



The Global Water Partnership

**Addressing Challenges of Globalization:
An Independent Evaluation of the World Bank's
Approach to Global Programs**

Case Study

Saeed Rana and Lauren Kelly

Director-General, Operations Evaluation: Gregory K. Ingram
Director: Ajay Chhibber
Task Team Leader: Uma Lele

This paper is available upon request from OED.

2004
The World Bank
Washington, D.C.



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 its objectives. It also improves Bank work by identifying and disseminating the lessons learned from experience and by framing recommendations drawn from evaluation findings.

OED Working Papers are an informal series to disseminate the findings of work in progress to encourage the exchange of ideas about development effectiveness through evaluation.

The findings, interpretations, and conclusions expressed here are those of the author(s) and do not necessarily reflect the views of the Board of Executive Directors of the World Bank or the governments they represent.

The World Bank cannot guarantee the accuracy of the data included in this work. The boundaries, colors, denominations, and other information shown on any map in this work do not imply on the part of the World Bank any judgment of the legal status of any territory or the endorsement or acceptance of such boundaries.

Contact:

Operations Evaluation Department
Partnerships & Knowledge Programs (OEDPK)
e-mail: eline@worldbank.org
Telephone: 202-458-4497
Facsimile: 202-522-3125
<http://www.worldbank.org/oed>

Abbreviations and Acronyms

ADB	Asian Development Bank
AP	Associate programs
AWP	Area Water Partnerships
CAPNET	International Network for Capacity Building in IWRM
CP	Consultative Partners
CWP	Country Water Partnership
DANIDA	Danish International Development Agency
DENR	Department of Environment and Water Resources
DFID	Department for International Development (UK)
DGIS	Dutch Ministry of Foreign Affairs
DGWRD	Directorate General for Water Resources Development
DHI	Danish Hydraulic Institute Water and Environment
DWRM	Department of Water Resources Management
EU	European Union
FAO	Food and Agriculture Organization
FPG	Financial Partner Group
GEF	Global Environment Facility
GPg	Global public good
GWP	Global Water Partnership program
HRM	Human resources management
HRW	Hydraulic Research Wallingford
IAHR	International Association for Hydraulic Research
ICID	International Commission for Irrigation and Drainage
IUCN	World Conservation Unit
IWA	International Water Association
IWMI	International Water Management Institute
IWRM	Integrated water resources management
NGO	Nongovernmental organization
NWRB	National Water Resources Board
PSP	Private Sector Partnership
RTAC	Regional Technical Advisory Committee
RWP	Regional Water Partnership
SC	Steering Committee
SDC	Swiss Agency for Development
SIDA	Swedish Institute for Development Assistance
TEC (TAC)	Technical (Advisory) Committee
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
USAID	U.S. Agency for International Development
WB	World Bank
WMO	World Meteorological Organization
WRCC	Water Resources Coordination Council
WSP	Water and Sanitation Program
WSSCC	Water Supply and Sanitation Collaborative Council
WSSD	World Summit on Sustainable Development
WWC	World Water Council
WWF	World Wide Fund for Nature
WWF3	World Water Forum

Table of Contents

Acknowledgments	iii
Preface.....	iv
Executive Summary	viii
<i>Genesis, Objectives, and Activities</i>	<i>viii</i>
<i>OED Findings</i>	<i>ix</i>
<i>Lessons.....</i>	<i>xiii</i>
1. Introduction and Context: Global Challenges in the Sector.....	1
<i>Global Challenges Facing the Sector.....</i>	<i>1</i>
<i>International Consensus: A Common Vision</i>	<i>3</i>
... <i>Without A Commonly agreed Approach.....</i>	<i>4</i>
<i>The Genesis of GWP</i>	<i>5</i>
<i>GWP Mission and Objectives</i>	<i>5</i>
<i>Organization and Key Activities</i>	<i>6</i>
<i>Relevance of Program to Global Challenges and Bank Priorities</i>	<i>7</i>
3. Outcomes, Impacts, and Their Sustainability	9
<i>The PARC Evaluation.....</i>	<i>9</i>
A) <i>Establishing partnerships and mobilizing political will</i>	<i>10</i>
B) <i>Building strategic alliances for action.....</i>	<i>12</i>
C) <i>Promoting good practice in IWRM.....</i>	<i>12</i>
D) <i>Developing and implementing regional actions</i>	<i>13</i>
4. Organization and Governance, Financing, Partnerships, and Risk Management	14
<i>Financing of GWP</i>	<i>16</i>
<i>Partnerships and Participation</i>	<i>18</i>
<i>Risks and Risk Management</i>	<i>19</i>
<i>Comparative Advantage of the World Bank</i>	<i>20</i>
<i>Linkages to the Bank's Country Operations.....</i>	<i>21</i>
<i>Oversight.....</i>	<i>21</i>
<i>Disengagement Strategy</i>	<i>22</i>
6. OED Findings and Lessons	22

<i>OED Findings</i>	22
<i>Lessons</i>	25
References	27
Annex A. Evaluation Framework for Phase 2 Report and 26 Case Studies	29

Acknowledgments

This report was prepared by Saeed Rana and Lauren Kelly with assistance from Tomas Caspellan. The authors thank John Briscoe and Karin Erika Kemper for their insights into the establishment of the program and its interaction with the Bank. A discussion with Kevin Cleaver, Sector Director of the Bank's Agriculture and Rural Development Unit, reinforced the need for increased Bank focus and involvement in water sector lending. The discussion with the Bank's Water and Sanitation Program group, headed by Walter Stottman, was similarly useful in understanding GWP's interaction with other global programs. Yoko Eguchi provided useful information on the Bank's funding of GWP and Masood Ahmad provided a field-level view of GWP activities. As a peer reviewer, Keith Pitman (OEDSG), provided extensive comments on the earlier drafts of this report, which helped improve this paper.

The authors interviewed several individuals inside and outside the Bank who have played a role in the development of GWP. Special thanks are extended to Emilio Gabbrielli, for giving his time both on the telephone and in personal meetings with the OED global team. The global team also thanks Khalid Mohtadullah, the former executive secretary of the GWP, and the staff of the GWP secretariat, Per Bertlsson and James Lenahan for providing program-related documentation and clarifying the program's governance arrangements. Professor Peter Rogers, a member of GWP's Technical Committee, and Ruth Meinzen-Dick, a member of the steering committee provided valuable information on the field-level impacts of the program. The global team was able to hold one regional consultation—in Costa Rica—and would like to thank Maureen Ballesteros for going out of her way to meet and accommodate us. Thanks also to Yamileth Astorga Espelata and Virginia Reyes for contributing to the Central America consultation. An earlier draft of the report was discussed with Emilio Gabbrielli and James Lenahan by Uma Lele in September 2004 and their comments are reflected in this draft.

Thanks are also due to Daniel Zimmer of the World Water Council, who shared the council's views on the GWP. The authors had the opportunity to interview and later discuss the study's preliminary findings with many World Bank colleagues who have worked in the water sector in different parts of the world. The authors collectively thank these colleagues, too numerous to list here, for their insight and feedback.

Preface

This report on the Global Water Partnership is one of 26 case studies (see list on page vii) that have been prepared as source material for the second phase of OED's independent evaluation of the Bank's involvement in global programs. The Phase 1 Report, *The World Bank's Approach to Global Programs*, which was presented to CODE in June 2002, focused on the strategic and programmatic management of the Bank's global portfolio of 70 programs in five Bank Networks (a cluster of closely related sectors). The Phase 2 Report is based on case studies of 26 global programs and derives additional lessons for the Bank's strategic and programmatic management of global programs as well as lessons for the design and management of individual programs. The first and largest case study – for the Consultative Group on International Agricultural Research (CGIAR) – was completed in April 2003. OED reports typically contain recommendations only in those reports presented to the Bank's Board or its committees such as the Committee on Development Effectiveness (CODE). While the case studies that underlie OED's Phase 2 Report were not presented to CODE individually, they were distributed in draft to program partners to obtain their feedback, which was taken into account in the final versions of each report before being disclosed to the public.

Each case study follows a common outline and addresses four major evaluation issues, which correspond to the four major sections of each report:

- The overarching global relevance of the program
- Outcomes and impacts of the program and their sustainability
- Organization, management, and financing of the program
- The World Bank's performance as a partner in the program

These four issues correspond roughly to OED's evaluation criteria of relevance, efficacy, efficiency, and Bank performance, appropriately adapted for global programs.

Each case study addresses 20 evaluation questions related to these four evaluation issues (Annex A, Table A.1) that have been derived from OED's standard evaluation criteria (Table A.2), the 14 eligibility and approval criteria for global programs that have been endorsed by the Development Committee and established by Bank Management (Table A.3), and the 8 eligibility criteria for grant support from the Bank's Development Grant Facility (Table A.4). Twenty out of the 26 case study programs and about two-thirds of the Bank's total portfolio of 70 global programs have received DGF grants.

Global programs are defined as “partnerships and related initiatives whose benefits are intended to cut across more than one region of the world and in which the partners (1) reach explicit agreements on objectives, (2) agree to establish a new (formal or informal) organization, (3) generate new products or services, and (4) contribute dedicated resources to the program.” (OED, *The World Bank's Approach to Global Programs: Phase 1 Report*, p. 3.)

Since November 2000, all new global and regional programs have had to be approved at the initial concept stage, based upon the six approval criteria in Table A.3, by the managing

director responsible for the Network or Regional Vice Presidential Unit advocating the Bank's involvement. Such approval authorizes the respective VPU to enter into agreements with partners and to mobilize resources for the program – whether from the DGF, trust funds, or the Bank's administrative budget. Both before and after November 2000, the Bank's participation in some high-profile programs – such as the Global Environment Facility, the Multilateral Fund for the Implementation of the Montreal Protocol, the Prototype Carbon Fund, and the Global Fund to Fight AIDS, TB, and Malaria – has been considered and approved by the Bank's Executive Board.

Once a program has been approved at the initial stage, the Network vice presidencies are responsible for oversight, management, and quality assurance of their respective global program portfolios. This includes establishing priorities among programs in the Networks, ensuring their coherence with the Bank's strategy for each sector, sponsoring applications for DGF grants, managing programs housed inside the Bank, fostering links to the Bank's country operations, and promoting synergy among programs within the Network, with the rest of the Bank, and externally with partners. Regional vice presidents oversee and manage the portfolio of regional programs and partnerships in their respective Regions. While regional programs are not covered in this OED evaluation, many global programs have strong regional dimensions, which are addressed in the case studies, in addition to their links to the Bank's country-level economic and sector work, policy advice, and lending.

Case study evaluation methodology. The standard OED evaluation criterion for Bank investments attributes the outcome of the investment to the relevance of its objectives to the goal to be achieved, how efficaciously these objectives were translated into actions and results, and how efficiently the process worked. Underlying these main evaluation criteria and supporting them, OED also assesses institutional development impact, outcome, Bank performance, and borrower performance. These criteria are elaborated in Annex A, Table A.2.

To apply OED's standard criteria appropriately to global programs these criteria have been expanded and modified. The “legitimacy” of a program at the global and the country level is an important and necessary condition for developing country ownership of a program's objectives, although by no means sufficient. “Relevance” is concerned not only with client countries' and the Bank's priorities but also their concerns in the sector. “Efficiency” is specifically concerned with the benefits of a multi-country and a partnership approach to addressing the global challenges and concerns in the sector by learning cross-country lessons compared to a country-by-country and donor-by-donor approach. The sections that follow describe the results of the evaluation and assessment.

Evaluation sources and tools. This study is based on a review of documents regarding the establishment and operation of the program, review of GWP-supported activities, and review of other relevant documents, including the Bank's Country Assistance Strategies (CASS), Poverty Reduction Strategy Papers (PRSPs), and other economic work. The reviews have been supplemented by interviews with Bank officials and officials from other GWP partners and associates. The OED evaluation team conducted a meta-evaluation of previous evaluations of this program and a review of secondary information sources, including program documents, annual reports, DGF documents, trust fund documents, related sector strategies, and literature reviews. In addition, as appropriate for different programs, the team

gathered primary source information from stakeholder interviews, surveys of program partners, and field visits to developing countries and program partners.

Key interlocutors included Bank managers of task teams and global programs, senior World Bank managers (Network and Regional Vice-Presidents, sector and country directors, and sector managers), and Bank staff involved in the DGF secretariat and Trust Fund Operations. Outside the Bank, key informants included staff of partner organizations and some developing country representatives. Interviews were conducted with Bank task managers and with operational managers.

List of 26 Case Studies in Phase 2 of OED's Evaluation of the Bank's Involvement in Global Programs

Acronym/ Short Form	Full Name	Operational Start Date	Size (US\$ millions) ¹
Environment & Agriculture			
1. CGIAR	Consultative Group on International Agricultural Research	1972	395.0
2. GEF	Global Environment Facility	1991	387.53
3. MLF	Multilateral Fund for the Implementation of the Montreal Protocol	1991	158.6
4. ProCarbFund	Prototype Carbon Fund	2000	6.5
5. CEPF	Critical Ecosystem Partnership Fund	2000	20.19
6. GWP	Global Water Partnership	1997	10.25
7. GIF	Global Integrated Pest Management Facility	1996	1.3
Health, Nutrition & Population			
8. TDR	Special Programme for Research and Training in Tropical Diseases	Dec 1975	47.5
9. Global Forum	Global Forum for Health Research	Jan 1997	3.07
10. UNAIDS	Joint United Nations Programme on HIV/AIDS	Jan 1996	95.0
11. RBM	Roll Back Malaria	Nov 1998	11.4
12. Stop TB Partnership	Stop TB Partnership	July 1999	20.8
13. GAVI	Global Alliance for Vaccines and Immunization	Oct 1999	124.1
Infrastructure & Private Sector Development			
14. WSP	Water and Sanitation Program	March 1978	12.4
15. ESMAP	Energy Sector Management Assistance Programme	Jan 1982	7.58
16. CGAP	Consultative Group to Assist the Poorest	August 1995	12.67
17. infoDev	The Information for Development Program	Sept 1995	6.07
18. PPIAF	Public-Private Infrastructure Advisory Facility	Dec 1999	15.61
19. CA	Cities Alliance	Dec 1999	13.25
Social Development & Protection			
20. PostConFund	Post-Conflict Fund	1998	10.6
21. UCW	Understanding Children's Work	2000	0.56
Trade & Finance			
22. IF	Integrated Framework for Trade-Related Technical Assistance	1997	2.71
23. FSAP	Financial Sector Assessment Program	May 1999	10.46
24. FIRST	Financial Sector Reform & Strengthening Initiative	July 2002	4.64
Information & Knowledge			
25. GDN	Global Development Network	Dec 1999	8.67
26. World Links	World Links for Development	1998	6.52

¹ /1 FY04/CY03 expenditures. For the following cases updated, audited data was not readily available so the previous fiscal or calendar year expenditures were used: Global Integrated Pest Management Facility, Water & Sanitation Program, Integrated Framework for Trade-related Technical Assistance.

Executive Summary

GENESIS, OBJECTIVES, AND ACTIVITIES

1. A large share of the world's population faces acute water scarcity: 1 billion people lack access to clean water and 2.4 billion lack access to decent sanitation. Without further action these shortages will become more acute, especially for drinking water and sanitation. Although water supply and quality issues are clearly a global concern, water resources management has thus far largely failed to elicit an adequate response or sufficient funding from the international community.

2. The Global Water Partnership (GWP) is rooted in the successful experiences of the UNDP-World Bank Water and Sanitation Program (WSP). This program provided on-the-ground services in developing countries, largely in the form of technical assistance geared towards urban water use. To meet demand from governments for WSP and to cover broader issues of water development, in 1995 the UNDP and the Bank informally proposed forming an independent global partnership to address water resources planning and management. Subsequently, the Swedish Government offered to house the initiative at the Swedish Institute for Development Assistance (SIDA). The Netherlands and the U.K. later joined the Bank, UNDP, and SIDA as co-sponsors of the initiative.

3. The GWP was formally created in Stockholm in December 1995, at a meeting of 56 organizations, including governments, multilateral banks, U.N. agencies, professional associations, and the private sector. Over 75 participants present at the meeting agreed to establish the Global Water Partnership and formed an Interim Committee to move the idea forward. GWP formally came into being in 1996 and started functioning in 1997. Based on the principles of integrated water resources management (IWRM), the program's mission is to support improved water resources management and development at the local, national, regional and/or river basin level.

Portrait of a Global Program: Global Water Partnership

Established:	1995 - 1996
Objectives	Clearly establish the principles of sustainable water resources management; Identify gaps and stimulate partners to meet critical needs within their available human and financial resources; Support action at the local, national, regional or river basin level that follows principles of sustainable water resources management; Help match needs to available resources.
Key Activities:	Established 30 plus country and 13 regional water partnerships and is still growing.
FY03 expenditures:	Has grown from US\$3.1 m in 1998 to US\$10.3 m in 2003.
FY04 DGF allocation:	The WB made a financial exit in FY03.
Governance Model:	The GWPO is an intergovernmental international institution; it supports the GWP Network.
Co-Sponsors	World Bank, SIDA, UNDP, DFID, The Netherlands and others.
Latest Program-level Evaluation	The Performance Assessment Resource Center, June 2003.

4. The Bank looked forward to the GWP delivering good technical assistance to developing countries based on the increasingly universally accepted principles of integrated water resource management. However, in its early formative processes, the GWP assumed more of a focus on networking than delivering technical assistance. This focus was based on the assumption that partnerships among a variety of water sector stakeholders will improve water access for the poor, protect the environment, and uphold the interests of multiple groups with a stake in water resources management. The program assumes that such water partnerships will realize significant cost savings by improving resource mobilization and increasing efficiencies in water distribution, delivery and use, leading to increased financial independence of the partnerships.

DESIGN AND IMPLEMENTATION

5. Initially Bank co-founded and funded, the GWP was chaired by a World Bank Vice President for Environmentally and Socially Sustainable Development. Over the course of the past eight years, however, the partnership has evolved both its structure and operational mandate, in part in response to the recommendations made by two commissioned studies on governance and management (December 1998 and November 2000). For the first six years, the partnership functioned as a unit of SIDA. This arrangement represented a departure from the Bank's tendency to act as the implementing agent of like agreements. In July 2002, the partnership split into two parts: a Global Water Partnership Network (the Network) and the Global Water Partnership Organization (GWPO). The Organization functions as a support system for the Network.

6. The GWP Network has created Regional, Country, and Area Water Partnerships. It is affiliated with three Advisory Centers – The Danish Hydraulic Institute of Water and Environment in Denmark, HR Wallingford in the UK, and the International Water Management Institute (IWMI of the CGIAR) in Sri Lanka. These centers have served as sources for technical assistance, advice, and support for GWP's regional, national, and local partners. The GWP has also aligned itself with five "Associated Programs" to help partners develop and implement good practices for the sustainable management of their water resources.

7. The GWP's operations are financed from voluntary contributions from bilateral and multilateral development co-operation agencies and foundations. From its inception, 80-90 percent of GWP's funding has come from four principal donors: the Netherlands, Sweden, the United Kingdom and the World Bank. Although no longer a financial partner in the program, as a co-sponsor and founding member, the Bank continues to serve on GWP's Steering Committee, although Bank attendance at governance meetings is now infrequent and its strategic role has somewhat diminished in line with its own policy.

OED FINDINGS

Relevance

8. The GWP's objectives are consistent with the objectives of the Bank's 1993 water resources management policy and thus have been relevant to the Bank's development objectives. Notwithstanding the strong consensus with regard to the need for IWRM,

however, recent major evaluations of the water sector (including OED's) have revealed that the IWRM concept is too complex to define operationally, often poorly focused and understood more in terms of process (although important for local ownership) rather than in terms of outcomes and impacts.

9. For the GWP to remain relevant for the Bank, the GWP will need to add an additional layer of assistance to its already widespread role as advocate and promoter of increased stakeholder participation in water-related decision-making processes. Without abandoning its underlying advocacy-oriented activities, it will have to pay greater attention to the role of water in poverty reduction by providing tangible support to developing countries to gain more equitable access to water services, improved environmental protection and an increased voice in water management reform. It should simultaneously demonstrate how water use efficiency can be increased and sustained by promoting knowledge exchange and experience across the countries and among the regions in which its operates. These aspects are included in the new Strategy and Work Plan for 2004 to 2008 that builds on the outcomes of the Plan of Implementation of the 2002 World Summit on Sustainable Development. GWP will need to demonstrate if it can make this shift to a more action-oriented approach.

10. In short, the extent to which GWP can realize its objective of facilitating integrated water resources management will depend on the relevance of its activities to the needs of stakeholders and its contribution to problem-solving at grassroots levels with demonstrated results in the areas of improvement in water efficiency, equity and sustainability. To date the program has formed partnerships, organized workshops, carried out advocacy, and created a demand for its services – but actual on-the-ground impact is not yet known. The program's outreach, including the dissemination of best practices and lessons would benefit from demonstrating clearly how participatory processes resulted in improved outcomes.

Efficacy

11. The GWP has to date established or sponsored 32 country-level water partnerships, 16 area water partnerships, and regional water partnerships in 13 regions. The Regional/Country/Area water partnerships in South Asia are making good headway and may well become flagships for the partnership model, provided they are adequately supported. To date, 16 area partnerships have been instituted in the region. The countries involved – India, Pakistan, Sri Lanka, Nepal and Bangladesh – have developed a cross-border water strategy, called 'Vision 2025,' which is based on the goals outlined by the GWP network. Similarly, China's country water partnership has established a public-private-civil society model to achieve water security, including regular China Water Forums. If sustainable, this partnership will facilitate broader involvement by enhancing ownership and involvement in the development process among beneficiaries. Central America, South-East Asia, and Southern Africa also host successful inter-regional GWP-promoted partnerships, demonstrating the program's potential to catalyze alliances among a variety of water sector stakeholders.

12. This rapid creation of partnerships at the regional, country and area levels, however, has had several weaknesses. First, it has not been accompanied by a comprehensive comparative analysis of the political realities of water management reform to better assess where resources and efforts could be concentrated, and which stakeholders must necessarily be included, to enable IWRM to most effectively take root. There is evidence that those

countries that have made the most progress towards adapting and reforming their water management systems towards more sustainable water management practices have often started by focusing on specific water challenges – such as coping with perennial droughts or finding ways to manage the water needs of agriculture while still ensuring access to domestic water in growing urban areas. Second, partnership promotion has not been accompanied by attention to their long term sustainability, including particularly the likely sources of financing for their activities, to ensure even the relatively narrow objective that the participatory processes being promoted by GWP become self-sustaining. Retaining the current small level of central support to the thirteen regions will be vital for two reasons: it will promote consistency and a level of independence from donors and it will assist regional networks in their efforts to leverage other funding. Third, there is a need to demonstrate the linkage between increased participatory processes and the extent to which they will help mobilize the much needed and relatively large scale *additional* finance for improved water management and development.

Efficiency

13. The underlying assumption of the GWP is that water partnerships will act as agents of change to affect water management reform. The formation of partnerships is to be a vehicle to comprehensive water reform, not an end in itself. The program is aware that it is in need of developing systematic performance indicators to assess its impact, beyond the assessment of the processes of establishing partnerships and is in the process of establishing performance indicators which would measure benefits at the global, regional and local levels. In this process, isolating the impacts *caused by* the Global Water Partnership Network is a challenge given the component inputs provided by its associated programs and donor activities which need to be disaggregated for a credible impact assessment.

14. The GWP has undergone one independent external review, conducted by the Performance Assessment Resource Center (PARC) in June 2003. Its governance and management components were the subject of two studies mentioned above. Both the external review and the governance studies noted weaknesses in the technical assistance arrangements of the GWP in terms of the operational orientation of the technical advisory committees and the related technical support. This OED review has concluded that while the consequences of water shortages are global, water management problems are local, national, or regional in scope, making practical knowledge and experience in reforms of policies and institutions in developing countries at the national and local level of critical importance for ensuring the effectiveness of technical assistance and advice. Resource centers would serve GWP objectives better if they combined academic international technical expertise with practical operational policy advice rich in local institutional knowledge and experience on a cross-country basis to offer workable solutions to reforms in developing countries facing water issues. Developing country nationals interviewed indicated that such a skill mix is often lacking in the approaches GWP has been promoting.

15. Interviews with stakeholders also indicated that the GWP and its regional networks have not been able to adequately mobilize the financial resources needed to hire qualified policy, technical, organizational, and institutional expertise for problem-solving, even where successful partnerships have been established. GWP has assumed that the new partnerships will somehow be “empowered” to raise resources from national governments and locally

based donors, but it is unclear if this is occurring on a significant scale. There are no performance indicators to demonstrate the funding needs of and the availability to partnerships. During this review, developing country stakeholders reported that partnerships lack funding and credible high-quality technical assistance, handicapping their usefulness.

16. The GWP is not the only global water entity advocating IWRM. In fact, its advocacy-oriented activities have effectively competed with organizations like the World Water Council. While there have been efforts to coordinate the organizations' efforts, particularly at international fora, the underlying objectives of the two groups remain somewhat overlapping, creating confusion among water planners, implementers, and users. The establishment of the GWP regional and country partnerships and the recent shift towards action to implement IWRM does, however, give GWP a unique position.

Bank Performance

17. Water is an integral part of the global environment the Bank is committed to protect, although its water-related investments have faced controversy and opposition from civil society in recent years. The Bank's water sector projects have also been among the poorest performing in the Bank. While the Bank has been a major donor to the water sector in the past, playing a key role in developing several river basins and establishing vital water infrastructure worldwide, lending in the water sector has declined precipitously over the last few years. In FY00 to FY02, annual Bank lending in the sector averaged \$636 million compared to \$1.46 billion in FY91-FY99. Since FY02, there has been an apparent trend towards reengagement, however the actual levels of commitment are no greater than amounts committed in the early 1990s.

18. Should the Bank resume the much-needed lending to water infrastructure, as its 2003 integrated water resource management strategy has envisaged, GWP could support the Bank's lending portfolio by facilitating increased country stakeholder participation, oversight and ownership of its investment operations. But the Bank's policy of withdrawing from such global programs once established means that the interaction with the GWP has declined: its financial contribution to the operations of GWP declined from \$1.4 million in 1999, to \$0.43 million in 2002 and to its final withdrawal in 2003 (as required by the DGF). Although the Bank is a Steering Committee member by virtue of its co-founder and co-sponsor status, over the years Bank staff members have found it more useful to partner with the Bank-Netherlands Water Partnership Program, a trust fund program in the Bank which provides resources for technical assistance for the preparation of Bank operations.

19. The Bank's three-year financial exit strategy established for some of the programs it funds through the Development Grant Facility is premised on the assumption that, within this period of time, seed money can help catalyze partnerships through convening and building coalitions and raising funds. The GWP has been successful in growing its sources and contributions of annual funding, as envisioned by the DGF exit strategy.

LESSONS

1. **The GWP has the potential to advance the concept of integrated water resources management in developing countries and thereby contribute to more effective Bank involvement in the sector.** Its advocacy has increased demand for assistance from developing countries to solve problems which GWP – as it is currently funded, technically supported and executed – seems to be unable to fulfill. One way the Bank can benefit from GWP’s initial success in establishing area partnerships is to ensure the partnerships correspond to and leverage the development agenda of countries and support as well as help shape Bank priorities in specific regions with a stronger understanding of country needs. As a cosponsor and original founding member, the Bank’s ESSD anchor could foster better links between the GWP partnership and the Bank’s regional operations while also assisting in the establishment of clear indicators for monitoring performance. Such indicators would extend beyond process outcomes and could rather measure the extent to which the partnership is assisting the Bank and donors in developing more efficient, equitable and sustainable water sector investment operations.
2. **To sustain developing country interest, demonstrated, on-the-ground impact is needed.** But this requires that the partnerships are able to mobilize the human and financial resources to help solve problems on the ground through action-oriented programs that meet the needs of clients rather than solely focusing on advocacy and academic tool boxes. The GWP experience provides a cogent lesson on a broader theme: the need to back up the “soft” program resources of advocacy with “hard” human and financial resources of quality for solving identified problems. The Bank’s strategic linkages with governments have the potential to contribute to GWP’s ability to transition from an advocacy-oriented network to a more operational set of entities that add value to developing countries. Although the new GWP strategy and work plan recognizes this, its potential currently remains underutilized and will not be viable without more resources.
3. **The role of the GWP resource centers (RC) could be reduced now that partnerships are established and as GWP moves closer to on-the-ground actions.** Although the RC system worked well in the early years and has enabled GWP to develop rapidly while maintaining a lean and effective administration, the establishment of the partnerships and a shift towards a more action-oriented agenda reduce the importance of their role. Developing countries have indicated that the use of northern experts lacks credibility and that scientists and planners in developing countries are well-versed in IWRM principles and have better knowledge of the cultural and social conditions in the regions. Accessing world-wide experience of regional scientists and planners with a track record of success would not only be cost effective, but through south-south cooperation would generate a sense of ownership and participation among developing countries for GWP programs.
4. **Given the considerable diversity among the different regions in terms of the nature of their challenges, their domestic water policies, and their technical and institutional capacities to address them, a decentralized approach could strengthen GWP’s mission, mode of operation, programs, and role.** This would focus on the development of country and region-specific tools and evidence-based analysis for global partnership-building. Moreover, GWP would benefit from an action plan that focuses on countries

and regions with less advanced water sector development programs. Helping these countries introduce best practices by benefiting from lessons from water management partnerships in the more successful cases would increase its credibility as a global program.

5. **GWP's sustainability will depend on demonstrating concrete results from its partnerships, particularly in areas where it claims a comparative advantage – that is, in bringing to bear quality technical assistance, improved government policies, increased investments and in the ultimate analysis increased water security for all.** It therefore needs to evaluate promising country and area water partnership models for sustainability and build closer ties with them, the Bank and other donors to help shape their broader planning and implementation efforts and derive lessons from them.

1. Introduction and Context: Global Challenges in the Sector

GLOBAL CHALLENGES FACING THE SECTOR

1.1 As the world's population burgeons, water has become an increasingly scarce resource in many parts of the developing world. The World Commission on Water has described the "gloomy arithmetic of water": global water consumption rose six-fold between 1900 and 1995, more than double the rate of population growth, and it continues to grow rapidly as industrial, agricultural, and domestic demands increase. An additional issue is the uneven distribution of global water supplies. In some areas, water demand is so high and the supply of surface water so limited that groundwater reserves are being rapidly depleted. Scientists have noted the detrimental impact of the pumping of increasingly marginal groundwater supplies on both human health and the environment.

Box 1. The Global Thirst for Water

A 1997 U.N. assessment of freshwater resources found that thirty-four per cent of the population in the developing world lives in countries currently under moderate to severe water stress ("moderate stress" is defined in the Assessment as human consumption of more than 20 per cent of all accessible renewable freshwater resources; "severe stress" denotes consumption greater than 40 per cent). The Assessment projects that as many as two thirds of the countries in the lower-income categories could face moderate to severe water stress by the year 2025.

The Assessment also reported:

- Water use has been growing at more than twice the rate of population increase during the twentieth century.
- In 1995, 20 percent of the world population did not have access to safe drinking water and 50 percent lacked water for proper sanitation.
- At any given time, approximately one half of the people in the developing world are suffering from a sickness associated with bad water.

The consensus among water scientists is that the global water situation will worsen markedly over the next 30 years unless major improvements are made in how water is allocated and used.

1.2 Most experts project that global water shortages will continue to grow (Box 1). The World Commission on Water estimates that water use will increase by about 50 percent in the next 30 years.¹ Under this scenario, an estimated 4 billion people – one half of the world's population – will live under conditions of severe water stress by 2025, with conditions particularly severe in Africa, the Middle East, and South Asia.

1.3 Soaring global demand for water has come at a high environmental cost. Some rivers no longer reach the sea and half the world's wetlands have disappeared in the last 100 years. Loss of river-fed basins and wetlands has hurt wildlife – for example, 20 percent of freshwater fish are currently endangered or extinct. Many of the world's major groundwater

¹ OED. 2002. Bridging Troubled Waters: Assessing the World Bank Water Resources Strategy. World Bank, Washington, D.C..

aquifers are already being mined; already deep, water tables are dropping by meters every year and some aquifers are permanently damaged by salinization. And, with over half the world's population living in approximately 265 river basins which are shared by several countries, there is real cause for concern over the potential of water -related conflict.²

1.4 *Inequities in water supply and services.* The Report of the World Panel on Financing Infrastructure, chaired by Michel Camdessus,³ estimated that 1.1 billion people lacked access to safe supplies of drinking water in 2000, while 2.4 billion people lacked sanitation services. The Camdessus report highlighted "glaring global inequalities" in water supply and services, citing the following facts:

- The share of people lacking access to water in 2000 was 40 percent in Africa, 20 percent in Asia, and 15 percent in Latin America and the Caribbean.
- Even greater numbers of people lacked access to sanitation services: the deficit was 40 percent in Africa, while 50 percent of people in Asia and 20 percent of the inhabitants of Latin America and the Caribbean lived without adequate sanitation.

1.5 *Uneven distribution of infrastructure.* A major cause of unequal global access to basic water services is the uneven distribution of infrastructure, according to the Camdessus report. Furthermore, the global distribution of water storage infrastructure is especially skewed: for example, the United States and Australia have 100 times more water storage capacity per inhabitant than Ethiopia.

1.6 *Lack of funding for water infrastructure* has posed a serious obstacle to effective collective action to meet soaring worldwide demand for water. A 2002 Operations Evaluation Department (OED) report on the World Bank's 1993 water strategy cites fund mobilization as a "daunting challenge" for global water development.⁴ The report cites an estimate that meeting worldwide demand for water supply, household sanitation, wastewater treatment, treatment of industrial effluents, irrigation, and other needs would require a massive increase in global expenditures on water infrastructure. According to the OED report, spending would have to more than double to meet global needs, rising over the next 20 to 25 years from \$80 billion in current annual expenditures on water infrastructure in developing and emerging countries to \$180 billion in spending each year.⁵

1.7 Meanwhile, institutions like the World Bank have also learned that private infrastructure lending involves substantial risk, outweighing the potential benefits of collective, partnership-based action to address gaps. While promoting private investment in water-related areas, the World Bank and other donors have supported little major water

² Consider, for example, ongoing disputes over the Jordan Basin, or the protracted tension between India and Bangladesh following the construction of the Farakka Barrage on the Ganga.

³ Camdessus, Michael and Winpenny, James. 2003. "Financing Water For All. Report of the World Panel on Financing Infrastructure."

⁴ OED. 2002. *Bridging Troubled Waters: Assessing the World Bank Water Resources Strategy*. World Bank, Washington, D.C., p. 4.

⁵ World Water Council. 2000. *World Water Vision: Making Water Everybody's Business*. London: Earthscan Publications Ltd.

infrastructure in recent years. While the Bank's avoidance of infrastructure financing was intended to promote private investment, little occurred, and many developing countries believe that the overall impact of reduced Bank lending and policy-level engagement in the water sector on ensuring secure long-term water access to all has been negative.

1.8 *For developing countries*, the Bank's reduced lending has made it more difficult and costly to finance the rehabilitation, modernization, and construction of critically needed hydraulic infrastructure needed to achieve water self-sufficiency. Approximately 80 percent of water withdrawals in developing countries are used for agriculture, which in turn depends on adequate infrastructure to store water during the wet season at suitable locations (generally in mountainous regions) and release it to the plains for irrigated agriculture and other uses during the dry season. Infrastructure is also crucial in mitigating the risk of climate variability, which especially affects developing countries that are arid or depend on annual rains that can vary. Water planning experts point to widespread deficiencies in storage and other water infrastructure in developing countries, which have limited agricultural productivity and have increased the risk and cost of climate change and extreme events like droughts and floods. Such infrastructure poverty has had a major worldwide impact on the economic and social development of many countries.

INTERNATIONAL CONSENSUS: A COMMON VISION...

1.9 Drawing on several studies conducted by the Operations Evaluation Department, the *1992 World Development Report: Development and the Environment* suggested a new approach to water resource management – an approach that would subsequently be widely known as 'Integrated Water Resource Management' (IWRM). OED had found that Bank investments in irrigation, water supply, sanitation, flood control and hydropower had often been hampered by weaknesses in implementation and by operational, environmental, and social problems. Recognizing the constraints posed by a fragmented approach to water management and taking into account the waste and inefficiencies that had resulted from the frequent failure to use prices and other instruments to manage demand and guide allocation, the new approach recommended a process of decentralized implementation and the use of market forces to provide water services. The new approach also acknowledged that water use, in all its forms, affects natural ecosystems and human health and therefore emphasized the importance of assessing and mitigating the environmental consequences of public investments and of establishing effective regulatory policies.

1.10 This vision of water resource management reform, recommended to the Bank and its member countries via the WDR, was the subject of two global multi-stakeholder conferences concurrently held in Dublin and Rio de Janeiro that year. The Dublin Conference on Water and the Environment (January 1992) and the United Nations Conference on Environment and Development in Rio de Janeiro (June 1992) raised global awareness of the need to address countries' key water-related development problems – water for health, for food, for energy, for environment – more effectively and efficiently than is possible using traditional approaches. The conferences set out recommendations for action at the local, national and international level, basing their recommendations on a set of guiding beliefs, thereafter referred to as the "Dublin Principles" (Box 2).

1.11 The consensus that changes need to be made in the interfaces between macro-economic and water resource decision-making, while originating at the 1992 Dublin Conference, has since been reinforced at the 2nd and 3rd World Water Forums in the Hague and Kyoto, (March 2000 and 2003) respectively.

Box 2. The Dublin Principles

The *ecological principle*: Land and water should be managed together, and attention needs to be paid to the environment.

The *institutional principle*: Water resources management is best done when all stakeholders participate, taking into account gender.

The *instrument principle*: Water is a scarce resource, and greater use needs to be made of incentives and economic principles in improving allocation and enhancing quality.

1.12 The **Global Water Partnership** is based on the principles of IWRM. GWP presently defines IWRM as “a process that promotes the coordinated development and management of water, land, and related resources in order to maximize the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems” (GWP in Action, 2002).

... WITHOUT A COMMONLY AGREED APPROACH

1.13 A seminar convened in the Netherlands in October 2000 which considered four major evaluations of the water sector (including OED’s) revealed that while IWRM is accepted in principle internationally, the concept, in and of itself, is often seen as too complex, difficult to understand and poorly focused.⁶ A separate OECD review of industrialized countries found that even the most advanced countries are far from compliance with the underlying Dublin Principles and that progress in the implementation of IWRM projects have been difficult, slow and uneven. That is because the implementation of IWRM *rarely* offers a win-win situation. IWRM inherently challenges policymakers in both developed and developing countries to weigh the costs of short-term but often urgent social needs against the necessity of long-term structural change. Advocates of IWRM recognize that there is a danger of overlooking urgent needs such as clean water or more effective irrigation while focusing on wider-long-term reform processes. To that end, water and water policy specialists suggest the need for a ‘twin-tracked’ approach at both the global and basin levels for IWRM – one in which activities are developed that respond to urgent needs (“water hot spots”) and priorities in a straightforward and achievable manner, but that are also structured and coordinated with donor support so that they contribute to a wider, long-term process of institutional reform.

1.14 To conserve and improve the quality of water and water services in the future, one indisputable short – to – medium term priority is increased water productivity in agriculture,

⁶ The seminar “The Water Sector Reviewed: From Lessons Learned to New Policies and Strategies” took place in Wageningen in the Netherlands on Monday, October 9 and Tuesday, October 10, 2000. Approximately 50 participants from the evaluation community, policy makers and water sector specialists were present. Four evaluation cases were considered over the two days and the implications of the findings of these evaluations for future support to the water sector were deliberated in a series of structured discussions.

which uses two-thirds of all useable water. Innovative irrigation techniques, like the drip irrigation method, offer promising examples of how to increase water efficiency, but the technology is too costly, and often inappropriate for developing countries to adopt. Currently, less than 1 percent of irrigated land uses drip irrigation. The concept of IWRM correctly encourages increased participation of farmers in decision-making regarding water allocation, but as a body of principles, it is not equipped to address research needs to develop water-efficient technologies, varieties, management tools and approaches, particularly for the most vulnerable groups.

1.15 The long-term strategy for IWRM envisions a wider process of decentralization and privatization – a process that develops new appropriate divisions of tasks between government, civil society and the private sector at national, regional and local levels. However, the framework to allow management at the lowest appropriate level is often not available. And perhaps just as significantly, the lack of clear legal frameworks enshrining rights and responsibilities within the decentralization process often causes raised expectations and confusion. While community-based approaches are now accepted as the norm, the underpinning capacity seldom exists at the necessary levels.

2. Program Alignment with Global Challenges and Bank Priorities

THE GENESIS OF GWP

2.1 The Global Water Partnership is rooted in the successful experiences of the UNDP-World Bank Water and Sanitation Program (WSP). This program provided on-the-ground services in developing countries, largely in the form of technical assistance geared towards the urban use of water. To meet demand from governments for WSP to cover broader issues of water development, in 1995 the UNDP and the Bank informally proposed forming an independent global partnership to address water resources planning and management. Subsequently, the Swedish Government offered to house the initiative at the Swedish Institute for Development Assistance (SIDA). The Netherlands and the U.K. later joined the Bank, UNDP, and SIDA as co-sponsors of the initiative.

2.2 GWP's formal creation began in Stockholm in December 1995, at a meeting of 56 institutions, including governments, multilateral banks, U.N. agencies, professional associations, and the private sector. The meeting's 75 participants agreed to establish the Global Water Partnership and formed an Interim Committee to move the idea forward. GWP came into being formally in 1996 and started functioning in 1997. Following a period of establishment and planning, GWP moved to a period of conceptualization, consolidation and advocacy in 1999-2003. The program is currently in an action-and-impact phase, which will continue to 2008.

GWP MISSION AND OBJECTIVES

2.3 The GWP is primarily a facilitation and advocacy organization. Specifically, it promotes IWRM by facilitating dialogue at and between the global, regional, national and local levels. As a multi-stakeholder international network, it aims to encourage international

support agencies, governments and other relevant entities at the national and municipal levels to adopt consistent, mutually complementary policies and programs. GWP's officially stated mission, based on the Rio-Dublin Principles, is to: *support countries in the sustainable management of their water resources.*

2.4 GWP was designed initially with the following objectives:

- Clearly establish the principles of sustainable water resources management;
- Identify gaps and stimulate partners to meet critical needs within their available human and financial resources;
- Support action at the local, national, regional or river basin level that follows principles of sustainable water resources management;
- Help match needs to available resources.

2.5 Following the second World Water Forum in March 2000, the GWP bundled the activities of the Partnership into a comprehensive work plan for the coming years. Four specific programmatic objectives were identified. Further, the GWP's *Framework for Action* proposed the following output indicators as a measure of performance (Box 3).

2.6 In 2003 the GWP developed a new five-year Strategy and Work Plan for the period 2004 to 2008 that focuses more on facilitating actions to implement the IWRM approach in

Box 3. Programmatic Objectives and Program Outputs

<i>Program Objective</i>	<i>GWP Work Program Outputs</i>
1. Establishing partnerships and mobilizing political will	<ul style="list-style-type: none"> • On-the-ground partnerships established • Awareness raised and attitudes to water management changed
2. Building strategic alliances for action	<ul style="list-style-type: none"> • Established alliances supported • Alliances with key international regional organizations formed
3. Promoting good practice in IWRM	<ul style="list-style-type: none"> • Knowledge of IWRM good practice generated and disseminated • Key practitioners to operationalize IWRM concepts identified and supported
4. Developing and implementing regional action	<ul style="list-style-type: none"> • Regional FFAs completed and tangible actions prioritized

Source: GWP Work Plan, 2001–2003

countries. This followed the outcome of the World Summit on Sustainable Development in Johannesburg in September 2002 that endorsed the Millennium Development Goals and included a specific target for countries to adopt the IWRM approach in its Plan of Implementation. The new strategy includes an additional output designed to help countries adopt the approach and is thus more action-oriented. The five outputs are: IWRM water policy and strategies development facilitated at relevant levels; IWRM programs and tools developed in response to regional and country needs; Linkages between GWP and other frameworks, sectors and issues ensured; GWP partnerships established and consolidated at relevant levels; and the GWP network effectively developed and managed.

ORGANIZATION AND KEY ACTIVITIES

2.7 The GWP split its organizational structure into two parts in July 2002: its oversight and management functions are now consolidated as part of an independent legal

intergovernmental organization known as the GWPO located in Stockholm while its activities are carried out through partnerships at the Network level (which operate without legal identities). The evolved organization of the GWP is discussed in full in Section 4 of this report.

2.8 The GWP ‘Network’ is an international association of regional alliances, made up of user-driven country and area water partnerships. The various types of assistance provided by GWP include advice on management approaches, policy awareness and dialogue, expert knowledge and information, and help with research, development, and training. The program’s regional network design is predicated on the assumption that partnerships among a variety of water sector stakeholders will improve water access for the poor, protect the environment, and uphold the interests of multiple groups with a stake in water resources management. It assumes that water partnerships will realize significant cost savings by improving resource mobilization and increasing efficiencies in water distribution, delivery, and use, leading to financial self-sufficiency for the partnerships, improved access to available resources, and greater cooperation among national- and regional-level water users.

2.9 The GWP Network operates in 13 “regions”: Southern Africa, Eastern Africa, West Africa, Central Africa, the Mediterranean, Central and Eastern Europe, Central America, South America, Central Asia and the Caucuses, South Asia, Southeast Asia, China and Australia. A fourteenth in the Caribbean will commence in 2004. With the aim of facilitating good practices for the sustainable management of water resources, the GWP has established 32 country water partnerships (CWP) and 16 Area Water Partnerships (AWP) in the above regions.

RELEVANCE OF PROGRAM TO GLOBAL CHALLENGES AND BANK PRIORITIES

2.10 The Bank has four major criteria for assessing the relevance of its global programs on the basis of which the GWP and other partnerships are assessed:

- **International consensus:** The program reflects an emerging international consensus that global action is required (endorsed by the Development Committee on September 25, 2000).
- **Strategic focus:** The program (1) provides global public goods, (2) supports international advocacy for reform agendas that significantly address policy frameworks relevant for developing countries, (3) is a multi-country program that *crucially depends on highly coordinated approaches*, or (4) mobilizes substantial incremental resources that can be effectively used for development (Management presentation to the Board on March 5, 2003).⁷
- **Subsidiarity:** The program does not compete with or substitute for regular Bank instruments (established by the DGF Council on October 28, 1998).

7. A global program has to meet only one of these criteria to be considered eligible for Bank support. As shown in Annex A, Table A.3, “providing global public goods” and “supporting international advocacy” are direct references to the Bank’s global public goods and corporate advocacy priorities as enunciated in the Strategic Directions Paper for FY02-04, March 28, 2001. By contrast, each global program is supposed to meet, at the concept stage, all six of the approval criteria for global programs established by Bank Management in April 2000.

- **Consistency with sector strategies:** The program has a clear strategic rationale consistent with the relevant sector strategy paper (Management presentation to the Board on January 30, 2001).

2.11 While there is general support among GWP stakeholders for the vision and goals of the partnership, the strategy for achieving the goals is not supported as broadly. This issue was well analyzed in the Management Advisory Report.⁸

Consistency with the Bank’s Strategic Focus for Global Programs and the Subsidiarity Principle

2.12 The Global Water Partnership supports international advocacy for the integrated water resource management reform agenda - an agenda that significantly addresses policy frameworks relevant for developing countries. The Global Water Partnership Network is a multi-country program that crucially depends on highly coordinated approaches. The partnership does not violate the Bank’s subsidiarity principle but, on the contrary, has the potential to be highly complementary. Simply including partnership-building in country programs would have been counter-intuitive for a Network aiming to increase the consistency and standardization of a set of globally agreed upon principles. It would have been more difficult to provide a neutral platform and a level playing field for stakeholder participation, and would most likely have incurred higher administration costs. In contrast, the GWP has few barriers to entry and encourages the voluntary “self-help” principle, thereby ensuring beneficiary ownership.

Consistency with the Bank’s Relevant Sector Strategies

2.13 In 1993, the World Bank endorsed a Water Resources Management Policy Paper⁹ which defined water management to have an institutional framework, managing instruments and the development, maintenance and operation infrastructure. The policy reflected the broad global consensus that was forged during the Rio Earth Summit process which produced the aforementioned Dublin Principles. In practice, both water users and Bank staff have found the application of these principles difficult. Water resources development has suffered due to the absence of a viable strategy to implement the Dublin principles. For example, the 2002 OED Review of the World Bank’s 1993 Water Resource Strategy found that while the principles in the Bank’s 1993 Water Resource Management Policy Paper were appropriate, improving water management practice has been difficult and slow.

2.14 In February 2003, the World Bank approved a Water Resources Sector Strategy that takes stock of the Bank’s experience with implementing the Water Resource Management Policy Paper of 1993. While the new strategy complements – and does not replace – the Bank’s 1993 policy, it focuses more explicitly on the role of water in poverty reduction, on the need to assist developing countries with both management and development of

⁸ As evidenced by the findings highlighted in the Report on the Management Advisory Review of the GWP by Selçuk Ozgediz and Bjorn Axelsson.

⁹ World Bank. 1993. “Water Resources Management: A World Bank Policy Paper.” Washington, D.C.

infrastructure, on the challenges of implementation and on areas where Bank practices need to change.

2.15 According to the Bank's 2003 strategy, the greatest challenges do not involve areas of broad consensus – for example, the need to pay more attention to watershed and groundwater management, water quality, conservation, and institutional reform. Rather, the most difficult areas are those in which *no* global consensus exists. According to the strategy, when faced with contentious issues, the Bank “has not charted a consistent set of engagement and... has not performed as a predictable, timely and effective partner.” To rectify this, the Bank must adopt a ‘pragmatic but principled’ approach that respects principles of efficiency, equity, and sustainability. This approach recognizes that comprehensive integrated water resource management is intensely political, with reforms requiring the “articulation of prioritized, sequenced, practical and patient interventions.” The revised strategy notes that achieving results in the often highly politicized water sector requires that attention be paid to the broader enabling environment, including explicit focus on the “political economy” of reform in designing and implementing interventions. When this occurs, a program’s goals and objectives should incorporate the appropriate mechanisms to support this broader process – and, ideally, to measure program impact in this challenging arena. In reality, however, the Bank has drawn very little on the Global Water Partnership for the reasons discussed below and later in the section on Bank performance. It raises the question as to whether the GWP is still seen as highly relevant with a potential to add value to the Bank’s mission, and if so, the criterion for the Bank’s disengagement from the financing, governance, the strategic directions and the performance of the GWP.

3. Outcomes, Impacts, and Their Sustainability

3.1 The major outcome envisaged by the GWP is that its activities would lead to on-the-ground partnerships and proactive partners. This mobilization of actors would increase awareness and change attitudes towards water management. This desk review relied primarily on interviews of water resource experts, a review of the program documentation and related literature, and the results of the external evaluation commissioned jointly by DFID, SIDA, and the Netherlands Ministry of Foreign Affairs which was conducted by the Performance Assessment and Resource Center (PARC) in the UK. The global team was able to hold one regional consultation—in Costa Rica. The PARC team members visited three regional partnerships and eleven country water partnerships.

THE PARC EVALUATION

3.2 Overall, the evaluation concluded that GWP’s global network has made an effective and significant contribution to the global recognition of IWRM. It has influenced policy and brought about change in legislation in the governance and management of water. It has made a significant contribution to the international aid and lending programs in the water sector, although for the reasons discussed below concrete, well-documented evidence to support these claims was limited in the evaluation. Meanwhile, argued the evaluation, the enthusiasm and increased demand on GWP to support action and local engagement in the regions is placing significant pressure on resources, an issue which needed urgent attention to maintain momentum and safeguard the program’s “brand” and reputation.

3.3 The PARC study also placed emphasis on GWP's potential to influence policies and bring about changes in the governance and management of water, although it did not convincingly demonstrate GWP's comparative advantage in this area relative to other partners. Yet the evaluation also pointed to the difficulty of evaluating a network which, while positively characterized by a low level of bureaucracy and few internal systems, has had few formal indicators of performance against which to measure its achievements. Initially, the GWP adopted a "light touch" towards monitoring and evaluation (M&E), developing indicators as needed. Over the longer term, however, the intent is to develop indicators to monitor progress toward GWP's strategic goals. The discussion on how the system should be developed is on-going. Initial indicators attempt to gauge progress towards integrated water resources management and are primarily concerned with inputs, outputs, and process. They include: partnerships established; support to alliances; creating new alliances, support to practitioners; support to IWRM dialogue; tangible action; support to studies; financial management; policy and planning; office administration; HR management; and standard external reports including donor interest and the regional interest. Only two indicators attempt to measure outcomes: attitudinal change and increased knowledge of IWRM.

3.4 In general, programs that lack a results-based framework also lack well focused and appropriate performance indicators. There is often an implicit assumption that the program's outputs (such as studies) will lead to outcomes (such as policy and institutional reforms) that will automatically expand access for the poor to technologies, information, or finance to improve their incomes and livelihoods, without assessing whether this actually occurs. But this expectation is inherently challenged in advocacy programs by the fact that many programs, when they were designed, did not construct a results-chain extending from the approaches they promote to the ultimate impacts on growth, sustainability, or reducing poverty. Impact indicators should ideally include increased regional/country water security, water use efficiencies, conflict resolution, improvement in water quality and related environment, and poverty reduction.

A) ESTABLISHING PARTNERSHIPS AND MOBILIZING POLITICAL WILL

Global Partners

3.5 GWP has catalyzed partnerships in almost all developing countries. However, it seeks greater involvement of developed countries in forming their own partnerships so that GWP can act as an interlocutor by enabling developing countries in the respective regions to network with developed countries and help match developing countries' needs with developed countries' expertise. While developed countries already provide advisory centers, only Australia, Denmark and the Netherlands have taken the initiative to form national water partnerships. Australia joined the GWP in June 2003, and has signaled its willingness to share ideas and expertise with its neighboring countries in Southeast Asia and the Pacific.

Regional Partnerships

3.6 The GWP had established 11 regional water partnerships at the time of the PARC review. The results were mixed. The PARC evaluation found that the regional partnerships

are conducted through a variety of administrative arrangements albeit with varying degrees of success. A key factor is the financial constraint to undertake anything but short-term activities. The review recommended the need for longer financial planning horizons with donors committing three to five-year funding to enable the programs to recruit and retain the necessary staff and engage stakeholders over a consistent period to develop significant benefits to regional planning.

3.7 One particularly influential regional partnership is the Southeast Asia partnership.¹⁰ Established in 1997, politically connected participants of the partnership at the national level targeted key decision-makers across the region, including members of the Association of South-East Asian Nations (ASEAN) at an early stage. As a result of its targeted awareness raising campaign, ASEAN has established a working group on IWRM, which will pursue regional strategic planning for water management. But even this relatively more successful partnership illustrates that water resource management reform takes decades, not years and requires a consistent long-run approach.

3.8 While the regional partnership in South-East Asia was established in 1997, the first meeting of the group with ASEAN participation did not take place until 2003. Bilateral evaluations and the World Bank's own findings of implementing its 1993 Water Resource Management Policy have stressed similar gaps between awareness raising and implementation.

3.9 Another regional partnership in East Africa is experimenting with a different model of set-up and orientation. After seven years of learning from its partnership experience, the newly established East Africa network (established in Nov. 2002) could simultaneously establish regional and national activities. The World Bank, meanwhile, along with bilateral partners, has been engaged in extensive dialogue in this region over the past few years, particularly through its involvement in the Nile Basin Initiative. The GWP has the potential of increasing support and ownership of this initiative by increasing awareness and ownership of stakeholders, particularly within indigenous communities. It could work with the Bank's successful national legislative reform efforts to secure government and donor support.

Country and Area Partnerships

3.10 The GWP has now established 32 country water partnerships (CWPs) and 16 Area Water Partnerships (AWPs). Where CWP^s have direct access to or influence on national policy at the decision-making level, there has been improvement in either water related laws or institutional alignment to better address IWRM. Two CWP^s stand out in this regard: China and Thailand. Other CWP^s however, located in South Asia and Southern Africa, have demonstrated little ability to establish critical links to government. Overall, these partnerships are more loosely organized than the regional partnerships. The PARC evaluation found that very few of the CWP^s possessed a membership structure with well-defined rights and obligations for members (p. 23).

¹⁰ The GWP South-East Asia Network was one of the first regional networks. It includes members from Indonesia, Malaysia, Philippines, Thailand, Vietnam, Cambodia, and the Lao's People's Democratic Republic.

B) BUILDING STRATEGIC ALLIANCES FOR ACTION

3.11 At the global level, the GWP has collaborated with *inter alia* the World Water Council, World Conservation Union (IUCN), Water Supply and Sanitation Collaborative Council, World Wide Fund for Nature, International Commission on Irrigation and Drainage (ICID) in addition to the agencies of the United Nations (UNDP, UNEP, WMO, World Bank) towards meeting its IWRM objective. Due to the vast number of programs and entities affiliated with water sector-related issues, the GWP runs the risk of performing overlapping mandates. Its role vis-à-vis the World Water Council (WWC) is one particularly stark example.

3.12 Proliferation of partnerships with similar mandates can result in duplication and fragmentation of effort, use of scarce donor resources on financing the overhead costs of organizations and demands on the scarce time of developing country nationals to attend large numbers of international meetings and consultations, leaving little time to carry out implementation at home. In making the case for consolidation of CGIAR centers, OED's meta evaluation had observed the problems posed by a large number of small centers, each competing for donor resources. The CGIAR has since begun to consolidate centers.

3.13 The Global Water Partnership and the World Water Council face some of these issues. They have been referred to as 'twin organizations,' created at the same time, by nearly the same individuals. The WWC was designed to act as an 'advocate' and policy think tank for water – to raise awareness and help place water issues high on the political agenda at the global level – the GWP was established to *promote and facilitate the implementation* of IWRM in developing countries. Yet their seemingly overlapping mandates and activities have been a source of competition and confusion. Both say that over time, the two have developed a framework of cooperation. The two Chief Executives are observers at the Board meetings of their counterpart's organization. Regular meetings are held between the management of GWP and WWC with a focus on areas of cooperation. The GWP and WWC cooperate in some activities with reported regular interaction and cooperation in working groups, as, for example, in the work of the World Panel on Financing Water infrastructure that presented its recommendations in Kyoto at the WWF3. The GWP does have a unique network feature with its numerous regional and country partnerships, which brings it closer to local issues. Yet proliferation of water partnerships and their effectiveness in bringing about improved outcomes which are independently varied on the ground remain issues.

C) PROMOTING GOOD PRACTICE IN IWRM

3.14 The collective experience and gathering of water practitioners, specialists, and decision makers provides an opportunity to share experiences and lessons useful in applying the holistic IWRM approach to specific locations and circumstances. Founded as a network dedicated to facilitating dialogue to catalyze reform, the GWP has enabled over 100 dialogues on elements of water governance that GWP argues would not have taken place without its organizational assistance. Most notably, the GWP may have contributed to increased awareness on water resource management at the global level through its participation at the WSSD and in the 2nd and 3rd World Water Forums and at the regional

level through the establishment of thirteen regional partnerships.¹¹ It has consolidated and made available a wide range of multi-lingual documents related to IWRM country practices by maintaining an active website. How networking leads to improved outcomes is a challenging new area for evaluation. There are few such credible evaluations of networks to date, stressing the challenge GWP faces in demonstrating its impacts.

3.15 One GWP output is “The Toolbox” (Box 4). It has achieved less success in generating good practice and disseminating knowledge than had been expected. Developed in close cooperation with the Netherlands Water Partnership (NWP) and funded by several donors, there seems to be a great deal of frustration among some stakeholders that the toolbox is primarily an academic teaching tool rather than an instrument of practical problem solving and ready application for water planners, government agencies, and other water sector stakeholders.¹²

D) DEVELOPING AND IMPLEMENTING REGIONAL ACTIONS

3.16 The Global Water Partnership is candid in its reporting about what it has been able to achieve versus what needs to be done to translate IWRM phraseology into actual national processes to tackle the mismanagement of water resources. Whereas GWP has been successful in advocating IWRM and the principles that underlie this vision, it was weak in developing concrete goals and work plans to demonstrate beyond the general awareness whether the institutional development on which the integrated water resource management is hinged is taking place. This is recognized in the new 2004 – 2008 Strategy, but it remains to be seen whether any progress can be made in the near term.

3.17 At the end of 2003, GWP conducted an “informal stakeholder baseline survey” on the status of water sector reform processes in 108 countries – 45 in Africa, 42 in Asia and the Pacific, and 22 in Latin America. Intended as a snapshot of where countries stand in terms of adapting and reforming their water management systems towards more sustainable water management practices, the preliminary results show that of the 108 countries around 10 percent had made good progress towards more integrated approaches, 50 percent had taken some steps in this direction but needed to increase their efforts, while the remaining 40 percent remain at the initial stages of the process.

3.18 At the time of writing, the GWP had just started on a new strategy under the direction of a newly appointed Executive Secretary. The new strategy, called “From Advocacy to Action” recognizes that the biggest challenge for GWP is to transform the vision on IWRM into effective action on the ground. This new strategy responds to the independent evaluation.

¹¹ See reference to the GWP by the CGIAR in ICARDA news.

¹² An OED team interview with the GWP’s new Executive Secretary (June 2004) confirmed this finding.

Box 4. Structure of the IWRM Toolbox

The toolbox for IWRM has been put together by GWP as a range of available options – tools. It is meant to combine three main areas of policy tools to form an integrated approach:

- Tools such as a legislation, policy, and finance structure, which makes the enabling environment or rules of the game.
- Institutional roles of resource managers, service providers, irrigation agencies and utilities, river basin authorities, regulators, civil society, and other stakeholders in the water sector. This area recognizes the need for capacity building to improve performance.
- Management instruments, in such areas as water resources assessment, demand management, public information and education, conflict resolution, regulatory devices, economic measures, information, and communication.

GWP recommends that these tools not be taken up and used randomly or in isolation, as IWRM is based on interrelating actions of different types that work at various levels of influence. Moreover, water cannot be taken in isolation – water policies must take account of policies in other sectors, particularly in land use. However, the toolbox does not appear to have been accepted universally, perhaps due to inadequate participation by the developing countries in its formulation, which took place mainly at the central level (with the exception of Central America and S E Asia).

4. Organization and Governance, Financing, Partnerships, and Risk Management

4.1 Over the course of the past eight years, the Global Water Partnership has evolved in its structure, legal status and operational mandate. For the first six years, the partnership functioned as a unit of SIDA. In July 2002, the partnership split into two parts: a Global Water Partnership Network (the Network) and the Global Water Partnership Organization (GWPO).¹³ Whereas the Network does not have a legal personality, the GWPO, including the Secretariat, is established as an independent intergovernmental organization which possesses full legal personality under international law. The Organization functions as a support system for the Network. Box 5 describes the components of the program's governance structure.

4.2 The GWP is affiliated with three Advisory Centers -- DHI-Institute of Water and Environment in Denmark, HR Wallingford in the UK, and the International Water Management Institute (IWMI) located in Sri Lanka. These centers have served as sources for technical assistance, advice, and support for GWP's regional, national, and local partners.

4.3 The GWP has used 'outsourcing' at the requests of its donors to maintain a lean and effective administration. This has included experts from all over the world, both developed and developing countries. During the establishment and advocacy phase, the three Resource Centers provided flexible and on-demand services to the Secretariat and the TEC, and helped in the formation of the regional partnerships. TEC was particularly instrumental in the

¹³ It appears that this structural realignment was considered in response to recommendations made in the Report on the Management Advisory Review of the GWP by Selçuk Ozgediz and Bjorn Axelsson, 1998. Specifically, the report advised the GWP to separate its governance arm from its operational arm and ensure that the two roles are not mixed. Within its governance arm, the roles of its three components -- decision making, advisory and support -- will need to be defined unambiguously.

development of the TEC Background papers, and in guiding the development of the “Framework for Action” that was presented at the 2nd World Water Forum. The network-wide activities that led to the development of this substantive document, and the document “Effective Water Governance: Learning from the Dialogues” that was presented at the 3rd World Water Forum, were coordinated by resource persons based at HR Wallingford. Both were key GWP inputs to the Water Fora and central to the debates in these Fora. DHI was particularly supportive in facilitating the TEC, partnership establishment, and the development of the IWRM Toolbox.

4.4 However, scientists and planners in developing countries are well versed in the policy, institutional, cultural and social conditions in the regions. Locating the resource centers in developing countries and staffing them with experienced regional scientists and planners with a track record in policy and institutional reforms would not only be more cost effective, but would generate a sense of ownership and participation among developing countries and foster south-south cooperation. With the move towards a more action oriented agenda and with the partnerships now more robust, the role of the three Resource Centers is less important and has been reduced.

4.5 The GWP has also aligned itself with five “Associated Programs” to help partners develop and implement good practices for the sustainable management of their water resources. These programs are: (1) INBO - Developing and Strengthening River Basin Organizations, (2) CAPNET - International Network for Capacity Building in IWRM, (3) Mainstreaming Gender in Integrated Water Resources (4) Flood Management - Global Coordination, and (5) the Ground Water Management Advisory Team (GW-MATE). The latter is supported financially by the World Bank.

4.6 The programs provide advice on management approaches, policy awareness and dialogue, expert knowledge and information, and help with development and training. These programs are run independently of the GWP structure (they are not owned or operated by the Partnership but hosted within different organizations). Therefore, the arrangement presents an evaluation challenge: how to disaggregate the effectiveness of the associated programs in terms of awareness raising, capacity building, gender mainstreaming, good practice dissemination and uptake from the direct activities of the Global Water Partnership Network? An analysis of the relative contributions that the Associated Programs are making toward the campaign of the GWP would require an additional review of the five programs in tandem with an impact-oriented evaluation of the GWP.

Box 5: GWP's Organizational Structure

Regional Partnerships: The GWP has built up a network of regional partnerships in Australia, Central Africa, Central America, Central and Eastern Europe, Central Asia and Caucasus, China, Eastern Africa, Mediterranean, South America, South Asia, Southeast Asia, Southern Africa and West Africa (and soon in the Caribbean) which bring various sectors and interest groups together to identify and discuss common water problems and to develop IWRM action plans.

Consulting Partners: Consulting Partners are the Members of GWP. The Consulting Partners meet once a year to review reports from the Steering and Technical Committees, appoint the Chair of the Partnership, and elect and appoint members of the Steering Committee.

Steering Committee: The Steering Committee acts as a Board of Directors and meets twice a year. Committee Members are elected by the Consulting Partners and appointed for three years. There are 22 Committee Members including ex officio members.

TEC: The Technical Committee (TEC) consists of 12 internationally recognized professionals selected for their experience in different disciplines relating to integrated water resources management. TEC provides professional and scientific advice to GWP's members and Consulting Partners.

Financial Partners: External support agencies interested in water resources management were brought together initially twice but now once a year by the GWP to provide a forum for information exchange and debate on the water priorities that need to be addressed and the criteria for providing financial assistance to various initiatives focused around IWRM. To extend its influence, the GWP works in alliance with many other programs and activities including *inter alia* the World Water Forums and the Dialogue on Water, Food and the Environment. The current donors to GWP are the governments of: Canada, Denmark, France, Germany, The Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom, and the International American Development Bank.

Secretariat: In cooperation with the TEC Chair, the Executive Secretary is responsible for the implementation of the GWP work program. The Secretariat provides support to the Executive Secretary, the Technical Committee and other GWP committees, and the GWP regional partnerships in the areas of governance, finance, communications, planning, and operational management.

Advisory Centers: The Advisory Centers -- DHI-Institute of Water and Environment, Denmark; HR Wallingford, UK; and the International Water Management Institute (IWMI), Sri Lanka -- provide additional support in strategic and programmatic areas to the Partnership, and a range of support services to the Stockholm Secretariat and TEC.

FINANCING OF GWP

4.7 GWP's operations are financed from voluntary contributions from bilateral and multilateral development cooperation agencies and foundations. From its inception, 80-90 percent of GWP's funding has come from four principal donors: the Netherlands, Sweden, the United Kingdom and the World Bank. Other sources of financing may be sought by the SC provided they are compatible with the objectives of GWP. The GWP strategy is to develop methods that facilitate increased regional contribution for funding the programs in their respective areas. Although it may be difficult for the regions to attract local donors for funding at the early stages, GWP sees an evolution of the established RWPs to increasingly take over the responsibility for funding of their programs. The ultimate goal of GWP is for the RWPs to gradually take on full responsibility for fundraising for their own program activity.

4.8 To date, GWP has presented long-term work plans that can be considered by governments and donors in the bilateral country programs that constitute their major funding base. For example, the program's 2001 budget allocated 22 percent for GWP's network management and governance, 29 percent for promoting good practices in IWRM, 27 percent for establishing partnerships, 14 percent for developing and facilitating regional actions, and just 8 percent for building strategic alliances. To a certain extent, this strategy appears to be working, as shown in Table 1. Generally, however, planned levels of funding have not been met – for example in 2001, only 55 percent of the \$12 million sought was received. Indeed, GWP may have reached its ceiling in terms of its ability to raise funds at the central level from the donor community, given the unwillingness of donors at the 2002 financial partners group meeting in Madrid to increase funding levels.

4.9 In response, GWP started holding regional workshops on fundraising and for generating self-sustaining regional partnerships to reduce their dependence on the center for funding. Over the 6-year horizon 2003-08, diversification of funding is planned and includes attracting new donors and the private sector, accessing regional/national funds, and encouraging contributions for national budgets. The target is to cover at least half of GWP total financial needs raising \$8 million from the regional sources, resulting in about \$16 million by 2008. GWP hopes, as its planning and budgeting documents indicate, that private sector funding of the order of \$500,000 would also be available at that time. But this lack of funding in relation to the demand GWP has created and the expectations it has raised is itself a source of frustration in several regional partnerships.

Table 1. Sources of GWP Funding, 1996-2002(US\$ thousand)

Donor	1996	1997	1998	1999	2000	2001	2002	2003	Total
Canada								445	445
EU								58	58
Spain								66	66
United Kingdom			221	1,616	1,629	3,001	2,476	3,222	12,165
Sweden	391	380	982	1,149	1176	1,026	2,056	1,712	8,872
World Bank	247	970	946	1,425	800	840	428		5,656
Netherlands			328	391	464	1,112	3,028	2,112	7,435
Switzerland		241	196	200	135	135	141	207	1,255
Denmark	96	167	123	125	100	100	250	284	1,245
Norway			66	64	55	111	550	640	1,486
France		98	119	144	175	112	170		
UNDP			200	127					327
Germany						120	200	282	602
IADB								82	82
Other								469	469
Total	734	1,856	3,181	5,241	4,534	6,557	9,299	9,698	41,101

Source: GWP Sweden (Per Bertilsson Deputy Executive Secretary GWP e-mail dated May 2, 2003 and Lina Koochaky, August 2004).

4.10 The voluntary contributions for running the GWP do not seem sustainable. To stand on its own feet GWP must present long-term work plans that can be assessed by countries

and donors and be included in their country programs. Such a funding partnership established on a mutually beneficial relationship could be a viable source of funding GWP programs in the field while maintaining a lean effective organization at the center. At the present, this strategy seems to be working to some extent, as some of the donors are supporting GWP from their bilateral country assistance programs.

4.11 Local contributions for the field-level programs have also started coming in as the initial seed money allocated by the GWP at the center attracts country attention to support the initiatives. Once the results of GWP programs in the field start producing the desired impact on the countries' or the regional water development programs, the country, area and regional water partnerships could receive increased support and thus become sustainable. Over the 5-year horizon 2004-2008, GWP plans to cover at least 50 percent of GWP total financial needs through regional and country-based sources. The Bank contribution to GWP, which came initially from a DGF allocation and which was terminated in 2002, could also be revived through a partnership in project preparation for water development programs, as the new Bank strategy encourages increased spending in water resource development. A recent example is the planned water policy meeting in Brasilia in September 2004 organized jointly by GWP, the World Bank and the IADB.

PARTNERSHIPS AND PARTICIPATION

4.12 There are over 600 organizations registered as "partners" in the Global Water Partnership. Partners are situated at the global, regional and country level and consist of government agencies, public institutions, private companies, professional organizations, water use groups, and regional, national, and local nongovernmental organizations (NGOs). The only selectivity criterion applied by GWP is the assurance provided by the potential partner that it will recognize the Dublin-Rio principles and will work to promote integrated water resources management. It is only open to organizations and not individuals.

4.13 In reviewing the list of all members across all levels, the PARC evaluation found that some groups were listed multiple times (as partners at different levels) and that there was no renewal process to ensure that non-participating members were removed. Additionally, results of a questionnaire survey conducted by PARC revealed that the 'role of partner' is not understood by many in the regions and that membership roles and activities between the global, regional and local levels are ill-defined or poorly communicated.

4.14 The term 'partner' has been applied too widely in this program, considering that even the names of its governing bodies – its Consultative Group and Financial Support Group – were renamed the 'Consultative Partners' and the 'Financial Partners Group' mid-way through the program. Simply renaming the program's governing bodies has not reduced confusion among its stakeholders.

4.15 Participation is an integral component of IWRM implementation. Yet, for all of the network-building supported by the GWP, it is predominantly perceived to be a 'donor's club.' While local stakeholders are recipients of water sector reform-related information and have notably enhanced country and regional level dialogue, developing country participants are auspiciously absent from the decision-making processes in two of the program's formal governing bodies – the Financial Partners and the Consulting Partners. The Financial

Partners (Canada, Denmark, France, Germany, The Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom, the European Commission and the IADB) meet once a year to provide a forum for information exchange and debate on the water priorities that need to be addressed and the criteria for providing financial assistance to various initiatives focused around integrated water resources management. The lead donors (including the World Bank, DFID, UNDP and SIDA) have a seat on the Steering Committee, which reinforces the ‘club-like’ perception of the program. In the May 2004 Steering Committee (SC) meeting, however, a proposal by the GWP Nominating Committee to amend the composition of the SC giving “Observer Status” to all donors was approved. This change will come into effect at the forthcoming SC meeting scheduled for December 2004.

RISKS AND RISK MANAGEMENT

Associative Risk

4.16 As a network comprised of individual regional, country and area-level partnerships, how can the GWPO ensure consistency across the Networks’ partnerships, in the general adherence to IWRM principles, to clear accountability and operating practices? The PARC evaluation recognized this risk, noting that ‘there is a lack of clarity about membership or partnership within GWP and that as a result, the brand name may be vulnerable to casual or improper use (p. 18). Enforcement mechanisms will become increasingly important to promote financial accountability with regard to budgets. A clear communications and reporting system will have to be put in place to identify system-wide priorities and to monitor the allocation of funds to maximize the return on scarce funds and maintain the ‘cost-effectiveness’ for which the GWP has been applauded. In addition to financial oversight, donors expect GWPO to ensure that there is transparency, gender equity and acceptable management practices across the regions.

5. Role of the World Bank

5.1 The Bank’s performance as a partner in GWP is assessed in accordance with four criteria:

- **Comparative advantage:** Whether the Bank is employing its comparative advantages in relation to other partners in the programs (endorsed by the Development Committee September 2000).¹⁴
- **Global-country linkages:** Whether the global program has effective operational linkages to the Bank’s country operational work, where appropriate (one of the six approval criteria established by Bank Management in April 2000).
- **Oversight:** Whether the Bank is exercising effective and independent oversight of its involvement in the program, as appropriate, for in-house and externally managed programs.

¹⁴ This is also one of the six criteria for approving a global program at the initial concept stage established by Bank Management in April 2000 and one of the eight eligibility criteria for grant support established by the DGF Council in September 1998.

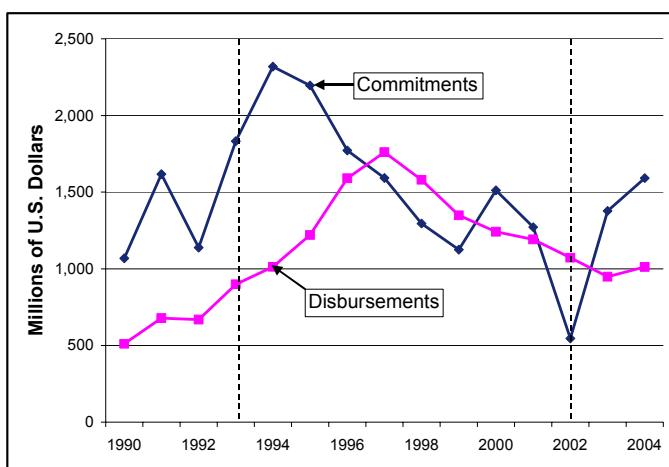
- **Exit strategy:** Whether the Bank is facilitating effective, flexible, and transparent disengagement strategies, as appropriate (established by the DGF Council in October 1998).

COMPARATIVE ADVANTAGE OF THE WORLD BANK

5.2 As identified by the World Bank's 2003 Water Resource Management Sector Strategy, there are two dimensions to the Bank's comparative advantage. First, the Bank is one of the few institutions that can provide integrated support on the macroeconomic, financial, technical, social and environmental dimensions of water-related services. Second, in addition to its convening power, it possesses a combination of knowledge and financial resources, engagement at all scales (local watershed, city, irrigation district, river basin and aquifer, country and regional) and ability to integrate across sectors. Additionally, the IFC and MIGA can play a vital role in attracting private sector investment.

The Bank as a Donor

Figure 1. Bank Lending to Water Supply, Sanitation & Flood Protection 1990 to 2004. New Project Commitments and Annual Project Disbursements.



5.3 While lending for water resource development and water-related services accounted for about 16 percent of all World Bank lending in the 1990s,¹⁵ Bank lending in the water sector has declined precipitously over the last few years, not only in the water supply and sanitation sub-sector but also in other infrastructure sub-sectors. From FY00 to FY02, Bank lending to the water sector averaged \$636 million per year, compared to \$1.46 billion per year over the period FY91-FY99. Bank water sector projects have been among the poorest performing across all sectors. Since FY02, there has been an apparent trend towards

¹⁵ According to the World Bank's 2004 Water Resources Sector Strategy, projects that deal with water constitute 16 percent of Bank lending, projects that include substantial water resource management components constitute 9 percent of Bank lending, and components of projects specifically to water resources and development and management constitute 4 percent of Bank lending.

reengagement, however, the actual levels of commitment are no greater than amounts committed in the early 1990s (Figure 1). Meanwhile, the 2003 Water Resource Management Sector Strategy projects that lending for water resource projects and components will increase by 50 percent over the next three years. Particular water resource investments, which are currently attracting increased lending, include lending for watershed management, wastewater, urban drainage and multipurpose projects.

The Bank as a Convener

5.4 The Bank played a key role in the establishment of the GWP. It has lent the GWP credibility among stakeholders and other donors. The fact that a Bank vice-president chaired the Partnership in its first three years of existence enhanced its credibility. The Bank's patronage was effective in establishing a permanent and neutral platform for dialogue in the water sector. The Bank's involvement was key to mobilizing other large actors. It also brought its experience in other partnerships, notably the CGIAR and CGAP, to bear on the establishment of the GWP. Yet it has exercised a less effective role in ensuring that GWP forwards the Bank's mission of sustainable water management to its full potential. Since its financial exit, the Bank's role in the program governance, financing and strategic issues has been relatively minor, with few resources allocated by the ESSD network for the exercise of such a role.

LINKAGES TO THE BANK'S COUNTRY OPERATIONS

5.5 The Bank's country programs have similarly not benefited from GWP. In contrast, the Bank Netherlands Water Partnership Program (BNWPP), founded in 2000, is providing services at the project level. Of course, the two are not directly comparable with the World Bank, just one of many partners within the GWP, while the BNWPP is a trust fund entirely for the Bank and managed within the Bank. The BNWPP assists undertakings already associated with World Bank investment operations where staff connected with the operations request BNWPP support. Through a relatively small instrument, \$5 million per year, the BNWPP has financed over 350 activities. With the assistance of external expertise, the BNWPP directly aims to improve Bank operations already under preparation and implementation, prepare and disseminate best practices, lessons learned and benchmarking and promote cooperation with other partners in the water sector.

OVERSIGHT

5.6 The Bank attends governance meetings infrequently. With little water resource management staff and budgetary resources assigned to follow GWP activities, the Bank participation in meetings is based on their timing, cost or location, as opposed to routinely monitoring and reporting on the program's progress. The profile of the program has changed significantly in the Bank since the departure of one of the Bank vice presidents who chaired the program.

DISENGAGEMENT STRATEGY

5.7 OED's review of the Bank's involvement in global programs distinguishes exit strategies from three perspectives: (1) the program declares "mission accomplished" and closes; (2) the program continues, but the Bank withdraws from all aspects of its participation; and (3) the program continues and the Bank remains engaged, though the degree of engagement in some or all aspects declines over time. This last strategy characterizes best the Bank's relationship with the GWP.

5.8 Initially supported by the Special Grants Program, the program was transferred to the Development Grant Facility under its Window II program.¹⁶ The Bank's contribution to the GWP was quite substantial in the beginning (over 50 percent in 1997). However, that support gradually declined, falling to 8 percent in 2001, 4 percent in 2002 until it finally exited financially in FY03. The Bank's financial exit was justified as being consistent with the eligibility and approval criterion approved by the Bank's Development Committee and Bank Management (see Table A3); it was also justified given the catalytic effect that the Bank has had on raising additional external sources for funding the program as evidenced by its budgetary growth from \$3.1 million in 1998 to \$10.3 million in 2003. The GWP has also started to raise funds in the regions and countries where it operates, although the amounts are presently modest. Also, the Bank's financial exit coincided with the program's successful transformation into a legally recognized intergovernmental organization – the GWPO.

6. OED Findings and Lessons

OED FINDINGS

Relevance

6.1 The GWP's objectives are consistent with the objectives of the Bank's 1993 *Water Resources Management Policy* and thus have been relevant to the Bank's development objectives. Notwithstanding the strong consensus with regard to the need for IWRM, however, recent major evaluations of the water sector (including OED's) have revealed that the IWRM concept is too complex to define operationally, often poorly focused and understood more in terms of process rather than outcomes and impacts desired. That said, it is equally recognized that 'process' is essential to achieve local ownership and sustainability, that its focus on process is GWP's comparative advantage, and that the GWP's networked processes are complementary activities that can be bolstered by Bank action.

6.2 For the GWP to continue to be relevant for the Bank, the GWP will need to add an additional layer of assistance to its already widespread role as advocate and promoter of increased stakeholder participation in water related decision-making processes. Without abandoning its underlying advocacy-oriented activities, it will have to pay greater attention to

¹⁶ When criteria were established for DGF funding in 1998, GWP, like a handful of other programs that had received funding from the SGP, was grand-fathered into the DGF, with the proviso that it would in due course comply with the DGF eligibility criteria (Annex A, Table A.4).

the role of water in poverty reduction by providing tangible technical assistance to developing countries to gain more equitable access to quality drinking water and water services and increased voice in water management reform. It should simultaneously demonstrate how water use efficiency can be increased and sustained by promoting knowledge exchange and experience across the countries and among the regions in which its operates.

6.3 In short, the extent to which GWP can realize its objective of facilitating integrated water resources management will depend on the relevance of its activities to the needs of stakeholders and its contribution to problem-solving at grassroots levels with demonstrated results in the areas of improvement in water efficiency, equity and sustainability. To date the program has formed partnerships, organized workshops, carried out advocacy, and created a demand for its services – but actual on-the-ground impact is not yet known. The program's outreach, including the dissemination of best practices and lessons would benefit from demonstrating clearly how participatory processes resulted in improved outcomes.

Efficacy

6.4 The GWP has thus far established or sponsored 32 country-level water partnerships, 16 area water partnerships, and regional water partnerships in 13 regions. Regional/Country/Area Water partnerships in South Asia are making good headway and may well become flagships for the partnership model, provided they are adequately supported. The countries involved – India, Pakistan, Sri Lanka, Nepal and Bangladesh – have developed a cross-border water strategy, called 'Vision 2025,' which is based on the goals outlined by the GWP network. Similarly, China's country water partnership has established a GWP-formulated public - private – civil society model to achieve water security, including regular China Water Forums. If sustainable, this partnership will facilitate broader involvement by enhancing ownership and involvement in the development process among beneficiaries. Central America, Southeast Asia, and Southern Africa also host successful inter-regional GWP-promoted partnerships, demonstrating the program's potential to catalyze alliances among a variety of water sector stakeholders.

6.5 This rapid creation of partnerships at the regional, country and area levels, however, has had several weaknesses. First, it has not been accompanied by a comprehensive comparative analysis of the political realities of water management reform to better assess where resources and efforts could be concentrated, and which stakeholders must necessarily be included, to enable IWRM to most effectively take root. There is evidence that those countries that have made the most progress towards adapting and reforming their water management systems towards more sustainable water management practices have often started by focusing on specific water challenges – such as coping with perennial droughts or finding ways to manage the water needs of agriculture while still ensuring access to domestic water in growing urban areas. Second, partnership promotion has not been accompanied by attention to their long-term sustainability, including particularly the likely sources of financing for their activities, to ensure even the relatively narrow objective that the participatory processes being promoted by GWP become self sustaining. Retaining the current small level of central support to the thirteen regions will be vital for two reasons: it will promote consistency and a level of independence from donors, and it will assist regional networks in their efforts to leverage other funding. Third, there is a need to demonstrate the

linkage between increased participatory processes and the extent to which they will help mobilize the much needed and relatively large scale *additional* finance for improved water management and development.

Efficiency

6.6 The underlying assumption of the GWP is that water partnerships will act as agents of change to affect water management reform. The formation of partnerships is to be a vehicle to comprehensive water reform, not an end in itself. The program is aware that it is in need of developing systematic performance indicators to assess its impact, beyond the assessment of the processes of establishing partnerships and is in the process of establishing performance indicators which would measure benefits at the global, regional and local levels. In this process, isolating the impacts *caused by* the Global Water Partnership Network is a challenge, given the component inputs provided by its associated programs and donor activities which need to be disaggregated for a credible impact assessment.

6.7 The GWP has undergone one independent external review, conducted by the Performance Assessment Resource Center (PARC) in June 2003. Its governance and management components were the subject of two studies mentioned above. Both the external review and the governance studies noted weaknesses in the technical assistance arrangements of the GWP in terms of the operational orientation of the technical advisory committees and the related technical support. This OED review has concluded that while the consequences of water shortages are global, water management problems are local, national, or regional in scope, making practical knowledge and experience in reforms of policies and institutions in developing countries at the national and local level of critical importance for ensuring the effectiveness of technical assistance and advice. Resource centers would serve the new GWP strategy and objectives better if they combined academic international technical expertise with practical operational policy advice rich in local institutional knowledge and experience on a cross-country basis to offer workable solutions to reforms in developing countries facing water issues. Developing country nationals interviewed indicated that such a skill mix is often lacking in the approaches GWP has been promoting.

6.8 Interviews with stakeholders also indicated that the GWP and its regional networks have not been able to adequately mobilize the financial resources needed to hire qualified policy, technical, organizational, and institutional expertise for problem-solving, even where successful partnerships have been established. GWP has assumed that the new partnerships will somehow be “empowered” to raise resources from national governments and locally based donors, but it is unclear if this is occurring on a significant scale. There are no performance indicators to demonstrate the funding needs of and the availability to partnerships. During this review, developing country stakeholders reported that the partnerships lack funding and credible, high-quality technical assistance, handicapping their usefulness.

6.9 The GWP is not the only global water entity advocating IWRM. In fact, its advocacy-oriented activities have effectively competed with organizations like the World Water Council. However, its broad network covering most of the developing world is a unique asset. While there have been efforts to coordinate the organizations’ efforts, particularly at

international fora, the underlying objectives of the two groups remain somewhat overlapping, creating confusion among water planners, implementers, and users.

Bank Performance

6.10 Water is an integral part of the global environment the Bank is committed to protect, although its water-related investments have faced controversy and opposition from civil society in recent years. While the Bank has been a major donor to the water sector in the past, playing a key role in developing several river basins and establishing vital water infrastructure worldwide, lending in the water sector has declined precipitously over the last few years. In FY00 to FY02, annual Bank lending in the sector averaged \$636 million compared to \$1.46 billion in FY91-FY99. Since FY02, there has been an apparent trend towards reengagement, however the actual levels of commitment are no greater than amounts committed in the early 1990s.

6.11 Should the Bank resume the much-needed lending to water infrastructure, as its 2003 integrated water resource management strategy has determined, GWP could support the Bank's lending portfolio by facilitating increased country stakeholder participation, oversight, and ownership of its investment operations. But the Bank's interaction with the GWP has eroded: its financial contribution to the operations of GWP declined from \$1.4 million in 1999, to \$0.43 million in 2002 leading to its final withdrawal in 2003. Although the Bank is a Steering Committee member by virtue of its co-founder and co-sponsor status, over the years Bank staff members have found it more useful to partner with the Bank-Netherlands Water Partnership Program, a trust fund program in the Bank which provides resources for technical assistance for the preparation of Bank operations.

6.12 Once chaired by a Bank Vice President who was instrumental in establishing it, the partnership has also suffered since his departure from insufficient institutional ownership and the commitment of the necessary budgetary resources from the network for greater involvement – a phenomenon which has been noticeable in some other programs reviewed in the OED's evaluation of global programs. Finally, the Bank's three year financial exit strategy established for some of the programs it funds through the Development Grant Facility is premised on the assumption that within this period of time, seed money can help catalyze partnerships through convening and building coalitions and raising funds. The GWP has been successful in growing its sources and contributions of annual funding, as envisioned by the DGF exit strategy.

LESSONS

1. **The GWP has the potential to advance the concept of integrated water resources management in developing countries and thereby contribute to more effective Bank involvement in the sector.** Its advocacy has increased demand for assistance from developing countries to solve problems which GWP – as it is currently funded, technically supported and executed – seems to be unable to fulfill. One way the Bank can benefit from GWP's initial success in establishing area partnerships is to ensure the partnerships correspond to and leverage the development agenda of countries and support as well as help shape Bank priorities in specific regions with a stronger understanding of country needs. As a

cosponsor and original founding member, the Bank's ESSD anchor could foster better links between the GWP partnership and the Bank's regional operations while also assisting in the establishment of clear indicators for monitoring performance. Such indicators would extend beyond process outcomes and could rather measure the extent to which the partnership is assisting the Bank and donors in developing more efficient, equitable and sustainable water sector investment operations.

2. To sustain developing country interest, demonstrated, on-the-ground impact is needed. But this requires that the partnerships are able to mobilize the human and financial resources to help solve problems on the ground through action oriented programs that meet the needs of clients rather than solely focusing on advocacy and academic tool boxes. The GWP experience provides a cogent lesson on a broader theme: the need to back up the "soft" program resources of advocacy with "hard" human and financial resources of quality for solving identified problems. The Bank's strategic linkages with governments have the potential to contribute to GWP's ability to transition from an advocacy-oriented network to a more operational set of entities that add value to developing countries. Although the new GWP strategy and work plan recognizes this, its potential currently remains underutilized and will not be viable without more resources.

3. The role of the GWP resource centers (RC) could be reduced now that partnerships are established and as GWP moves closer to on-the-ground actions.

Although the RC system worked well in the early years and has enabled GWP to develop rapidly while maintaining a lean and effective administration, the establishment of the partnerships and a shift towards a more action oriented agenda reduce the importance of their role. Developing countries have indicated that the use of northern experts lacks credibility and that scientists and planners in developing countries are well versed in IWRM principles and have better knowledge of the cultural and social conditions in the regions. Accessing world-wide experience of regional scientists and planners with a track record of success would not only be cost effective, but through south-south cooperation would generate a sense of ownership and participation among developing countries for GWP programs.

4. Given the considerable diversity among the different regions in terms of the nature of their challenges, their domestic water policies, and their technical and institutional capacities to address them, a decentralized approach could strengthen GWP's mission, mode of operation, programs, and role. This would focus on the development of country and region-specific tools and evidence-based analysis for global partnership-building. Moreover, GWP would benefit from an action plan that focuses on countries and regions with less advanced water sector development programs. Helping these countries introduce best practices by benefiting from lessons from water management partnerships in the more successful cases would increase its credibility as a global program.

5. GWP's sustainability will depend on demonstrating concrete results from its partnerships, particularly in areas where it claims a comparative advantage – that is, in bringing to bear quality technical assistance, improved government policies, increased investments and in the ultimate analysis increased water security for all. It therefore needs to evaluate promising country and area water partnership models for sustainability and build closer ties with them, the Bank and other donors to help shape their broader planning and implementation efforts and derive lessons from them.

References

- Briscoe, David. 2000. "Report: Water Should Cost More." *The Associated Press*. March 13, 2000.
- Camdessus, Michael and Winpenny, James. 2003. "Financing Water for All. Report of the World Panel on Financing Water Infrastructure."
- Clemett, Alexandra, John Soussan and Gordon Mitchell (University of Leeds). 2000. "Making Integrated Water Resources Management (IWRM) Work: Lessons from the Evaluation of Water Sector Programs." Working Document.
- Dosi, Cesare and K. William Easter. 2000. Water Scarcity: Economic Approaches to Improving Management. Center for International Food and Agriculture Policy. University of Minnesota.
- ICARDA News. 2003. "ICARDA Participates in World Water Forum: Related Center-organized workshop a great success." April 3, 2003.
- Kleemier, Elizabeth and Stallard, Keith. 2003. External Consultant Evaluation of Knowledge Bank: Water Supply Sector. OED Working Paper Series. Washington, D.C.: World Bank.
- Operations Evaluation Department (OED). 2002. *Bridging Troubled Waters: Assessing the World Bank Water Resources Strategy*. Washington, D.C.: World Bank.
- PARC. 2003. "External Review of the Global Water Partnership: Final Report."
- Rogers, Peter. 2000. "Implementing the Bank's Water Resource Management Strategy: The Lessons of Experience." Comments on Discussion Draft 6.
- Serageldin, Ismail. 1996. "Beating the Water Crisis." www.ourplanet.com.
- _____. 1999. "Of Water and Wars." *Frontline*, Volume 16, Issue 9, April 24 – May 7, 1999.
- Statutes for the Global Water Partnership Network and the Global Water Partnership Organization. December 12, 2002.
- World Bank. 1992. *World Development Report 1992: Development and the Environment*. Washington, D.C.
- _____. 1993. "Water Resources Management: A World Bank Policy Paper." Washington, D.C.

- _____. 1996. "Measuring Economic Benefits for Water Investment and Policies." Washington, D.C.
- _____. 2003. "Water- A Priority for Responsible Growth and Poverty Reduction. An Agenda for Investment and Policy Change." Working Paper no. 25770. Washington, D.C.
- _____. 2004. *Water Resources Sector Strategy: Strategic Directions for World Bank Engagement*. Washington, D.C.
- World Water Council. 2000. *World Water Vision: Making Water Everybody's Business*. London: Earthscan Publications Ltd.

Annex A. Evaluation Framework for Phase 2 Report and 26 Case Studies

The Phase 2 Report and each case study follows a common outline and addresses 20 evaluation questions (Table A.1) that have been derived from OED's standard evaluation criteria (Table A.2), the 14 eligibility and approval criteria for global programs (Table A.3), and the 8 eligibility criteria for grant support from the Development Grant Facility (Table A.4).

The sheer number of these criteria, some of which overlap, can be daunting even to an evaluator. Hence the OED evaluation team has reorganized these criteria into four major evaluation issues, which correspond to the four major sections of each report (Table A.1):

- The overarching global relevance of the program
- Outcomes and impacts of the program and their sustainability
- Governance, management, and financing of the program
- The World Bank's performance as a partner in the program

These four issues correspond roughly to OED's evaluation criteria of relevance, efficacy, efficiency, and Bank performance, **appropriately interpreted and expanded for the case of global programs**. In the case of global programs, **relevance** must be measured not only against individual borrowing countries' priorities and Bank priorities, but also in terms of the interplay between global challenges and concerns on the one hand and country needs and priorities on the other. The former are typically articulated by the "global community" by a variety of different stakeholders and are reflected in a variety of ways such as formal international conventions to which developing countries are signatories; less formal international agreements reached at major international meetings and conferences; formal and informal international standards and protocols promoted by international organizations, NGOs, etc.; the Millennium Development Goals; and the Bank's and the Development Committee's eligibility criteria for global programs. While sponsorship of a program by significant international organizations may enhance "legitimacy" of a global program in the Bank's client countries, it is by no means a sufficient condition for developing country ownership, nor for ensuring its development effectiveness. "Relevance" and ownership by the Bank's client countries is more assured if the program is demanded by them. On other hand some "supply-led" programs may also acquire ownership over time by demonstrating substantial impacts, as in the case of the internet. Assessing relevance is by far the most challenging task in global programs since global and country resources, comparative advantages, benefit, costs, and priorities do not always coincide. Indeed the divergence of benefits and costs between the global level and the country level is often a fundamental reason for the provision of global public goods. Evaluating the relevance of global action to the Bank's client countries is however important because the global *development* agenda is becoming highly crowded and resources to finance it have remained relatively stagnant, therefore highlighting issues of selectivity.

For the global programs that have been operating for some time, **efficacy** can be assessed not only in terms of program outcomes but more crucially in terms of impacts on the ground in developing countries. Outcomes and impacts in turn depend on the clarity and evaluability of each program's objectives, the quality of the monitoring and evaluation of results and, where appropriate, the effectiveness of the links of global program activities to the country level.

Since global programs are partnerships, **efficiency** must include an assessment of the extent to which the benefit-cost calculus in collective organizational, management and financing arrangements is superior to achieving the same results by the individual partners acting alone. The institutional development impact and the sustainability of the program itself (as opposed to that of the outcomes and impacts of the program's activities) are also addressed in this section of each report.

Finally, this being an OED evaluation, it focuses primarily on the **Bank's strategic role and performance** in playing up to its comparative advantage relative to other partners in each program. The Bank plays varied roles in global programs as a convener, trustee, donor to global programs, and lender to developing countries. The Bank's financial support to global programs – including oversight and liaison activities and linkages to the Bank's regional operations – comes from a combination of the Bank's net income (for DGF grants), the Bank's administrative budget, and Bank-administered trust funds. In the case of the Global Environmental Facility (GEF) the Bank is a trustee and in the case of the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria (GFATM), a "limited" trustee. In the case of GEF and MLF the Bank is also an implementing agency. Thus, the assessment of Bank performance includes the use of the Bank's convening power, the Bank's trusteeship, Bank financing and implementation of global programs, and, where appropriate and necessary, linkages to the Bank's country operations. Bank oversight of this entire set of activities is an important aspect of the Bank's strategic and programmatic management of its portfolio of global programs.

The first column in Table A.1 indicates how the four sections and 20 evaluation questions addressed in the Phase 2 Report and case studies relates to the eight evaluation issues that were raised by the Bank's Executive Board in the various Board discussions of global programs during the design phase of OED's global evaluation and identified in the OED's Evaluation Strategy paper:¹

- Selectivity
- Monitoring and evaluation
- Governance and management
- Partnerships and participation
- Financing
- Risks and risk management
- Linkages to country operations

The third column in Table A.1 indicates how the four sections and 20 evaluation questions relate to OED's standard evaluation criteria for investment projects (Table A.2), the 14 criteria endorsed by the Development Committee and established by Bank management for approving the Bank's involvement in global programs (Table A.3), and the 8 criteria for grant support from the Development Grant Facility (Table A.4).

The 14 **eligibility and approval criteria** for the Bank's involvement in global programs have evolved since April 2000 when Bank management first proposed a strategy to the Bank's Executive Board for the Bank's involvement in global programs and include the *four overarching*

¹ OED, The World Bank and Global Public Policies and Programs: An Evaluation Strategy, July 16, 2001, page 21. "Partnerships and participation" were originally listed as two separate evaluation issues in the evaluation strategy document. "Monitoring and evaluation" is now interpreted more broadly to include not only an assessment of the monitoring and evaluation procedures of each program but also the findings of previous evaluations with respect to the outcomes and impacts of each program, and their sustainability.

criteria endorsed by the Development Committee, and the *four eligibility criteria* and *six approval criteria* presented by Bank management to the Bank's Executive Board. Each global program must meet at least *one* of the four relatively more substantive eligibility criteria and *all six* of the relatively more process-oriented approval criteria. The first two eligibility criteria relate directly to the Bank's global public goods and corporate advocacy priorities (Table A.3). Although the six approval criteria resemble the topics covered in a project concept or appraisal document for Bank lending operations, unlike for Bank lending operations, there is currently only a one-step approval process for new global programs – at the concept stage and not at the appraisal stage. And new global programs only have to be approved by the Bank managing director responsible for the Network proposing a new program, not by the Bank's Executive Board.

While the approval of new global programs is logically separate from and prior to their financing (whether from the DGF, trust funds, or other sources), the eight **DGF eligibility criteria** for grant support from the DGF (Table A.4) were actually established in 1998. Twenty out of the 26 case study programs and about two-thirds of the Bank's total portfolio of 70 global programs have received DGF grants.

Table A.1. Key Evaluation Issues and Questions

Evaluation Issues	Evaluation Questions	Reference
Section I. Overarching Global Relevance of the Program		
Selectivity	Relevance. To what extent are the programs: Addressing global challenges and concerns in the sector Consistent with client countries' current development priorities Consistent with the Bank's mission, corporate priorities, and sectoral and country assistance strategies?	A modification of OED's relevance criterion (Table A.2) for the purpose of global programs. The third bullet also relates to managing director (MD) approval criterion #1 regarding a "clear linkage to the Bank's core institutional objectives" (Table A.3).
	International consensus. To what extent did the programs arise out of an international consensus, formal or informal: Concerning the main global challenges and concerns in the sector That global collective action is required to address these challenges and concerns?	Development Committee (DC) criterion #4 (Table A.3).
	Strategic focus. To what extent are the programs: Providing global and regional public goods Supporting international advocacy to improve policies at the national level Producing and delivering cross-country lessons of relevance to client countries Mobilizing substantial incremental resources?	The four bullets correspond to the four MD eligibility criteria (Table A.3).
	Subsidiarity. To what extent do the activities of the programs complement, substitute for, or compete with regular Bank instruments?	DGF eligibility criterion #1 (Table A.4).
Section II. Outcomes, Impacts, and their Sustainability		

Evaluation Issues	Evaluation Questions	Reference
	Efficacy. To what extent have the programs achieved, or are expected to achieve, their stated objectives, taking into account their relative importance?	OED's efficacy criterion (Table A.2).
Monitoring and evaluation	<p>Value added. To what extent are the programs adding value to:</p> <p>What the Bank is doing in the sector to achieve its core mission of poverty alleviation and sustainable development</p> <p>What developing and transition countries are doing in the sector in accordance with their own priorities?</p> <p>Monitoring and evaluation. To what extent do the programs have effective monitoring and evaluation:</p> <ul style="list-style-type: none"> Clear program and component objectives verifiable by indicators A structured set of quantitative or qualitative indicators Systematic and regular processes for data collection and management Independence of program-level evaluations Effective feedback from monitoring and evaluation to program objectives, governance, management, and financing? 	The first bullet corresponds to DC criterion #1 (Table A.3). MD approval criterion #6 (Table A.3), since effective communications with key stakeholders, including the Bank's Executive Directors, requires good monitoring and evaluation practices.
	Sustainability of outcomes and impacts. To what extent are the outcomes and impacts of the programs resilient to risk over time?	OED's sustainability criterion (Table A.2).

Section III. Organization, Management, and Financing of the Program

Governance and management	<p>Efficiency. To what extent have the programs achieved, or are expected to achieve:</p> <p>Benefits more cost-effectively than providing the same service on a country-by-country basis</p> <p>Benefits more cost-effectively than if the individual contributors to the program acted alone?</p>	A modification of OED's efficacy criterion for the purpose of global programs (Table A.2). The first bullet also relates to MD eligibility criterion #3 (Table A.3) and DGF eligibility criterion #3 (Table A.4).
	Legitimacy. To what extent is the authorizing environment for the programs effectively derived from those with a legitimate interest in the program (including donors, developing and transition countries, clients, and other stakeholders), taking into account their relative importance.	A modification of OED's evaluation criteria (Table A.2) for the purpose of global programs.

Evaluation Issues	Evaluation Questions	Reference
	<p>Governance and management. To what extent are the governance and management of the programs:</p> <ul style="list-style-type: none"> Transparent in providing information about the programs Clear with respect to roles & responsibilities Fair to immediate clients Accountable to donors, developing and transition countries, scientists/professionals, and other stakeholders? 	MD approval criterion #5 (Tables B.3) and DGF eligibility criterion #5 (Table A.4).
Partnerships and participation	<p>Partnerships and participation. To what extent do developing and transition country partners, clients, and beneficiaries participate and exercise effective voice in the various aspects of the programs:</p> <ul style="list-style-type: none"> Design Governance Implementation Monitoring and evaluation? 	DGF eligibility criterion #8 (Table A.4).
Financing	<p>Financing. To what extent are the sources of funding for the programs affecting, positively or negatively:</p> <ul style="list-style-type: none"> The strategic focus of the program The governance and management of the program The sustainability of the program? 	MD approval criterion #4. (Table A.3). The third bullet also relates to OED's sustainability criterion (Table A.2).
	<p>Bank action to catalyze. To what extent has the Bank's presence as a partner in the programs catalyzed, or is catalyzing non-Bank resources for the programs?</p>	DC criterion #2 (Table A.3) and DGF eligibility criterion #4 (Table A.4).
	<p>Institutional development impact. To what extent has the program established effective institutional arrangements to make efficient, equitable, and sustainable use of the collective financial, human, and other resources contributed to the program.</p>	A modification of OED's institutional development impact criterion (Table A.2) for the purpose of global programs.
Risks and risk management	<p>Risks and risk management. To what extent have the risks associated with the programs been identified and are being effectively managed?</p>	MD approval criterion #3 (Table A.3).
Section IV. World Bank's Performance		
Linkages to country operations	<p>Comparative advantage. To what extent is the Bank playing up to its comparative advantages in relation to other partners in the programs:</p> <ul style="list-style-type: none"> At the global level (global mandate and reach, convening power, mobilizing resources) At the country level (multi-sector capacity, analytical expertise, country-level knowledge)? 	DC criterion #3 (Table A.3), MD approval criterion #2 (Table A.3), and DGF eligibility criterion #2 (Table A.4).

Evaluation Issues	Evaluation Questions	Reference
	<p>Linkages to country operations. To what extent are there effective and complementary linkages, where needed, between global program activities and the Bank's country operations, to the mutual benefit of each?</p>	<p>MD approval criterion #1 (Table A.3) regarding "linkages to the Bank's country operational work."</p>
	<p>Oversight. To what extent is the Bank exercising effective and independent oversight of its involvement in the programs, as appropriate, for in-house and externally managed programs, respectively.</p>	<p>This relates to DGF eligibility criterion #6 on "arm's length relationship" (Table A.4). Both questions 17 and 18 together relate to OED's Bank performance criterion (Table A.2).</p>
	<p>Disengagement strategy. To what extent is the Bank facilitating effective, flexible, and transparent disengagement strategies, as appropriate?</p>	<p>DGF eligibility criterion #7 (Table A.4).</p>

Table A.2. Standard OED Evaluation Criteria

Criterion	Standard Definitions for Lending Operations	Possible Ratings
<i>Relevance</i>	The extent to which the project's objectives are consistent (1) with the country's current development priorities and (2) with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, Operational Policies).	High, substantial, modest, negligible.
<i>Efficacy</i>	The extent to which the project's objectives were achieved, or expected to be achieved, taking into account their relative importance.	High, substantial, modest, negligible.
<i>Efficiency</i>	The extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives.	High, substantial, modest, negligible.
<i>Legitimacy /1</i>	The extent to which the authority exercised by the program is effectively derived from those with a legitimate interest in the program (including donors, developing and transition countries, clients, and other stakeholders), taking into account their relative importance.	High, substantial, modest, negligible.
<i>Institutional development impact</i>	The extent to which a project improves the ability of a country or region to make more efficient, equitable and sustainable use of its human, financial, and natural resources through: (a) better definition, stability, transparency, enforceability, and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. IDI includes both intended and unintended effects of a project.	High, substantial, negligible, modest.
<i>Sustainability</i>	The resilience to risk of net benefits flows over time.	Highly likely, likely, unlikely, highly unlikely.
<i>Outcome</i>	The extent to which the project's major relevant objectives were achieved, or are expected to be achieved, efficiently.	Highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, highly unsatisfactory
<i>Bank performance</i>	The extent to which services provided by the Bank ensured quality at entry and supported implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of the project).	Highly satisfactory, satisfactory, unsatisfactory, highly unsatisfactory.
<i>Borrower performance</i>	The extent to which the borrower assumed ownership and responsibility to ensure quality of preparation and implementation, and complied with covenants and agreements, toward the achievement of development objectives and sustainability.	Highly satisfactory, satisfactory, unsatisfactory, highly unsatisfactory.

/1 This represents an addition to OED's standard evaluation criteria in the case of global programs, since effective governance of global programs is concerned with legitimacy in the exercise of authority in addition to efficiency in the use of resources.

Table A.3. Selectivity and Oversight of Global Programs

<p>Selectivity Criteria for Bank Involvement in Global Public Goods: Endorsed by Development Committee (September 2000) /1</p> <p>An emerging international consensus that global action is required A clear value added to the Bank's development objectives The need for Bank action to catalyze other resources and partnerships A significant comparative advantage for the Bank.</p>		
<p>Approval Criteria for Bank Involvement in Partnership Initiatives Beyond the Country Level: Established by Bank Management (November 2000) /2</p> <p>A clear linkage to the Bank's core institutional objectives and, above all, to the Bank's country operational work A strong case for Bank participation based on comparative advantage A clear assessment of the financial and reputational risks to the Bank and how these will be managed A thorough analysis of the expected level of Bank resources required, both money and time, as well as the contribution of other partners A clear delineation of how the new commitment will be implemented, managed, and assessed A clear plan for communicating with and involving key stakeholders, and for informing and consulting the Executive Directors.</p>		
<p>Global Public Goods Priorities /3</p> <p>Communicable diseases HIV/AIDS, tuberculosis, malaria and childhood communicable diseases, including the relevant link to education Vaccines and drug development for major communicable diseases in developing countries</p> <p>Environmental commons Climate change Water Forests Biodiversity, ozone depletion and land degradation Promoting agricultural research</p> <p>Information and knowledge Redressing the Digital Divide and equipping countries with the capacity to access knowledge Understanding development and poverty reduction</p> <p>Trade and integration Market access Intellectual property rights and standards</p> <p>International financial architecture Development of international standards Financial stability (incl. sound public debt management) International accounting and legal framework</p>	<p>Strategic Focus for Oversight of Global Programs: Established by Bank Management (March 2003)</p>  <p>Provide global public goods</p> <p>Support international advocacy for reform agendas which in a significant way address policy framework conditions relevant for developing countries</p> <p>Are multi-country programs which crucially depend on highly coordinated approaches</p> <p>Mobilize substantial incremental resources that can be effectively used for development.</p>	<p>Corporate Advocacy Priorities /3</p> <p>Empowerment, security, and social inclusion Gender mainstreaming Civic engagement and participation Social risk management (including disaster mitigation)</p> <p>Investment climate Support to both urban and rural development Infrastructure services to support private sector development Regulatory reform and competition policy Financial sector reform</p> <p>Public sector governance Rule of law (including anti-corruption) Public administration and civil service reform (incl. public expenditure accountability) Access to and administration of justice (judicial reform)</p> <p>Education Education for all, with emphasis on girls' education Building human capacity for the knowledge economy</p> <p>Health Access to potable water, clean air and sanitation Maternal and child health</p>

/1 From the Development Committee Communiqué issued on September 25, 2000. Both the Development Committee and Bank Management envisaged global programs as being the principal instrument for Bank involvement in providing global public goods.

/2 Global programs are expected to meet all six approval criteria.

/3 These are the five corporate advocacy priorities and the five global public goods priorities (and bulleted sub-categories) from the *Strategic Directions Paper for FY02-04*, March 28, 2001. Within the Partnership Approval and Tracking System (PATS), global programs are expected to identify, for tracking purposes, their alignment with at least one of these ten corporate priorities.

Table A.4. Eligibility Criteria for Grant Support from the Development Grant Facility

Subsidiarity	The program contributes to furthering the Bank's development and resource mobilization objectives in fields basic to its operations, but it does not compete with or substitute for regular Bank instruments. Grants should address new or critical development problems, and should be clearly distinguishable from the Bank's regular programs.
Comparative advantage	The Bank has a distinct comparative advantage in being associated with the program; it does not replicate the role of other donors. The relevant operational strengths of the Bank are in economic, policy, sector and project analysis, and management of development activities. In administering grants, the Bank has expertise in donor coordination, fund raising, and fund management.
Multi-country benefits	The program encompasses multi-country benefits or activities which it would not be efficient, practical or appropriate to undertake at the country level. For example, informational economies of scale are important for research and technology work, and operations to control diseases or address environmental concerns (such as protect fragile ecosystems) might require a regional or global scope to be effective. In the case of grants directed to a single country, the program will encompass capacity-building activities where this is a significant part of the Country Assistance Strategy and cannot be supported by other Bank instruments or by other donors. This will include, in particular, programs funded under the Institutional Development Fund, and programs related to initial post-conflict reconstruction efforts (e.g., in countries or territories emerging from internal strife or instability).
Leverage	The Bank's presence provides significant leverage for generating financial support from other donors. Bank involvement should provide assurance to other donors of program effectiveness, as well as sound financial management and administration. Grants should generally not exceed 15 percent of expected funding over the life of Bank funding to a given program, or over the rolling 3-year plan period, whichever is shorter. Where grant programs belong to new areas of activities (involving, e.g., innovations, pilot projects, or seed-capital) some flexibility is allowed for the Bank's financial leverage to build over time, and the target for the Bank grant not to exceed 15 percent of total expected funding will be pursued after allowing for an initial start-up phase (maximum 3 years).
Managerial competence	The grant is normally given to an institution with a record of achievement in the program area and financial probity. A new institution may have to be created where no suitable institution exists. The quality of the activities implemented by the recipient institution (existing or new) and the competence of its management are important considerations.
Arm's length relationship	The management of the recipient institution is independent of the Bank Group. While quality an arm's length relationship with the Bank's regular programs is essential, the Bank may have a role in the governance of the institution through membership in its governing board or oversight committee. In cases of highly innovative or experimental programs, Bank involvement in supporting the recipient to execute the program will be allowed. This will provide the Bank with an opportunity to benefit from the learning experience, and to build operational links to increase its capacity to deliver more efficient services to client countries.
Disengagement strategy	Programs are expected to have an explicit disengagement strategy. In the proposal, monitorable action steps should be outlined indicating milestones and targets for disengagement. The Bank's withdrawal should cause minimal disruption to an ongoing program or activity.
Promoting partnerships	Programs and activities should promote and reinforce partnerships with key players in the development arena, e.g., multilateral development banks, UN agencies, foundations, bilateral donors, professional associations, research institutions, private sector corporations, NGOs, and civil society organizations.

Source: World Bank, Development Grant Facility documentation.