action is seen to be important. There is also a major role for private philanthropy. The Gates Foundation in particular has provided a tremendous amount of new money for global health. Global health is also an area where a tremendous amount of institutional innovation is going on at the global level, and there are many types of innovations from which we can learn.

In these comments I will draw both on the OED evaluation of 2004 and on a piece of work I have been doing on global programs in communicable diseases, for the Task Force on Global Public Goods. The challenge we had in evaluating global health programs was not unlike what we had seen elsewhere. The programs vary widely in age: the Tropical Diseases Research Program (TDR) is quite old, while Stop TB and the Global Alliance for Vaccines and Immunization (GAVI) are quite new. The Global Fund spends at least \$1 billion a year, and the Global Forum for Health Research only \$3 million. So, we were, in a way, comparing elephants with ants, and that's quite a challenge.

One of our notable findings was the important role played by advocacy. Advocacy has played an important role in the World Bank's expansion of its commitment to HIV/AIDS, for example. Colleagues in the Bank believe that external advocacy started in Africa, particularly with UNAIDS playing a role in persuading the Bank to move more rapidly. Advocacy has been important in other regions as well.

Another striking finding is that in its field, the Global Fund has become a far bigger actor than the World Bank. GFATM is now lending or giving grants to 120 countries, and the volume of its commitments has grown very rapidly compared to that of the Bank. The Fund's disbursements are also growing very rapidly, though its disbursement data do not necessarily reflect the rate of implementation. The Bank's disbursements actually reflect a much faster rate of implementation than that of the Global Fund.

Partnerships have proliferated in health and much more money is now available, but the transaction costs to developing countries in accessing these resources are substantial. This became particularly evident when we began to look at the relationship between the Global Fund, the activities of bilateral

agencies, and the World Bank, especially at the country level. Part of the reason is that the Global Fund has created a whole new set of procedures for giving grants; its approval, oversight, and disbursement procedures are completely different from those of the World Bank or bilateral donors, even though it has much less presence in the countries than they do. In general, there is a lot more duplication of institutional arrangements, as the result of each of these vertical programs developing its own way of dealing with governments.

Another trend peculiar to health is that because more money is available, the demand for technical assistance has expanded dramatically. That was very evident to me in doing field work in countries such as Malawi, Kenya, and even India. The need for technical assistance arises in part from the high transaction costs and the limited capacity of developing countries. And it is often not clear where this technical assistance is going to come from. Some comes from UNAIDS, but on technical issues everyone counts on WHO. WHO's budget has not increased, although the demands on it have grown dramatically.

This, then, raises the question of the nature of developing countries' needs in the health sector. Looking at the World Bank's commitments to the sector, we disaggregated the data on the Bank's commitments to communicable disease control. Of course, what kind of trends you find depends partly on what year you start at. But it is quite evident that overall health sector lending has not increased very much, and that a growing share of the total has gone to communicable diseases, especially HIV/AIDS. We found that other donors' information was much more fragmented, so we took the Bank's lending as an indicator of what other donors are doing. We concluded that, while the demands on developing countries to accommodate the global communicable disease programs have been substantial, their capacity to do so has not increased commensurately.

I emphasize this because as we looked at the comparative advantage of different international organizations and at the global architecture for health, and as we conducted interviews, it became quite clear to us that the Bank has an extremely important role to play in building health sector capacity: through financing, through dealing with issues of budgetary allocations and priority setting, and through supporting human development. WHO has a very different role, in providing norms and standards and technical inputs that are needed in health, so potentially there could be a very good partnership between WHO and the World Bank in building health sector capacity.

The Special Program for Research and Training in Tropical Diseases (TDR) has had a tremendous impact in combating the ten most important diseases of the poorest people in the world. Though they have not been very good at advertising what they are doing, they have done a tremendous lot in building capacity. Their budget has stagnated, and, as with that of CGIAR, re-

stricted versus unrestricted funding has become an issue. A number of people in developing countries told us that the Global Forum for Health Research was created as a result of the report on the macroeconomics of health, but that its budget of only \$3 million is a typical example of how the donor community responds—it says health research is very important, and then creates a program with an unrealistically small budget.

Then we looked at public-private partnerships in the health sector. One estimate is that \$200 million is being spent annually on these kinds of partnerships; much of it comes from the Gates Foundation, but other foundations also are providing money jointly with bilateral donors. People working on these issues point out that even if you take only the existing investments in public-private partnerships, at least \$1 billion is needed each year to develop their results into drugs and vaccines that can be administered, and that it is not clear where the necessary resources are going to come from. Shortages of applied and adaptive research are a far bigger problem in health than in agriculture, where the Bank has invested a lot in research through CGIAR.

Research on communicable diseases is very costly. Markets for drugs and vaccines in developing countries are poorly developed and there's a long gestation lag from research to marketable products. Some people suggest that if donors were to guarantee markets for products resulting from such research, much more private investment would take place, but this idea has been around for several years, without concrete progress. So this combination of features means that there is really much greater need for investment in health research, and I continue to promote CGIAR as a model that the health sector could follow. There are a variety of reasons why that hasn't happened, but institutions such as the Bank, WHO, the Global Fund, and UNICEF should together take the lead to found something like the U.S. National Institutes of Health for developing countries, backed by substantial public funding. Neither the private sector alone nor public-private partnerships are going to solve the huge problems in the field of communicable diseases.

Looking at successes and the lessons that can be learned from them, the DOTS (Directly Observed Therapy: Short Course) strategy promoted by WHO for TB stands out. DOTS has been working well in China and India and in some small countries. This is a technically sound program, using an integrated approach backed by research and by a facility that provides timely delivery of drugs. The World Bank and WHO have worked together very well in countries like India and China, where the Bank provided investments while WHO's DOTS strategy was providing solutions. Thus, in a way, the two together helped to build the delivery system in these countries. DOTS offers a number of lessons for control of HIV/AIDS and of malaria—where efforts have been floundering, and the Bank also needs to invest a lot more than it has.

GAVI is backed by the Vaccine Fund of the Gates Foundation. It is an impressive program, and an example of the fact that big philanthropy can now make a huge difference to outcomes in developing countries. My only concern about GAVI is its long-term sustainability. It has introduced some excellent new multivalent vaccines, which cost much more than the single vaccines that have been used in poor countries, and though multivalent vaccines were favored by all the doctors I talked to, governments do not have sufficient funds of their own to support their use. To sustain the GAVI program will require a continued flow of external finance. The Bank and GAVI have been in partnership for some time, and have achieved a lot already, but their partnership could play a much more important role in making sure that vaccination programs become an integral part of countries' long-term health strategies.

What are some of the overall lessons of the health programs? The first is to promote high priority programs, choosing fewer programs rather than multiple small partnerships that have little money. Second, public investment in health research needs to be increased. Probably far too much faith has been placed in private investment, because not much progress has been made in assuring markets.

Third, increased coherence is needed in disease-specific programs. India and China provide good examples of a coherent approach. They have adopted their own TB strategies, and are saying to all the donors, including the Global Fund, "the World Bank and WHO have helped to operationalize this, so all of you donors for TB control are going to have to be in our own program, and your money will have to be integrated into what we are already doing." It would be beneficial if other countries could adopt such an approach, but they typically lack the capacity or clout to be able to negotiate in this way with individual donors. If their capacity can be built so that, say, they can organize a single national anti-malaria strategy (rather having than a separate USAID strategy, World Bank strategy, and Global Fund strategy), supported by all the donors and also filling relevant gaps in the health system capacity, that will be very beneficial. And I think the Bank can do a lot to build needed health system capacities in developing countries.

A fourth lesson is that in the Bank the links between global programs and country operations are not as strong as they should be. In countries where the links are strong, this often reflects the initiative of individual task managers in the Bank. For example, to help make TB control work in China, task managers asked the U.K. Department for International Development (DFID) "What can we do to soften the terms and conditions of loans in China so that we can continue this program?" Obviously, creative thinking is needed at the level of task managers in the Bank, but the larger institutional architectural issues also need to be addressed.

We have learned quite a lot. Much can be done to make the MDGs a reality if the various partners begin to work together on a more regular basis

in the way that WHO, the World Bank, and the Global Fund have already been doing sporadically.

PANELIST

Hon. Brigadier (retired) Jim Muhwezi Katugugu

Minister of Health, Uganda

Thank you for inviting me to share with you Uganda's experience with World Bank-funded projects. Uganda has done very well in most of the projects in spite of the problems I will highlight. Different projects have different problems, but if I show you a particular problem or project, you may see some of our typical dilemmas.

The first project I would like to talk about is the District Health Services Pilot and Demonstration Project (the District Health Project). Its objectives were to test on a pilot basis and demonstrate the feasibility of (1) delivering an essential health service package to district populations within a prudent fiscal policy framework and (2) using an integrated program of policy, institutional, and financial improvements to improve efficiency and equity in the provision of health services. Later on, the pilot aspect and the demonstration aspect were combined into one. The project included capacity building for health administration and restructuring and capacity building for the Ministry of Health. It became effective in 1995 and was scheduled to last seven and a half years, with a cost of US\$75 million. Countries including Britain, Sweden, Germany, and others contributed. The project was one of 24 financed by IDA in Uganda at that time.

A country portfolio performance review carried out jointly by IDA and the Government of Uganda in May 1998 identified 12 projects; that is, half of the entire portfolio, whose implementation was rated unsatisfactory. The District Health Project was among those identified as at risk, on account of delayed progress with disbursements. Many of the problems it faced were quite typical. They included inadequate and untimely release of counterpart funds; delays in procurement of goods and services; delays in obtaining a timely "no objection" from IDA for the use of funds for project implementation; delays in effecting agreed changes in the grant and credit agreements; slow disbursement of funds, partly as a result of the slow response from IDA but also because of slow absorption by the implementing institutions; and problems with the special accounts, including their size and management. Other emerging issues were identified, going well beyond the purview of the project itself. First, the project could not proceed well unless sector-level policy reforms such as decentralization and restructuring—which were outside the control of the project—proceeded well and on time. While the decen-

tralization had proceeded satisfactorily, even beyond what had been envisioned in the project design, the restructuring of the Ministry of Health had been slow. Second, a large number of health staff had not received their salaries for a number of years and were untrained. Their lack of motivation—again, a problem outside the control of the District Health Project—had slowed down the project’s implementation. Third, unlike other IDA-financed projects, the District Health Project was highly decentralized. The government’s decentralization policy had enabled the transfer to the district level of a significant level of authority for resource management. But bureaucratic delays and problems specific to districts were emerging as a unique set of problems in the implementation of the project.

My other example is the Sexually Transmitted Infections Project (STIP) which was an emergency health sector HIV/AIDS project, split off from what had been conceived as the Community Health and AIDS Project. STIP was designed to maintain and strengthen the prevention and control of HIV/AIDS and other sexually transmitted infections in the country. The project took over the financing of AIDS activities in Uganda from the WHO’s Global Program on AIDS in 1994. The project design and implementation were based on a decentralized arrangement, where planning and implementation were at the district level, with the Ministry of Health providing technical support, policy guidelines, and monitoring and evaluation. Implementation took place in all 45 districts of the country, in three phases. The project supported the Ministries of Health, Defense, Internal Affairs, Gender, Labor and Social Development, Justice, and the Uganda AIDS Commission Secretariat. It was designed to (1) prevent the sexual transmission of HIV by promoting safer sexual behavior, providing condoms, promoting STD care-seeking behavior, and providing effective STD care; (2) mitigate the personal impact of AIDS by providing support for home-based care as well as social support to people with AIDS; training in the clinical management of HIV/AIDS and TB; drugs for opportunistic infections and TB; institutional development to manage HIV prevention and AIDS care by strengthening district capacity to plan, coordinate, implement, monitor and evaluate integrated HIV/AIDS-related activities; and by strengthening national capacity to provide technical support related to HIV/AIDS. The critical factors that affected the implementation of STIP were (1) limited skills and capacity for procurement planning and management; and (2) disbursement and financial management constraints, especially at the district level.

A general point I would make is that World Bank projects in Uganda have been developed and implemented as vertical programs, and as a result, have not addressed some of the cross-cutting issues that usually compromise the effective implementation of projects. Future World Bank projects should not be implemented without consideration of other pressing country needs such as access to clean water, sanitation, and better maternal and child health.

To improve the effective implementation of World Bank-funded programs, the Bank should incorporate health care reforms into program activities designed to improve the performance of the health system. Interventions to support, for example, a minimum health care package that addresses Uganda's priority health care problems and hence communicable diseases should also be incorporated by the Bank. Health sector reforms to improve the performance of health systems also should be considered, financing growth in the funding of the health sector strategic plan, whose resources will provide \$8.2 per capita compared to the estimated \$28 per capita in health financing strategy. Budget ceilings and macroeconomic issues should also be addressed.

Lastly, I want to say that although we are evaluating the operations of the Bank, I think we need to look together at the *strategy* of the Bank, which must be agreed upon between the governments and the Bank and other global organizations.

For example, in Uganda we know that most of the diseases that affect our people are 85 percent preventable. A good example is malaria. Malaria accounts for 40 percent of our outpatients. It accounts for between 15 and 21 percent of hospital deaths. Four percent of the people who contract malaria die. We lose \$347 million a year on account of malaria alone—enough to balance our budget. Malaria has been eradicated in other countries, but when we talk about the cheapest way of fighting malaria, we don't hear the voice of the World Bank. When we talk about the use of DDT, they distort what we are talking about. We sat down with the WHO, and agreed that DDT can be used as an insecticide for spraying inside houses residually. If we are partners and really want to eradicate poverty, we should deal with malaria. I would like the World Bank to participate in this strategy. If we solve malaria, and we move into education and information and community mobilization and clean drinking water, we will solve the poverty problem. We will be able to afford to live on our own without begging and having to come here and talk about evaluation.

Jean-Louis Sarbib

Thank you, Minister. Your presentation has brought us a good dose of reality in terms of the difficulties of putting in place projects and programs: people not receiving their salaries, capacity issues, sustainability issues, the fact that the more vertical programs you have, the more difficult it is to really make progress on these issues. Thank you also for presenting the positive impact of decentralization. I'm sorry that I did not let you spend more time discussing the Sexually Transmitted Infections project, because this is one of the big successes of your country.

On malaria, we have heard your message, and that of many of your colleagues. We know, as Uma Lele said, that the Bank has not been doing enough or systematically enough on malaria, so we have a new booster

program on malaria that I hope we will be able to announce on Africa Malaria Day. I agree with you that if we address this issue with a variety of interventions (including spraying in ways that will not upset our environmental colleagues), we shall begin to reduce the burden on the health systems. So we have heard you, and I hope that you will be satisfied not only with the program but also with how we will work with you in partnership to do this.

PANELIST

Nafis Sadik, MD

**UN Secretary General's Special Envoy for HIV/AIDS
in Asia and the Pacific**

Having worked with many donors, I find the World Bank's evaluation function is something that we should aspire to as a model for evaluation in all of our organizations.

I am particularly pleased that the evaluation team spent so much of their effort and time on the health sector. As Uma Lele said, the health sector has become the largest-financed global sector in the international community, overtaking the environment. I think the reason is that suddenly, health appeared as a major security issue, with communicable diseases transcending borders and threatening to affect all of the countries of the world. Before AIDS, this started with the ebola virus and raised the concern, "What if this spreads throughout the world?"

OED's evaluation of the health sector has been done in great detail. The Global Fund for AIDS, TB, and Malaria was seen as a partnership intended to help, as it said, achieve scientific consensus on causes and consequences of diseases, develop coherent global responses for effective action, and *ensure the best strategic use of the partnership and agencies' individual and collective resources.*

This last part of GFATM's intent is the one that I will focus on in these remarks. I will draw on my experience with the HIV/AIDS program, especially in the Asia and the Pacific region. This region has better human resources than, say, Africa, but even in Asia, difficulties are encountered. This bears out an important finding of the report, that the global partnerships in health seem to work better at the global level than at the country level.

UNAIDS is a good example. This is a collective program of many different organizations, including the World Bank, so that at the country level, there is no one program. We can talk about one national strategy but the strategy is on the shelf, and the program on the ground is not what the strat-

egy says. And some aspects of the program are very well funded, because they sound attractive, while some other aspects are totally neglected. Each donor wants to fly its flag; each organization wants to be known for the things that it has done. And I remember the director of the National AIDS Program's National Coordinating Office in India, which is much better equipped than most other countries, saying to me that "the more donors I have, the more time I spend negotiating and reporting, and the less time I have to do anything." So this happens even in an area where the global partnership seems to work very well.

I think that the UNAIDS experience then raises the question of what is a global program: whether it simply includes the activities of partners at the global level, or should also include their activities at the country level. There seems to be a growing disconnect between the regional and the national spheres. Yet to succeed in the health sector, you cannot have a global system without a national system; indeed, a local system; and certainly, sometimes, a regional system.

The OED evaluation well recognizes that balancing the values added by each of the highly focused vertical programs, and successfully integrating them into the health system priorities and the capacities of the developing countries, remains a big challenge within the Bank.

Another challenge is how to achieve consensus among the partner agencies to harmonize their aid-funded activities in a manner that results in a sustainable outcome. Uma Lele used the example of GAVI, where the expanded program of immunization was highly successful, but hard to sustain, so that there is now a huge cohort of children who are not immunized. This raises the risk that diseases that were formerly eradicated may come back. Though the global, vertical programs do a lot of good, their efforts may not be sustained.

The evaluation also underscores that the weakest link in the work of the global programs is the human and financial capacities of health systems in developing countries, and particularly the poorest among them. I'm a member of the International Task Force on Global Public Goods, for which Uma and co-authors have analyzed the effectiveness of the international programs in building the capacity of national health systems and in fostering coherent actions at the local level.

Uma has brought the resulting recommendations to your attention, and I just want to underscore three of them: the first is to take stock, at the country level, of whether these are sound programs, and whether the partners actually work together. Second, we need to build capacity in research and development strategies for communicable diseases, including for surveillance systems. Rightly, a lot of attention is focused on supporting WHO to build a global surveillance system, but you cannot have a global surveillance system without national surveillance systems. Think of the SARS problem, for

example. If SARS had started in countries with no surveillance, and no data reporting systems, I think the world would still be dealing with the epidemic today. Third, we need to enhance funding and improve—wherever possible—the sustainability of developing countries' health systems. While global health funds have received a lot of money, and ODA going to health has increased, the overall resources going to the health sector have not necessarily increased. And remember that in the health sector, you need sustainability, and you need national resources over a long period.

So I have some suggestions. First of all, there should be much wider dissemination of the health sector findings, along with suggestions for their follow-up, to the international health community, including all of the donors and international partners. This larger group should then address the global partners on linking the global partnerships to country-level systems, and with them develop approaches for how this should be done. The third step should be to put these proposals to groups of countries in each of the regions of the world. These discussions should result in decisions by countries on the areas in which they will participate in this partnership. They should seek agreement on comparative advantages, on the division of responsibilities, on what resources will come into the country program from external and internal sources, and on how the resources should be deployed between the global and the national levels. A good assessment is needed of what it will cost to maintain that system. It will cost a fair amount of money, but is worth the investment if you really want to maintain it as a global public good. Fourth, independent monitoring and evaluation systems should be set up to monitor whether the agreed processes have been followed in the decision making, the participation, and the stakeholders' agreements.

I have written a paper on how to scrap the whole development system and start from scratch with the needs and a transparent approach on how a program should be developed, with everyone's program being open and on the table, so that we can all know what each of us is doing and why. All UN organizations should have no development representatives until after the needs have been ascertained. Then, someone should send a representative to answer the need in that country, not because we all want to have a presence and fly our flag.

We have an opportunity, because of this wonderful evaluation, to make such a change in the health sector. As a start, the World Bank, together, perhaps, with WHO, should think of convening a meeting to disseminate the evaluation findings and preparing a simple paper on how to implement some of the recommendations.

Jean-Louis Sarbib

Thank you very much, Nafis, for the recommendations you have made—

four of them extremely practical and the fifth one, about starting from scratch, perhaps not so practical!

I certainly agree on the need that you have underlined: of making sure that countries are involved from the beginning in the design of these global programs, because that is the way to ensure that their activities can be defined in a way that most benefits the country.

Floor Discussion

Barbara Pillsbury, Social and Scientific Systems: My question relates to one of the points made in the previous panel, which was that instead of so much focus on global programming, there should be a focus at the regional level. And I would appreciate Nafis Sadik or the Honorable Minister from Uganda commenting on that.

Participant: I come from Kenya. There is a perception that global programs are a way of diverting resources from developing countries and making development more difficult, and there are reasons for this perception. I work in Lesotho, where it took us two years to access the GFATM, and it required high-level consultants to help Lesotho get the money. The World Bank had to provide \$5 million to access \$10 million. That is laughable, isn't it? So we need to make sure that while we promote global programs, they are not making things more complex than the bilateral programs that we've been dealing with. This is a big issue in the developing world.

The World Bank and the UN system, who are the advocates, the drivers, of global programs, create contradictions, tensions, and conflicts. They send contradictory messages all the time, and on the ground, there are always fights rather than harmony. Why aren't the World Bank and the UN coordinating and working more in harmony at the country level? These issues must be discussed openly.

Pia Rockhold, Senior Operations Officer, World Bank. I would like to comment on the recommendations from the report. First of all, do we need more money for investments in health research? The number of partners has increased, and so has the number of projects, but we are seeing very little capacity building at the country level. So maybe we need more coordination in health research and also more capacity building at the national level. And

this links to the increased need for technical assistance. For the last few years I have worked with Bhutan, which is a country with very limited resources. Bhutan has complained that the technical assistance it receives does not build up its national capacity. Maybe we can better help developing countries to develop and retain capacity in the health sector if we have a global program for human resource development, coordination, and management.

My second question is about health system strengthening. What kind of health systems are we talking about? The Honorable Minister from Uganda mentioned that the global programs take a very curative approach to health care. Most people are born healthy, and if they take good care of themselves and live in a healthy environment, they probably remain healthy. Most of the global programs are geared at coming up with new interventions, but I think we have a much bigger need to promote environmental health.

My last comment. I've worked 25 years or more in development aid, and for the first time in my life, I realize how many people in the world are disabled. A sad thing about linking global programs to the Millennium Development Goals is that they're only concerned about mortality. I think we should be much more concerned about the quality of life. And though only about 5 to 10 percent of the world's population are disabled, about a quarter or half of the population in the poorer countries are affected by disability, because they have a disabled person in their household.

Nafis Sadik: I agree with Barbara Pillsbury that we also need to have regional level programs, especially with regard to surveillance systems and even for sharing and pooling knowledge and experience. As to the question on the need for more local partnerships, I would say that when you have global programs, you can get good partnerships at the global level, but you really need those partnerships to work in a practical way at the country level. That is really the challenge, and it's not happening.

Are global programs taking resources from national programs? I cannot answer that question. But I think the way to maximize the effectiveness of global programs at the country level is to have the country better represented in the global-country partnership. That is a missing link that the World Bank evaluation study clearly shows.

As to the comment that the World Bank and the UN system sometimes send out contradictory messages, a great deal of effort is being made to harmonize aid activities. For example, we have a development group at the UN in which the World Bank is an active partner. Again, everything works relatively well at the global level, but when it comes to the practical application at the country level, I think everyone seems to act differently.

Some donor countries have tried to take a coherent approach to foreign or external policy, but in developing countries, now, they express different views on the same issue in the boards of different organizations. This is an issue that comes up repeatedly at the international level, and it's difficult to

find an answer unless governments have the political will to make that change happen. For their part, recipient countries can say no to external resources for programs they do not want.

Do we need more money for research? I think the evaluation says that more country-specific resources are needed to develop research oriented policies and programs, because not everything that is done at the international level is applicable at the country level. Maybe the word “research” connotes new drugs and new vaccines, but in fact, what is being talked about here is operational evidence gathering, in order for developing countries to be able to set program and policy priorities.

As regards people with disabilities, most of the programs of action arising from international conferences held during the 1990s include a section on people with disabilities. That theme is not reflected in the MDGs, partly because of the level of generality of these goals. But I agree that there are a lot of disabilities that need to be addressed in a more organized way, including measures for their prevention.

Minister Katugugu: I think the bottom line, whether at a regional level or a country level, is the involvement of the recipient people. I agree that at a regional level, we should also coordinate as countries and have a common position. In the case of Uganda, Kenya, and Tanzania, we are beginning to collaborate to make sure that we make the same demands and take the same positions. But the most important thing is that we as recipients should own those programs. It shouldn't be the story of a beggar not being a chooser. I think that those who want to help us should support us in order for us to own the programs, and thence eventually to sustain the programs without their help.

Closing Session

Closing Session

CHAIR

James Adams

**Vice President and Head of Network, Operations Policy and
Country Services, World Bank**

I want to underline some themes with regard to the World Bank Management's reactions and views on global programs.

The first is the recognition that in today's world, global issues are increasingly important and must become a more important part of the Bank's agenda.

Second, the message about properly evaluating programs is central. The evaluations in front of us are terribly important because they offer honest judgments about what is working and what is not.

A third theme is the importance of setting priorities for both overall strategies and selectivity. From the Bank's perspective, after a period of enormous growth in global programs, the time ahead will require a clear focus, and evaluation can play a very important role in helping us do that.

Fourth, the Bank has traditionally been a country-focused institution, but one of the challenges we now have in front of us at the Bank is to properly integrate the global issues into our work and create a stronger linkage between these issues and our country programs.

Finally, I think that developing countries' underlying ownership, and their role in setting priorities, are key. These are the countries that have the most to gain from better linkages between global programs and specific country programs. And they have an absolutely central role in this agenda.

SPEAKER

Ambassador Ruth Jacoby

Director-General for Development Cooperation

Ministry of Foreign Affairs, Sweden

I will try to react to what has been said from my own perspective, which is that of a donor government representative. My first conclusion is that the issues that we've been discussing are extremely important not only for the World Bank but also for all of the other actors in the development community. The Bank will continue to be expected to take an active role in global programs, because the Bank is the premier development institution; it inspires a lot of confidence, it has a lot of financial resources, and it has great convening power. But the lessons from the evaluation are also likely to be valid for other multilateral institutions, bilaterals, NGOs, and foundations who all, in various ways, contribute to global initiatives.

Second, as a representative of a donor government, I feel targeted by many of the findings of the evaluation. These highlight many of the incoherencies in individual and collective donor behavior, and that is something that we must take seriously and work on. The global challenges will not go away. They exist because we created them. And we created them, all of us collectively, because of an emerging global recognition that there are gaps in the provision of global public goods. There are gaps in global public policy, and there are gaps in investment. The international community has reacted with a multiplicity of initiatives. The governments of France and Sweden commissioned the International Task Force on Global Public Goods. The European Union, of which my country is a member, is working hard on a model for addressing virtually the same global challenges as we have been talking about, as did the UN Secretary General's High-level Panel on Threats, Challenges, and Change¹, and the UN Millennium Project, which reported earlier this year.² The OECD, as I think Louka Katseli mentioned, is also struggling with a whole broad policy picture. So there is consensus that there are gaps, and many initiatives are being taken.

But there is not much consensus, and not enough questions are being asked, about how best to approach these issues and how to secure results. There are strong political dynamics involved, and some strong financial implications. When one creates a one-issue vehicle or a vertical program, one draws attention to the issue at hand, and one helps raise awareness—which is one of the purposes—and if one is lucky, one also succeeds in mobilizing financial resources. But by doing that, one is, of course, also contributing to a prioritization process. And as we have learned today, this evidently also leads to some overlaps. It can lead to fuzzy governance and a lot of problems, and partners have definitely not yet reached explicit agreement on objectives, on governance, or on modalities.

So there are inherent contradictions and tensions involved in the global programs. The biggest of these is between the need for activities to be country-driven, demand-driven, and owned as a part of a developing country's priorities and policies, and—what seems to be the fact—that global programs are to a large extent driven by donors, by the needs of advocacy, awareness raising, and fundraising. To make it simple for those of you who follow the international development discussion, it is basically a tension between (1) the modern—shall we call it the Paris—agenda, of putting ownership as the absolutely key determinant of what is central for development, leading to the demand for harmonization of donor procedures, alignment with country systems, no more flag planting and flag waving, and a genuine belief that things will not happen unless they're genuinely owned by the countries where the results have to take place, and (2) the practices of the global programs, which seem to be dealing with development challenges in a very old fashioned and ill-considered way.

Many of the speakers today have stressed the need for global and country programs to complement each other, and for better understanding of the links between the global, the regional, and the country level. I think the need now is to focus on how to strengthen these links. How do we link our shared global concern with the capacity to deliver and make a real difference at the country level?

Another key issue that has come up several times today is sustainability. If you invest in something you have to ensure its sustainability; otherwise, it is a waste of energy and resources.

One more issue that we've come back to several times is the subject of capacity building. Obviously, global programs stimulate country demand for technical assistance and improved capacity, but the global programs themselves seemingly lack the needed resources to meet that growing demand. So there is all of a sudden a demand for complementary investments in capacity building. The question is, who can meet that demand?

Turning now to the need for policy coherence, which both Louka Katseli and Nafis Sadik have talked about today, I believe global programs should affect donor policies and the policies of international organizations—in other words, international and donor agency behavior. As far as I know, no assessment has been done of whether any global programs have succeeded in this, but I think this aspect of coherence is weak. As Nafis made clear, we must ensure that we want the same thing in the international institutions, the UN system, bilaterally, and in the World Bank—and that ultimately, this is a partnership where country ownership is the only determinant that actually should play a role.

On the ownership of programs, Deepak Nayyar asked, “Since we have no global governance system, who actually decides what programs should be given priority? How are the decisions made on governance, on subsidiarity?”

Ultimately, are decisions made bottom up, with country ownership at the center of the process?" You cannot successfully align and harmonize and coordinate if you do it any other way than based on the reality on the ground, whether at the country level or the regional level.

Finally, if global programs are perceived as driven by donors or by rich countries, how should one address this? Partly by being serious about ownership, but also by making changes in the governance structures of the programs to ensure the participation in decisionmaking of the countries where the results have to take place. If these countries' influence is not felt, there are implications for the legitimacy of the whole system.

As to the role of the World Bank, I think many partner countries, developed or developing, wish to see the Bank participating constructively in the global public program agenda. Although the recommendations of the OED study could have been more outspoken, they are good, and I support them.

Perhaps my most important conclusion is that the Bank alone cannot accomplish the changes needed. The Bank's partners in the global programs, be they developing countries, other institutions, other donors, foundations, or NGOs, must also receive these messages and learn the lessons. All the partners must get involved in setting clear, shared, and measurable objectives, and agree on how to address global challenges, on what results to expect, and on how to measure and evaluate them.

We must broaden the dissemination of these messages. The essence of today's discussion is one that we very quickly and intensively must take with us to all the other forums where at least some of us meet and participate, to promulgate the findings, the questions, and the challenges.

SPEAKER

Johannes Linn

Brookings Institution

Former Vice President for Europe and Central Asia, World Bank

Global public goods and global advocacy priorities are key overall, but especially for the World Bank, which is the only institution that has global, regional, national, and local reach, and combines knowledge, technical assistance, and project finance, as well as the potential for dealing with intersectoral thematic linkages. Clearly these abilities do not mean that the Bank should go it alone or be in the lead on every issue, by any means, but if the Bank fails to get it right, some significant problems will fail to be properly addressed.

My second point is that I am personally disappointed that the linkage between global programs and country programs was generally assessed as un-

successful, because as a former Bank regional vice president I continuously tried to draw attention to this need. The tension between global public goods and advocacy priorities on the one hand and the client needs on the other hand is exactly what the Bank's operational staff need to confront, as a challenge that the Bank is uniquely placed to meet—not by giving up on country ownership but, by building constituencies. I say this because on any of these issues, you will find local constituencies; you will find people you can work with; and you can build on local ownership, even if the groups are small to start with. If you believe these issues are important, you will find there is a capacity to build ownership.

For example, recently I visited a regional Central Asian HIV/AIDS project that was established collaboratively with partners but now is also very much owned by Central Asian governments and partnerships. This is five years after Mr. Wolfensohn and I had a meeting with Kazakh ministers at which Mr. Wolfensohn raised the issue of HIV/AIDS, and everybody just laughed, thinking this was a very embarrassing and unsuitable topic to discuss. By now, however, the World Bank team on the ground, together with the UN and other international partners, have been able to work together with local groups in advancing this terribly important agenda. So while ownership can be seen as a constraint, I think that operationally we also need to see it as an opportunity.

Let me also say that the global-country linkage isn't just the responsibility of the country teams. It's also the responsibility of the global teams in the Bank to think harder about how to bring global issues down to the country level, how to help mobilize local interests, and how to articulate why this is in the country's interest, rather than being seen to be talking top down and from the outside. Operational staff can use a tremendous amount of help on this front.

The third point to be made is that of course greater strategic focus would be helpful everywhere. But I do also want to caution lest this be carried too far under the new management. It is important to leave room for innovation, and some localized partnership with donors is actually useful in building an authorizing environment.

Fourth, evaluation is always important for better results management. The operations part of the Bank has long had the tools and used them. I'm glad to see that evaluation is now being done also for the global programs, because there really is a question of good management. I have personally seen a few global programs, probably four or five years ago, that simply were badly managed, because nobody really checked on them and nobody really paid attention on the management side.

Fifth, the report concludes that the global programs focus on developing countries without adequately representing developing country views and inputs. Therefore, it argues, there needs to be more country input and repre-

sentation. This is correct. But the report should also have been more explicit and directional in focusing on industrial country policies, or on issues where the solutions actually lie within the solution set dominated by industrial countries. These are important issues to which the World Bank also should advocate a suitable response.

Picking up where Ruth Jacoby left off, I do think there's a global governance issue here. Where is the governance structure that provides general direction to an organization like the World Bank or the UN, in terms of what are the global issues we should focus on and who should act? It doesn't exist. The G-8 is probably the closest we have to it, but we know that the G-8 is totally illegitimate and unrepresentative as a global steering group. So giving some thought as to how you move beyond the G-8 into actually providing a leader-level, summit-level forum is, in my view, very important, and as it so happens, a colleague of mine at Brookings and I, among others, are pushing on that agenda. We have a proposal that the G-20 be elevated to an L-20 as perhaps an intermediate step in framing a better governance structure. ("L" stands for leader level, or summit-level, groups.) And by the way, the G-20, at the minister of finance level, has come up with exactly what some of today's participants have been asking for, namely, voluntary standards and codes for financial crisis management, giving a very good example of what an L-20 could do in other areas.

A seventh point is that regional public goods are something that the Bank can and should concern itself about, particularly as they cut across the Bank's traditional regional divides. We have been very bad, myself included, in dealing with connections across regional boundaries. For example, Eurasia is divided into three separate regions within the Bank, but within Eurasia there are a lot of regional public goods and some important regional dimensions in trade, energy, drugs, and, of course, health.

Perhaps the most important conclusion concerns the harmonization agenda. On this too, the OED report could have been much more directional in a number of ways, especially as regards duplication and overlap in global programs. This issue came up repeatedly in the discussion today, and both Minister Katugugu and Dr. Sadik mentioned it. We all have to do a much better job at the local level in dealing with the harmonization agenda, not only for traditional country programs but also for the global programs. Another issue, which was not mentioned today, is the bias in aggregate aid flows when donors respond to a herd instinct. We have seen, perhaps, too much attention flowing into favorite topics at a given time, where all donors come together and pursue essentially one particular agenda, leaving other important things aside, including infrastructure.

In the end the key message is that the harmonization agenda is crucially relevant to global public goods issues and initiatives. The World Bank's regional HIV/AIDS project in Central Asia, with its excellent partnership ap-

proach, is, in my view, an example of how harmonization can be done and how harmonization should be done much more generally.

James Adams

In closing I want to thank both the team who did the work and also all the people who participated in today's discussion. I think this meeting has underlined both the importance of global issues and also the special challenges that everyone faces in doing a better job to address them.

Notes

1. United Nations, 2004. *A More Secure World: Our Shared Responsibility. Report of the High-level Panel on Threats, Challenges, and Change*. New York: United Nations, A/59/565, 2 December 2004. <<http://www.un.org/secureworld/report2.pdf>>

2. Sachs, Jeffrey D., 2005. *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*. Report to the UN Secretary-General. New York: United Nations.

Conference Speakers

James Adams

*Vice President and Head of Network, Operations Policy and Country Services
World Bank*

Ajay Chhibber

*Acting Director-General, Operations Evaluation Department
World Bank*

Chris Gerrard

*Senior Evaluation Officer, Operations Evaluation Department
World Bank*

Ambassador Ruth Jacoby

*Director-General for Development Cooperation
Ministry of Foreign Affairs, Sweden*

Louka Katseli

*Director
OECD Development Center*

Hon. Brigadier (retired) Jim Muhwezi Katugugu

*Minister of Health
Uganda*

Inge Kaul
Director, Office of Development Studies
United Nations Development Program

Uma Lele
Senior Adviser, Operations Evaluation Department
World Bank

Johannes Linn
The Brookings Institution
Former Vice President for Europe and Central Asia, World Bank

Deepak Nayyar
Vice Chancellor
University of Delhi

Nafis Sadik, MD
Special Envoy of the UN Secretary-General for HIV/AIDS in Asia-Pacific

Sven Sandström
Director
Secretariat of the Taskforce on Global Public Goods

Jean-Louis Sarbib
Senior Vice President and Head, Human Development Network
World Bank

Adele Simmons
Former President
John D. and Catherine T. MacArthur Foundation

Shengman Zhang
Managing Director
World Bank

OED PUBLICATIONS

Study Series

2004 Annual Review of Development Effectiveness: The Bank's Contributions to Poverty Reduction
Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank's Approach to Global Programs
Agricultural Extension: The Kenya Experience
Assisting Russia's Transition: An Unprecedented Challenge
Bangladesh: Progress Through Partnership
Brazil: Forging a Strategic Partnership for Results—An OED Evaluation of World Bank Assistance
Bridging Troubled Waters: Assessing the World Bank Water Resources Strategy
Capacity Building in Africa: An OED Evaluation of World Bank Support
The CGIAR at 31: An Independent Meta-Evaluation of the Consultative Group on International Agricultural Research
Country Assistance Evaluation Retrospective: OED Self-Evaluation
Debt Relief for the Poorest: An OED Review of the HIPC Initiative
Developing Towns and Cities: Lessons from Brazil and the Philippines
The Drive to Partnership: Aid Coordination and the World Bank Economies in Transition: An OED Evaluation of World Bank Assistance
The Effectiveness of World Bank Support for Community-Based and Driven Development: An OED Evaluation
Evaluating a Decade of World Bank Gender Policy: 1990–99
Evaluation of World Bank Assistance to Pacific Member Countries, 1992–2002
Financial Sector Reform: A Review of World Bank Assistance
Financing the Global Benefits of Forests: The Bank's GEF Portfolio and the 1991 Forest Strategy and Its Implementation
Fiscal Management in Adjustment Lending
IDA's Partnership for Poverty Reduction
Improving the Lives of the Poor Through Investment in Cities
India: The Dairy Revolution
Information Infrastructure: The World Bank Group's Experience
Investing in Health: Development Effectiveness in the Health, Nutrition, and Population Sector
Jordan: Supporting Stable Development in a Challenging Region
Lesotho: Development in a Challenging Environment
Mainstreaming Gender in World Bank Lending: An Update
Maintaining Momentum to 2015? An Impact Evaluation of Interventions to Improve Maternal and Child Health and Nutrition Outcomes in Bangladesh
The Next Ascent: An Evaluation of the Aga Khan Rural Support Program, Pakistan
Nongovernmental Organizations in World Bank-Supported Projects: A Review

Poland Country Assistance Review: Partnership in a Transition Economy
Poverty Reduction in the 1990s: An Evaluation of Strategy and Performance
The Poverty Reduction Strategy Initiative: An Independent Evaluation of the World Bank's Support Through 2003
Power for Development: A Review of the World Bank Group's Experience with Private Participation in the Electricity Sector
Promoting Environmental Sustainability in Development
Putting Social Development to Work for the Poor: An OED Review of World Bank Activities
Reforming Agriculture: The World Bank Goes to Market Sharing Knowledge: Innovations and Remaining Challenges
Social Funds: Assessing Effectiveness
Tunisia: Understanding Successful Socioeconomic Development
Uganda: Policy, Participation, People
The World Bank's Experience with Post-Conflict Reconstruction
The World Bank's Forest Strategy: Striking the Right Balance
Zambia Country Assistance Review: Turning an Economy Around

Evaluation Country Case Series

Bosnia and Herzegovina: Post-Conflict Reconstruction
Brazil: Forests in the Balance: Challenges of Conservation with Development
Cameroon: Forest Sector Development in a Difficult Political Economy
China: From Afforestation to Poverty Alleviation and Natural Forest Management
Costa Rica: Forest Strategy and the Evolution of Land Use
El Salvador: Post-Conflict Reconstruction
India: Alleviating Poverty through Forest Development
Indonesia: The Challenges of World Bank Involvement in Forests
Uganda: Post-Conflict Reconstruction

Multilingual Editions

Global Public Policies and Programs: Implications for Financing and Evaluation
Lessons of Fiscal Adjustment
Lessons from Urban Transport
Evaluating the Gender Impact of World Bank Assistance
Evaluation and Development: The Institutional Dimension (Transaction Publishers)
Evaluation and Poverty Reduction
Monitoring & Evaluation Capacity Development in Africa
The Poverty Reduction Strategy Initiative: Findings from 10 Country Case Studies of World Bank and IMF Support
Public Sector Performance—The Critical Role of Evaluation



THE WORLD BANK