



Reforming Foreign Aid

The Role of International Public Goods

OED Working Paper Series ♦ No. 4

Marco Ferroni



Copyright 2000

Operations Evaluation Department
Partnerships & Knowledge Programs (OEDPK)
Email: ecampbellpage@worldbank.org
Email: eline@worldbank.org
Telephone: 202-473-4497
Facsimile: 202-522-3125

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

Contents

v	Acknowledgments
vii	Preface
ix	Abbreviations and Acronyms
1	1. Introduction
	1 Why a Transboundary Approach—and Why Now?
5	2. A New Frontier in Development Cooperation
	5 A Brave New World
	6 Defining International Public Goods
	8 Collective Action
	10 Transnational Governance
13	3. The Aid Effectiveness Link
	13 The Learning Dimension Neglected
	14 Let Us Consider Each of These Aspects in Turn
	15 International Public Goods and the Process of Development Cooperation
	16 Empirical Evidence
	18 The National and International Public Goods Interface
21	4. The Promise and Challenge of International Public Goods Partnerships
23	Endnotes
25	References
	Boxes
	6 Box 2.1. Public Goods Primer
	8 Box 2.2. Regional Public Policy
	9 Box 2.3. The Genesis of the Global Environment Facility
	10 Box 2.4. MMV—A Public/Private Partnership Against Malaria
	17 Box 2.5. Progress in Controlling Riverblindness

Acknowledgments

Marco Ferroni prepared this Working Paper for the 1999 ARDE Working Paper Series. Marco Ferroni, a foreign aid practitioner for many years, is currently advising the World Bank's Resource Mobilization and Cofinancing Vice-Presidency. He writes here in a personal capacity, and thanks Robert Picciotto for his helpful comments on an earlier draft of this Working Paper. The sole responsibility for the analysis and views expressed in the paper, however, reside with Mr. Ferroni.

The Working Paper Series is published by the Partnerships and Knowledge Group, Outreach and Dissemination, by Elizabeth Campbell-Pagé (team leader), including Caroline McEuen (editor), Kathy Strauss and Aichin Lim Jones (graphics and layout), and Juicy Qureishi-Huq (administrative assistant).

Director-General, Operations Evaluation:	<i>Robert Picciotto</i>
Director, Operations Evaluation Department:	<i>Gregory Ingram</i>
Task Manager:	<i>Nagy Hanna</i>

Preface

Despite the potential benefits of globalization and technological change, world poverty has increased and growth prospects have dimmed for developing countries during the 1980s and 90s. The Comprehensive Development Framework (CDF) was launched by the World Bank in January 1999 in response to these difficult circumstances. It has evoked considerable interest throughout the development community as an approach that can address the increasingly intertwined challenges faced by development practitioners. Its basic elements are not new. What is new is their joint articulation as a framework to guide development assistance. The first point is that development constraints are structural and social, and cannot be overcome through economic stabilization and policy adjustment alone—they require a long-term and holistic vision of needs and solutions. Second, policy reform and institutional development cannot be imported or imposed; without domestic ownership, reforms and investments are not sustainable. Third, successful development requires partnership among government, local communities, the private sector, civil society, and development agencies. And fourth, development activities must be guided and judged by results.

In this context, the *1999 Annual Review of Development Effectiveness* (ARDE), authored by Nagy Hanna under the guidance of Robert Picciotto, set out to examine development experience through the lens of CDF principles. A number of papers were commissioned to support the ARDE by providing in-depth review of evaluation and research findings that assess the relevance of the CDF principles and constraints as well as promising approaches to their implementation.

Abbreviations and Acronyms

APO	–	African Program for Onchocerciasis Control
ARDE	–	Annual Review of Development Effectiveness
CDF	–	Comprehensive Development Framework
CGIAR	–	Consultative Group on International Agricultural Research
GEF	–	Global Environment Facility
NGO	–	Nongovernmental Organization
R&D	–	Research and Development
SADC	–	Southern Africa Development Conference
SPA	–	Special Program of Assistance for Africa
UNDP	–	United Nations Development Program
MMV	–	New Medicines for Malaria Venture
OCP	–	Onchocerciasis Control Program

Chapter 1

Introduction

There is now vigorous debate on how to reform the system of development cooperation that has evolved over the past 50 years. The dissatisfaction with conventional country-focused strategies is profound, the dearth of instruments and processes for responding to the transnational development challenges of the global era, conspicuous. The reform of foreign aid must focus on better approaches to both national and transnational policy challenges. This paper spotlights the transnational dimension and makes the following points:¹

- As global integration deepens, the number of development problems that call for supranational policy responses grows. These cross-border challenges arise from combinations of market failure, government failure, and systemic failure. Thus, a new development frontier is emerging, and with it a new role, and perhaps a new rationale, for foreign aid. In the past, foreign aid has tended to be almost exclusively country-based. The country focus will continue to be important; in fact, it will remain at the heart of development cooperation. But official development finance will likely be called on more frequently to support the supply of international public goods as well.
- The international public goods agenda is critical to aid effectiveness. Investment in international public goods can make national development efforts more productive. In contrast to traditional patterns of development cooperation, now seen to have fostered aid dependency, the new agenda (both nationally and globally) must be embedded in inclusive and thus legitimizing and mutually empowering partnerships. This is key to a more productive aid relationship and, in time, to a qualitative shift from aid to accelerated integration and true international cooperation.
- International public goods vary considerably in nature and reach. The motivation to contribute to the supply of a particular international public good depends on the degree to which potential contributors are affected by the transboundary problem (or externality) that the public good is designed to correct. The capacity to contribute depends on the ability to pay and institutional considerations. Multilateral agencies can play an important role as catalysts of collective action to produce international public goods.

Why a Transboundary Approach—and Why Now?

The end of the Cold War and the emergence of a newly intensified globalization have altered the development challenge and the motivation for foreign aid. The security rationale for aid, grounded in Cold War geopolitics, has lost meaning. A measure of indifference and aid fatigue has spread in some quarters, while a heightened concern for aid effectiveness has taken hold in others.

Aid effectiveness and the novel facets of the development challenge are linked, as this paper makes clear, and both are now beginning to be better understood. Development analysts and practitioners have generated a wealth of insight into the merits and shortcomings of the mainstream aid delivery system. A consensus on how to address fundamental grievances is emerging.

The new thinking stresses the visualization of development as a holistic process for the transformation of society—in contrast with the narrower and somewhat reductionist approaches of the past. It stresses the futility of imposing change from outside, the need to attend to the institutional infrastructure required to make markets and public services work, and the need for meaningful development alliances among donors, recipient governments, civil society, and the private sector (Stiglitz 1998).

The new thinking involves both strategy and process and focuses implicitly on country-based development assistance. In the realm of the strategic, Chapter 2 shows why country-based assistance needs to be complemented by a transnational cooperation agenda—with the aim of developing instruments to deal with an emerging class of issues at that level.

The basic case is simple. “In contrast to conventional foreign aid that focuses on individual countries, transnational problems demand a multi-country, problem-oriented approach to development cooperation” (Gwin 1999). Take the scourge of tropical disease. Its control requires transboundary action since disease vectors do not recognize national borders. There normally is a case for action at the national level too. But it may be hypothesized that sector-specific national action works best when embodied in a multicountry effort.

Three arguments based in aid effectiveness support a transnational approach to development cooperation when the problem at hand demands it. The first is tautological and has just been identified—you cannot hope to resolve a transnational problem with an uncoordinated set of national overtures.

The second is prudential. Systemic crises (by definition, transnational in nature in our context) can destroy development achievements financed by foreign aid. In extreme forms, the global phenomenon of financial volatility can quickly spoil the fruits of past economic growth in emerging markets and (indirectly) in commodity-exporting, least-developed economies. Some of this growth may have been financed by foreign aid. Even if not, the setback means that any future official flows to the affected countries will have to engage less favorable initial conditions.

The third reason is procedural—the subject of Chapter 3. The aid effectiveness literature (developed with reference to country-based experience) calls attention to a flawed process. Its major shortcomings are an asymmetry of objectives between donors and recipients, inadequate attention to institutional development and capacity building, and coordination difficulties with multiple, independent sources of external assistance. A number of these deficiencies, examined in some detail in Chapter 3, become potentially immaterial under a transboundary approach to cooperation because of fundamental differences in the terms of engagement.

Thus, there are at least two counts for advocating a transboundary way of looking at development and foreign aid: global trends and aid effectiveness. But advocacy alone is unlikely to lead to much testing and gradual adoption of this approach as a complement to nationally focused patterns of cooperation. Two sets of issues are therefore raised in the

concluding Chapter 4—the matter of what is sometimes called the “supply technology” for transboundary development solutions and the role of multilateral agencies in bringing to the attention of the international community the potential merits of a transnational approach to cooperation.

On the first, recent literature suggests that the overall supply is not necessarily equal to the sum of individual contributions—a conclusion with implications for the role of the donor community. On the second, a new and demanding role for multilateral institutions can be deduced from the special collective action problems that are inherent in a multicountry, multiactor approach to cooperation.

Chapter 2

A New Frontier in Development Cooperation

People's lives are increasingly touched and shaped by global forces. The key to this phenomenon is technology that—in Sandler's (1998) words—continues to draw the planet's nations and citizens closer together. In the process, novel forms of international public goods and bads are being created, and the power of the nation-state to influence domestic affairs is being called into question.

A Brave New World

Global economic integration brings many transnational public bads into sharper focus. They generate spillover (or negative externalities) that impose costs on other countries. For example, everyone suffers the loss of biodiversity when rain forests are destroyed, not only the countries where the forests are located. Key cross-border challenges of today include:

- Possibility of financial contagion
- Spread of disease
- Loss of biodiversity and cultural heritage
- Cross-border environmental pollution
- Global environmental problems such as the ozone hole
- War and conflict (including international spillovers of national civil strife)
- Flow of migrants and refugees to foreign destinations where they are not wanted
- Protectionist backlash that may present itself in the advanced industrialized countries in response to rising domestic inequality, labor insecurity, and disagreements regarding appropriate environmental standards
- Effects of illicit behavior such as corruption, money laundering, and international crime.

Many of these cross-border challenges are not generically new. War and disease have found ways to spread internationally for thousands of years. What are new, however, are the potential velocity of contagion and the interaction effects arising from the differences in degree and kind that characterize today's interdependent and deeply integrated international system.

This system can generate previously unknown hazards of potentially vast geographic reach ("systemic risk"). It can lead to novel permutations of old problems and new patterns of transition between order, disorder, and renewed equilibrium. In the eyes of many, the global financial crisis of 1997/1998—the first crisis of the 21st century, as it has been called—fits this bill.

But systemic risk is not confined to finance. Globalization may spawn new diseases and accelerate the spread of old ones (communicable or not) through intensified trade, travel and migration, and associated changes in lifestyles (Chen, Evans, and Cash 1999). Witness the resurgence of tuberculosis. The environment, deepening social inequity, and the digital divide are other conceivable sources of systemic risk. The reader is referred to a recent study by the United Nations Development Program (UNDP) for an analysis of examples from different sectors (Kaul, Grunberg, and Stern 1999).

This study identifies two sources of international public bads. They can be the product of negative cross-border spillover of action or inaction by a country or a group of countries. Or they can be generated by global or regional systemic effects. These effects are the downside that accompanies the material advantages potentially afforded by globalization. For the world—including poor countries—to participate in these benefits on a sustainable basis, it is necessary to manage the sources of systemic risk and, at a minimum, to counteract international public bads. And it is desirable to expand the transnational policy frontier. The task is to preempt future sources of risk and create the best possible basis for widely shared and sustainable world growth. This is where international public goods come in.

Defining International Public Goods

As a first cut, public goods may be defined as development resources capable of generating positive externalities and mitigating undesirable ones. The economics of public goods is reviewed in box 2.1. The tenets outlined there apply to both national and international public goods, except that the externalities associated with international public goods have

Box 2.1. Public Goods Primer

A public good is a commodity, service, or resource whose consumption by one user does not reduce its availability to the next—in jargon, public goods are nonrival in consumption. Public goods are also “nonexcludable,” that is, if the good is provided, the provider is unable to prevent anyone from consuming it, whether that user pays for the privilege or not. Because of this characteristic, public goods tend to be undersupplied. Users are able to free-ride. This becomes evident if one considers the following classic examples of public goods: clean air, national defense, and street lighting.

A close relative of the concept of public good is the notion of externality. An externality occurs when the welfare of an agent depends directly not only on what that agent does but also on what others do or fail to do. The motivation to invest in public goods arises from the desire to bring out positive externalities or to correct, or compensate for, negative ones. Collective (or government) action is necessary to produce public goods because private solutions often fail. In particular, markets are unable to supply nonexcludable goods.

Public goods are critical to development. Rules and standards, infrastructure, institu-

tions in the public service, property rights, law and order, and, more generally, functional social and political cohesion are development resources with a public goods character. Societies at different levels of development distinguish themselves among other aspects by differences in their accumulated wealth of public goods (the non-physical components of which are called “social capital” by some authors).

Public goods differ according to the publicness of their benefits on a continuum between pure public goods and pure private goods. Private commodities and services are said to be rival and excludable. Between these

polar opposites are club goods (for example, toll roads), which are excludable but nonrival, and common pool goods or common property (for example, groundwater or mineral deposits), which are nonexcludable but rival. Common property tends to be overused in the absence of rules. As in the case of “pure” public goods, the prudent or sustainable use of common property is a matter of collective choice. Government action (for example, in the form of regulation) may also be needed to ensure equitable and competitive access to club goods.

a transnational reach. That reach can be global (in the case of a global public good); it can be regional (affecting a subcontinent, continent, or hemisphere); or it can be subregional (touching a small number of neighboring countries). The reach may encompass industrial countries, sets of developing countries (the case of some tropical diseases), or poor and rich countries alike—an increasingly probable prospect. It will be argued later that the characteristics of the spillover of positive or negative externalities affects the motivation of different members of the international community to contribute to the creation of particular international public goods (Jayaraman and Kanbur 1999).

In discussing international public goods, it is useful to distinguish between goals and means. The goal definition of international public goods is comparable to motherhood and apple pie—too general to be useful. Examples include financial stability, peace and prosperity, a rich pool of biodiversity and cultural heritage, preindustrial levels of greenhouse gas emissions, and good international public health. The means definition is the one to focus on for practical purposes. It considers public goods as resources, processes, policies, and institutions for achieving specified goals. Generic deliverables include:

- Data, information, knowledge, and technology—for example, drugs and vaccines, and yield-enhancing agricultural technology
- Harmonization of norms and standards and global rule setting
- Consensus on courses of action to be taken and best practice in given fields
- Policies that widen the range of choices open to people (for many developing countries, agricultural liberalization in high-income countries is one example; peace-keeping by the international community is another).

International public goods developed through these means aim to set the stage for (and in the end become synonymous with) better functioning markets, better institutions and governance, greater equity, and enhanced welfare outcomes.

This can be illustrated in many ways, and the public good character of the respective outcomes can be certified by the criteria in box 2.1. Take the matter of international financial architecture. The central element is financial and banking sector surveillance, including appropriate institutional arrangements to deliver the surveillance, submit data to a process of shared learning and interpretation, and act on the conclusions. Internationally recognized standards are needed on the capital adequacy of banks, auditing and accounting practices, creditor rights, and corporate bankruptcy procedures, among other aspects. These desiderata meet the test for a public good. The benefits of financial surveillance are nonexcludable and nonrival—once produced in a participatory and transparent fashion, data and insights cannot be withheld. Their use by one party does not diminish their value to another—in fact, it most likely increases it. The same is true for epidemiological surveillance, to mention just one example from a different sector.

Public goods tend to be undersupplied for reasons explained in box 2.1. Take the case of worldwide investment in drug and vaccine development for tropical diseases. The level of investment is far below the needs dictated by the epidemiological and economic importance of these afflictions. Another illustration is the neglect of regional cooperation (box 2.2). Many more examples could be given. The UNDP study cited above postulates that many of the crises on today's global agenda can be traced to an underprovisioning of

international public goods. Seen in this light, correction of the undersupply is *the* challenge of transnational governance.

Collective Action

Inertia explains much of the underprovisioning of public goods. Often-encountered sources of inertia in collective action include uncertainty about the problem at hand and the feasibility of potential solutions, suspicion regarding the motivation of others, and doubts about the distribution of costs and benefits. The interests of individual participants may diverge, and the multiplicity of actors may initially give rise to conditions approaching anarchy. box 2.3 illustrates how this inertia in collective action was overcome in the establishment of the pilot phase of the Global Environment Facility (GEF).

The process of engaging the international community in response to a given transnational development challenge is the concern of global public policy (Reinicke 1998), or transnational public policy, since not all international problems are global. Transnational public policy seeks to remedy collective action inertia by crafting issue-focused partnerships and processes for reaching agreement on priorities, procedures, and reciprocal obligations toward specified outcomes.

This is easier said than done. The organization and “technology” of international governance have not evolved as rapidly as the global economic scene. The debate about the appropriate new architecture of global governance is unresolved and symptomatic of the range of issues needing attention and the uncertainties about how participants should engage one other. The following aspects seem important:

- Problems that display multicountry externality cannot be solved by conventional government-to-government agreements. The net has to be cast more widely to allow for a multicountry and multiactor approach.

Box 2.2. Regional Public Policy

The regional dimension of development has often been overlooked in the past. Policymakers and international agencies have tended to focus on national problems. The perceived lack of regional policy instruments and, in some cases, nationalism appear to have contributed to the neglect of the regional dimension.

This is beginning to change in many parts of the globe. Southern Africa is an example. Once divided, the Southern Africa Development Conference (SADC)

countries are now seeking cooperation on many levels and through various groups and institutions, both public and private.

The regional harmonization of policy (with or without the goal of eventual formal integration) can help small economies overcome their size disadvantage, which often deters investment. Regional policies make sense in many sectors, including transport, power grids, telecommunications, law enforcement, public health, riparian issues, trade policy, the regulation of

financial markets, and the harmonization of bank clearance and payments systems. For example, regionally integrated, liberalized financial markets would attract private capital and support cross-border business activity; they would also offer ways of mitigating the risks to financial institutions from operating within a single small economy.

Thus, significant benefits could be derived from regional public policy. The circumstance that existing regional institutions in many parts of the world may cur-

rently be weak does not detract from the basic case. They would automatically become stronger under more active regionalism.

Box 2.3. The Genesis of the Global Environment Facility

When 17 donor countries, along with the United Nations Environment Program and UNDP, met in Paris in March 1990 under the World Bank's chairmanship to discuss the proposal for the pilot phase of the GEF for the first time, international readiness to come up with the needed funds was lacking. Many delegates were skeptical, and many fundamental issues were raised. Delegates did not question the need for the

international community to address global environmental problems. But the mere recognition of a need, and the recognition that no one bilateral or international agency was equipped to deal with the problems at hand alone, were insufficient to overcome barriers to collective action. Suspicion and even cynicism regarding the motivations of key players abounded, and there were major questions regarding such aspects as burden-sharing, the nature of

partnerships to be established, and whether add-itionality was possible. As is well-known, the pilot phase—and thus the GEF—was nurtured into existence in four major rounds of negotiation during 1990. Key elements that appear to have made this possible included an initial, if vague, proposal, backed by an offer of money from a major donor country (this challenged others to follow suit), the choice to place the proposal in the hands of an agency capable of providing

leadership (the Bank), the focus on global problems that allowed funds to be distinguished from regular development assistance and thus appeared to satisfy the additionality requirement, the closure on a credible tripartite arrangement for implementation, and the choice to start off with a pilot phase (this made it possible for parties to sign on without necessarily resolving every detail at the outset).

Source: Sjoberg 1994.

- The concept of national sovereignty needs redefinition. As a first cut, it may be said that sovereignty is constructively asserted through contributions to mutually beneficial interdependence.
- In this situation, public sector actors representing a broader range of policy domains than foreign policy are likely to intensify their contacts abroad. All partners with a stake in the origin and consequences of a problem will tend to be drawn into the network because of the collective interest in controlling problems that emanate from individual members' territories.
- Partnerships of the future will not be confined to state actors. The economic and social opening-up of societies has unleashed the forces of the business sector, civil society, professional groups, and others. The communications revolution is making it possible for these participants to work together in real time, at close to zero cost, from anywhere on the globe. Exclusion is difficult to practice and impossible to justify.

Thus, despite their name, public goods need not be supplied exclusively by the public sector. Such pure public goods as military protection or peace-keeping are typically provided by governments. Club goods are increasingly expected to be supplied by the private sector under concession agreements. Examples of regional and global club goods are regional power grids, satellite communications, and global cultural and ecological attractions that can be made accessible on a fee basis, such as through tourism. Other public goods and common pools may be supplied by public agencies, public-private mixes, and not-for-profit private entities such as nongovernmental organizations (NGOs). An example of the growing scope for public-private partnerships in solving problems of transnational public policy is the incipient public-private partnership to develop and market new malaria drugs (box 2.4).

In such mixed arrangements, the responsibility of public sector entities would include the articulation of goals, standards, and processes. Together with foundations and private philanthropists, the public sector may be the only viable source of venture capital for the

Box 2.4. MMV-A Public/Private Partnership Against Malaria

Malaria continues to contribute massively to the disease burden in the regions affected. The malaria control situation is worsening owing to the spread of drug resistance. New drugs are needed but, because of inadequate commercial prospects, the pharmaceutical industry has almost completely withdrawn from malaria drug discovery and development. The public sector has increased basic science funding but lacks the expertise and the mechanisms to discover, develop, register, and commercialize products. The only solution appears to be in a joint partnership between the public and the private sectors—the New Medicines for Malaria Venture (MMV).

The MMV not-for-profit initiative aims to address

this problem through a partnership between the pharmaceutical industry and the public sector. This effort will operate under the umbrella of the World Health Organization's Roll Back Malaria Initiative. Other international agencies backing this scheme include the World Bank, together with several charitable foundations such as the Rockefeller Foundation. Integral to the formulation of the MMV initiative has been a significant industrial input, notably from the International Federation of Pharmaceutical Manufacturers Associations and the Association of British Pharmaceutical Industries.

The goal of the MMV project is to achieve a sustainable portfolio of drug discovery and development projects that would result in the registra-

tion of one new affordable antimalarial every five years. It will be a virtual R&D venture. Under its guidance and support, drug discovery partnerships between academic groups and industry will be established and funded at a level sufficient to ensure a real chance of success (several million U.S. dollars per year per project). Development candidates will be passed on to a virtual development unit that will take projects through to registration and seek industrial partners for manufacture and commercialization. Any royalty income obtained through out-licensing will feed back into MMV to provide a degree of financial sustainability.

Several pharmaceutical companies have agreed that they would partner drug discovery projects, primarily

through providing gifts in kind such as access to their chemical libraries and high throughput screening facilities, as well as access to more general expertise in this area, a commitment worth several million dollars per year. In addition, a funding commitment of US\$15 million per year, rising to US\$30 million per year, is being sought, primarily from the public sector.

Sufficient funding through Roll Back Malaria and other agencies was obtained, allowing the initiative to start in 1999 through the funding of the first one or two research projects. Efforts are ongoing to achieve extra funds to facilitate the full establishment of MMV and establish the legal framework under which MMV will operate.

Note: Further information on MMV can be obtained by e-mail to mmv@who.ch

development of products with little commercial prospect such as drugs and vaccines for diseases that disproportionately afflict the poor. The for-profit private sector (for example, pharmaceutical companies) would supply research and development (R&D), marketing, and distribution services. NGOs would have a role in standards setting, review, and advocacy. Examples are the analytical and standards-setting work of Transparency International and the advocacy work of international human rights, health, and environmental groups.

Transnational Governance

Issue-oriented transboundary networks on a range of ventures are an emerging answer to the quest for transnational forms of governance, since the theoretical alternative of world government is clearly neither feasible nor desirable. Such partnerships are already stepping in to fill the governance vacuum for policy issues beyond the reach of individual governments or intergovernmental agreements. In theory, they are applicable to many transboundary policy concerns. The Global Corporate Governance Forum, launched in 1999, is an example. A partnership of multilateral agencies and private associations such as the International Accounting Standards Committee and the International Organization of Securities Commissions, the forum builds on the Principles of Corporate Governance of the Organization for Economic Cooperation and Development that were agreed on in

1998. Its role is to monitor corporate governance issues (seen to have been a factor in the recent global financial crisis) and to marshal the best expertise available to support individual countries' regulatory and voluntary efforts in this field.

Slaughter (1997) calls this approach "transgovernmentalism." As she describes it, the state is not disappearing in the global era but disaggregating into its separate, functionally distinct, parts. These parts are networking with their counterparts abroad and creating dense webs of relationship that constitute a new transgovernmental order. Governance thus denotes cooperative problemsolving by a changing and often uncertain cast.

Transgovernmentalism is often at work when international public goods are created (Slaughter looks into mechanisms of international law enforcement). The term can be usefully extended to cooperative problemsolving (or partnerships) involving nonstate actors, such as NGOs, the private sector, special interest groups, and so on, in line with the analysis and examples presented here (see also box 3.1). A model for addressing the transnational public policy challenges of the global era appears to be coming into view.

Chapter 3

The Aid Effectiveness Link

How is all this related to aid (and development) effectiveness? As discussed, a shift from a country focus to multicountry collaboration is called for when cross-border spillover is present (for example, vector-borne diseases and financial contagion), when systemic risk or global commons issues are being addressed (the latter can be solved only by collective action involving all societies), and when knowledge sharing leads to a leveraging of resources and economies of scale in country-level applications. International research programs that make their results available to developing countries are a case in point (for example, international agricultural research). Clearly, in these cases, an international public goods approach adds value over and above a purely country-focused approach.

In addition, we can venture the prediction that greater attention to international public goods would help improve development effectiveness by strengthening partnership and the processes of cooperation. To see this, it is necessary to recall the debate about aid effectiveness of recent years.

Foreign assistance strategies and processes have undergone a fundamental reassessment. The old consensus regarding development strategy—state-led in the 1960s and market-led in the 1980s—has evaporated. Instead, there is consensus that agreement on the particulars of a strategy for sustained growth and poverty reduction in developing countries is unlikely. But there is agreement on certain fundamentals, including openness to trade and the flow of ideas, macroeconomic stability, investment in human capital, a transparent legal framework, well-regulated financial systems, and appropriately decentralized decisionmaking. The list of fundamentals evolves as experience accumulates.

The Learning Dimension Neglected

But an understanding of fundamentals can never inform decisionmakers and practitioners about specific actions for specific settings. Specific action is a matter of judgment and political process, and by definition not amenable to generalization. There is best practice, but it needs to be adapted to particular circumstances. Development is about learning what works in individual situations.¹ Evaluation plays a critical role in this context.

Foreign aid can support this process. It now appears, however, that it has not done enough to facilitate participatory learning that fosters self-reliance. The debate about aid effectiveness points to several defects in the mainstream aid delivery pattern:

- A tendency toward top-down and spending-oriented approaches at the expense of local capacity building and ownership
- Fragmented aid delivery, with large numbers of insufficiently coordinated sources of assistance and projects relative to absorption capacity
- Questionable aid allocation patterns and sobering experience with conditionality.

Let Us Consider Each of These Aspects in Turn

While there have always been voices in the donor agencies advocating a decentralized, bottom-up approach, the reality seems to have been that donors offered preconceived solutions more often than they promoted cultures of dialogue with stakeholders. An approval and disbursement culture has prevailed over a quality-first focus on institution building in consultation with beneficiaries. Common answers to the lack of local capacity were the creation of donor-staffed project implementation units and the hiring away (at multiples of going rates) of competent civil servants from their government jobs. This perpetuated the lack of local capacity and prevented donor-funded activities from being “owned” by local stakeholders. Continuing aid dependency was the outcome.²

Fragmented aid delivery mechanisms have led to other insufficiencies. Recipient governments, particularly in the poorest countries, must respond to a proliferation of projects and a multiplicity of donors, each with its own style, procedures, reporting requirements, financing terms, inclination to undertake sector studies, and methods of evaluation and tracking expenditure. Coordination is the answer, but the history of aid coordination is not, by and large, a happy one. Borrowing governments have been caught in a vicious circle of passivity bred by lack of capacity and supply-driven donor methods that led to a lack of ownership and more passivity. We now recognize that a successful aid relationship requires beneficiary governments to take the lead in coordination. The key to better coordination would appear to lie in strategic selectivity based on comparative advantage. Recipient governments should be given the opportunity to show how they propose to select donor-supplied resources in addition to their own in pursuing specified policies. At the same time they must be held accountable for their choices and spending patterns. Capacity building for accountability is, then, as important as capacity building for planning and execution.

Foreign aid has also been faulted for the way aid has been allocated. A central conclusion of the World Bank’s *Assessing Aid* (1998) and other recent literature on aid effectiveness is that aid works only when placed into a conducive institutional and policy environment—an environment capable of promoting growth and poverty reduction. To the extent that bilateral aid is a tool of foreign policy, it is understandable that in selecting recipient countries, donors may use criteria other than the quality of the policy framework. A recent study of the aid allocation patterns of European Union member states confirms this reality (ODI 1998).

Researchers based at the World Bank have similarly concluded that the suitability of the environment for aid in terms of poverty reduction is not the only—or even the main—criterion for donors’ country allocation decisions (Collier and Dollar 1998). Aid has the broadest scope for contributing to poverty reduction in countries with deep poverty and a proven willingness to introduce virtuous policies. The study found that aid tends to be poorly synchronized with promising reform episodes, coming late and going out too early. It has often been made available in the absence of a proven willingness to reform and has been “tapered out” when needed most, i.e., as difficult reforms were in process and before a climate of confidence capable of bringing in private flows was created. The study does not discuss how to recognize an honest reform effort early on or how to use aid to cultivate initial good will (for example, in the early period of a new administration) so that intentions can flower into a fully fledged and ultimately successful reform program.

The notion and practice of conditionality are the subject of much debate. Killick, Gunatilaka, and Marr (1998) dismiss the belief that aid tied to conditionality can “buy”

better policies. The acceptance of policy conditions is poor when donor and government objectives differ. Domestic politics usually prevail over donor pressure. For political and institutional reasons, donors cannot offer adequate incentives for compliance. One reason is that they operate under what might be called a “spending imperative” related to their budget cycle. And defensive allocations of new money are sometimes made to stave off arrears or defaults on old loans. For multilateral institutions, an additional reason is the difficulty of disciplining shareholders (see also Collier 1997).³

But aid without some sort of conditionality is unthinkable. While some past practices in the design and the administration of conditionality have not withstood the test of time, donors will always (and with good reason) insist on a value-driven direction of the use of funds from official sources. A corollary is that the credibility of foreign aid might be enhanced by carefully considered, case-by-case denials of funds to noncomplying governments. The reasons militating against this in the post-Cold War world seem to be more institutional and bureaucratic than political.

Conditionality is an expression of the compact of mutual obligations of lenders and borrowers. The spirit of partnership in which conditionality is crafted and negotiated is important. Conditionality can play a role in promoting the convergence of policy standards—an international public good. Today’s widespread acceptance of macroeconomic stability as a necessary condition for sustainable growth and poverty reduction is a case in point. To be sure, macroeconomic stability (in Latin America, for example) became fully accepted as a desirable policy stance only once the electorates began to demand it at the polls. This has been the case from the early 1990s in many Latin American countries. But the conditionality that accompanied earlier multilateral loans has arguably been helpful in preparing the ground. It had an educational effect. The views and advice of outsiders can sometimes make a difference when domestic agents of change are thwarted in their endeavors.

The Comprehensive Development Framework proposed by World Bank President James D. Wolfensohn in early 1999 (now being mainstreamed in the Bank) addresses these grievances at the country level. The Framework provides for improved partnership and coordination among development actors, the recipient government, and key stakeholders in the basic sectoral pillars of development. The Framework could be extended to cover international public goods, i.e., multicountry and multistakeholder programs that are needed in the situations identified above, when development objectives at the country level cannot be achieved without them.

International Public Goods and the Process of Development Cooperation

International public goods partnerships hold the potential to relieve many of the above process-related foreign aid shortcomings in the cases where mission-oriented, multiactor networks can be called to life. This is because the public goods pursued in individual ventures would serve as a rallying device for the coordination of the network of contributing partners. Fragmented behavior would have little place in the partnership, where its undermining of the very sense of purpose from which the network originated would be immediately apparent. Motivation and coordination among donors and partners would appear to be easier to achieve in the case of issue-oriented partnerships than in multisector,

multiobjective country assistance programs. There would also seem to be less scope for politics to interfere with technical integrity.

The funding requirements of the partnerships could be calculated on a reasonably objective basis, given agreed-upon program goals and phasing. (The maintenance of adequate funding over the long term can be challenging, as the Consultative Group on International Agricultural Research—CGIAR—has demonstrated in recent years.) Selectivity would be ensured by the choice of public goods to be created. Shared learning would occur as a matter of course under the kinds of inclusive partnerships envisioned. And conditionality and the allocation of donor funds would not appear to be as contentious as in the case of country-based assistance. As the domestic and the international dimensions of the development challenge become increasingly interrelated, issue-focused international partnerships can potentially go a long way toward securing ownership for domestic reform. Filling the policy gap at the regional and global levels means that reform becomes less dependent on intrusive conditionality. It is easier to encourage voluntary compliance with generally accepted international standards than to introduce top-down conditionality. But this presupposes both that developing countries are adequately represented in the partnerships that develop the standards and that coordinated national capacity and institution building take place to strengthen the ability to implement sectoral reform. There is a deficit on both counts.

The Comprehensive Development Framework provides a setting to address this. Its key tenets of inclusiveness and wholeness should be respected when partnerships at the regional and global levels are being established. Prioritization at the national level under the umbrella of the Comprehensive Development Framework can help identify areas where international programs are needed to supplement national efforts. Capacity building in national and local institutions (state and nonstate) is critical to the effective implementation of the resulting integrated endeavors.

Empirical Evidence

Our predictions regarding the partnership and aid effectiveness merits of efforts to create international public goods need to be tested empirically. What can be said on the basis of partial evidence, while awaiting the conclusions of more formal analytical work?

Two long-standing international public goods ventures, the Onchocerciasis Control Program (OCP) in West Africa and the CGIAR appear to confirm our favorable hypothesis regarding the aid effectiveness boost of multicountry, multiactor sectoral partnerships. Both programs date from the early 1970s, and both display exceptionally high rates of return to investment. The case of the OCP is documented in box 3.1. A key lesson is precisely that with the right kind of leadership, issue-oriented international campaigns can be highly effective. The vision underlying the program to eradicate riverblindness appears to have engendered a disciplined process and to have motivated participants to persevere. This is an important aspect because many development problems take a generation or more to solve. That perseverance contrasts virtuously to the sometimes observed proclivity of country-focused external assistance to succumb to the development fashion of the day.

An assessment of the CGIAR reached similar conclusions (Anderson and Dalrymple 1999).⁴ A partnership of governments, multilateral institutions, and foundations, the CGIAR

Box 3.1. Progress in Controlling Riverblindness

Riverblindness is a painful and debilitating disease caused by a parasite worm transmitted from person to person by a black fly. Twenty million people are heavily infected in Sub-Saharan Africa; 120 million people are at risk in 30 countries; 99 percent of the world's cases of riverblindness are in Africa.

A multipartner Onchocerciasis Control Program (OCP) has been in operation in West Africa for 25 years. The partners include the African governments, local communities, international organizations, bilateral donors, the corporate sector, foundations,

and NGOs. Intervention has focused on vector control, distribution of the drug Ivermectin (supplied gratis by the Merck Corporation), and capacity building in national health programs. The program has been highly successful: 34 million people protected; 600,000 cases of blindness prevented; 5 million years of productive labor added over the life of the program; 25 million hectares of land freed up; 12 million children spared the disease; an overall economic rate of return of 20 percent. A separate program, the African Program for Onchocerciasis Control (APOC), was started in 1996 to cover the 19 oncho-

endemic African countries not covered by OCP.

OCP is a global partnership devoted to a regional problem. The lessons learned to date include the following:

- Partnerships have tremendous potential but are complex to form and maintain, particularly given the mix of corporate cultures that may be a constant source of tension.
- It is important to identify the comparative advantages that each partner brings to the table and to allocate the division of responsibilities in the partnership according to these assets.
- Personal relationships and trust count heavily, particu-

larly when difficulties are encountered.

- It is important to spread credit around liberally and frequently among all partners.
- Precisely defined objectives are critical, so everyone “keeps their eye on the prize.”
- Flexibility and compromise are fundamental to partnership.
- All partners need to be clear regarding the payoff to their participation. Altruism is an inadequate base for sustainability.
- Leadership is crucial to holding the coalition together.

Source: Reproduced, with permission, from presentational material developed by the Onchocerciasis Coordination Unit at the World Bank.

has catalyzed international collective action in the service of world food security. The program is devoted to sustainable crop improvement with a concentration on staple foods consumed by the poor. There is little incentive for private R&D for the crops of interest, which are mostly low-income elasticity commodities. The CGIAR has generated impressive global externalities, and the partnership that it represents may be viewed as a model of transnational standard-setting and governance in its field. It has often been suggested that something similar be created for the gamut of tropical diseases or, more specifically, the underresearched and underattended “orphan” diseases that account for the bulk of the disease burden in poor countries. A recent move in that direction is the Global Forum for Health Research, established in 1997 as an independent, multiactor foundation hosted by the World Health Organization to correct the “10/90 disequilibrium”—the fact that only 10 percent of annual global spending on health research in the private and public sectors is devoted to the health needs of 90 percent of the world's population.

Other examples of successful regional and global public policy in development cooperation include the Special Program of Assistance for Africa (SPA) and the Global Environment Facility (see box 2.3). SPA is an association of donors aiming to support the adjustment and development process of Sub-Saharan African countries. Established in 1987, it has played a very important role as a mechanism for aid coordination and consensus building among donors regarding the policies to be pursued. An independent evaluation by the World Bank's Operations Evaluation Department nevertheless identifies a number of recommendations for improved performance and stresses the need to involve African policymakers more closely in the program (OED 1998). On the more qualified record of

the GEF, the reader is referred to UNDP, UNEP, and the World Bank (1994), and Global Environment Facility (1998).

Now, despite the documented merits of these and other instances of international collective action in development cooperation, two questions arise. First, beyond creating international public goods, have these programs successfully contributed to improvements in the corresponding sectors or policy domains in developing countries? And second, what of the doubtlessly numerous attempts at international public goods programs that have failed? Observations on possible obstacles to collective action and transnational governance are offered in Chapter 4.

The National and International Public Goods Interface

The provision of international public goods may be ineffectual if it is not accompanied by appropriate domestic action in developing countries. There may be a few international public goods provided by rich countries on which poor countries can free-ride—G7 (or United States) buyer-of-last-resort growth policies to support the world economy can be cited as an example. Poor countries benefit passively in this case. More often, however, international public goods—irrespective of who produces them—will benefit developing countries only if the countries invest in the corresponding national-level applications. Naturally, the converse is often (and probably increasingly) true: investment in national public goods without supporting international public goods may yield suboptimal returns.

Take the example of health research to serve the needs of the world's poor. The requirement for more international R&D should not mask the fact that responsibility for improved health outcomes lies primarily with poor countries themselves. Adequate national spending and policy reform to accommodate new health technology are critical. International partnerships can help set standards and generate energy for domestic reform. They can strengthen the hand of policy reformers in the domestic political context. Thus, for best results, international and national efforts should go forward in concert.

This is an important aspect to consider when examining the full contribution of these and other transnational public policy programs. The record on international public goods appears to be stellar in the case of, for example, the CGIAR. Is it comparably outstanding on building national capacity in the sector concerned and promoting domestic sectoral reform? Not necessarily. The CGIAR has done a remarkable job of generating spillover in the form of international public research goods capable of supporting the development of technology by national institutions in developing countries (Byerlee and Alex 1998; Purcell and Anderson 1997). But there is still a great need to strengthen national agricultural research programs in the poorest developing countries. SPA has made an enormous contribution in terms of setting norms and standards for adjustment lending, among other aspects. But its interaction with decisionmakers on the ground and its impact on the performance of African economies have, at best, been modest. The GEF is the key instrument of the international community for funding programs relevant to the protection of the global environment. But its impact on country policies and programs has so far been limited (Global Environment Facility 1998).⁵

Thus, more thought needs to be given to the interface between national and international public goods. Transnational public policy should be concerned with the question of

synergy between investments in development resources at the national and supranational levels—a new dimension of aid coordination. The implication is not that investments in international public goods should wait until conditions are right for their application in most countries, but that conditions on the ground may need to be nurtured to speed up the process of putting the international development goods to use.

This appears to have been recognized in the case of OCP. Ensuring the continuation of oncho-control activities after 2002, when the international partnership will cease to function, has long been a primary goal of the program. The primary treatment system for OCP (as well as for APOC, the African Program for Onchocerciasis Control) is currently community-directed treatment with Ivermectin. This is a process of active community participation in drug delivery and reporting. The approach recognizes decisionmaking and problemsolving by communities and health services as crucial toward the installation of sustainable Ivermectin treatment. It is anticipated that this will help ensure the continuation of treatment and monitoring after 2002.

Both OCP and APOC are also fundamentally concerned with capacity building in the regions in which they work. The staff of both programs is essentially local, and the training provided to these professionals ensures that the participating countries will be well equipped to take over onchocerciasis control when the OCP ends. In the OCP countries alone, more than 500 epidemiologists, entomologists, and other specialists have been trained, with 60 percent of these people now working for the national ministries of health. More than 30,000 community drug distributors have also been trained in the distribution of Ivermectin as well as in the necessary recordkeeping. As a result of this preparation, countries will order Ivermectin directly by the year 2000 and take over all residual spraying, distribution of Ivermectin, and epidemiological surveillance by 2002. Additional surveillance will be provided by the regional multidisease surveillance center currently being established for West Africa. It is hoped that these measures will ensure that the progress OCP has made in its target countries since 1975 will be safeguarded well into the future.⁶

Chapter 4

The Promise and Challenge of International Public Goods Partnerships

International public goods partnerships behold both promises and challenges. The potential benefits to developing countries include solutions to transnational externalities affecting development prospects, more rapid progress in domestic sectoral reform and national public goods as suggested above, and more advantageous integration into the global economy. But the challenges of implementation remain formidable. The development community needs to focus on new ways of cooperating to overcome practical and institutional hurdles in the area of international public goods.

Two kinds of hurdles are briefly addressed in concluding this paper—the motivation and ability of different sovereign members of the international community to contribute to the supply of international public goods and the “architectural” issue of interinstitutional collaboration and multilateral leadership for the same purpose.

The motivation to contribute depends on the geographic reach of the transnational externalities to be controlled (public bads) or engendered (public goods). Unaffected countries are unlikely to be concerned, but interdependence means, first, that many transnational public policy themes have far-reaching (if not global) repercussions and, second, that one often finds global constituencies interested in the outcome of local and regional issues half a world away. Remaining disengaged is therefore frequently not an option.

But motivation is conditioned by the ability to act. Not all participants are equally capable of contributing to specified international public goods. Kanbur, Sandler, and Morrison (1999) have suggested different aggregation technologies to illustrate this and to characterize the manner in which individual contributions to a particular public good help determine the total quantity of the good available for consumption. Their analysis speaks to the role of developing countries and donor countries in public goods partnerships.

Thus, according to their analysis, the overall supply of “best shot” international public goods is determined by the largest individual contribution toward the creation of the good. Efficiency considerations suggest that products of this kind be developed where the chance of success is greatest. In the case of highly knowledge-intensive ventures such as vaccine development, this means research institutions in donor countries. Once generated, the resources in question should be made available to developing countries.

The overall supply of “weakest link” international public goods is determined by the smallest individual contribution. Infectious disease control comes to mind. Within a given spillover community, the spread of disease is a function of the smallest effort undertaken by a member of that community.

“Best shot” goods thus tend to require investment in donor countries or wherever they are most efficiently produced. The work design should ensure that the products to be

created respond to the needs of developing countries. As argued above, national capacity building efforts may be needed to enable these countries to take advantage of the international public goods. “Weakest link” goods require capacity building in developing countries to create the goods—not the same as the capacity building needed to get the most out of “best shot” goods created elsewhere. Developing countries may be able to bring considerable bargaining power to bear on negotiations with donors eager to see progress in the realization of “weakest link” goods, such as biodiversity preservation or controlling the spread of infectious or vector-borne disease.

In short, not all international public goods are alike when viewed from the point of view of generation technology and the roles and demands placed on different types of actors, in this case recipient and donor countries. This is an area for further reflection in the context of efforts to prioritize investments in international public goods.

On the role of multilateral institutions and interagency collaboration, it should be recalled that many agencies, in particular the multilateral development banks, operate on a one-on-one country basis. The banks’ lending programs will continue to operate on that basis. At the same time, if there is merit to the arguments advanced in this paper, multilateral agencies need to reinvent themselves with a view to responding to today’s, and tomorrow’s, transnational public policy challenges. Their role as providers of knowledge, information, standards, and expertise and their role as honest brokers (Martin 1999) will be critical in fostering an international public goods approach to cooperation.

Institutional economics shows the need for a mixture of leadership and participation in creating public goods (Picciotto 1995, 1998). In the case of international public goods, leadership responsibility falls disproportionately on the shoulders of multilateral institutions—they are credible in ways that national governments and special interest groups such as NGOs and global corporations are not. The important role that reverts to multilateral institutions in the area of international public goods leads one to postulate an “architectural” problem: the existing multiplicity of international agencies does not necessarily appear to be coherently employed in the face of this challenge. While discussion of that issue is beyond the scope of this paper, the international public goods agenda may yield food for thought on interinstitutional collaboration and the comparative advantage of, for example, the United Nation agencies (many of which have clear global or regional mandates) and the international financial institutions. Unresolved aspects of this discussion include the organizational implications of the evolving (knowledge-intensive and collective action promoting) role of multilateral institutions, the future shape of the bilateral-multilateral binomial in its many expressions, and new kinds of nondependency-inducing partnerships with developing countries in the creation of key international public goods. The subsidiarity issue in multilateral cooperation (i.e., devolution of responsibility according to the comparative advantage of different actors) is another worthy topic for this debate. If the time is right for the international community to consider devoting greater attention to transnational problemsolving, then, clearly, a case can be made for exploring the implications for multilateralism.

Endnotes

Chapter 1

1. Foreign aid is defined as official development finance from bilateral and multilateral sources. It includes grants and concessional and nonconcessional loans.

Chapter 3

1. A.O. Hirschman made this point (more eruditely) more than 40 years ago. See, in particular, the section on Inducement Mechanisms in Hirschman 1958.

2. For the case of Mali this is well described in OECD 1998.

3. Killick and others and Collier draw largely on experience from Sub-Saharan Africa. For a perspective regarding the difficulties of conditionality-based bail-outs in Russia, see Gaddy and Ickes 1998.

4. This study cautioned, however, that “in reporting research accomplishments, the basic problems are aggregation and attribution” (p. 51).

5. On pp. 31–32, this study lists a number of concrete impacts on country programs and policies that can be traced to GEF projects.

6. I am grateful to Bruce Benton and Chris Dragisic of the Onchocerciasis Control Unit at the World Bank for these data on OCP.

References

Anderson, J. R., and D. G. Dalrymple. 1999. *The World Bank, the Grant Program, and the CGIAR: A Retrospective Review*. World Bank-OED Working Paper Series, No. 1. Washington, D.C.: OED.

Byerlee, D., and G. E. Alex. 1998. *Strengthening National Agricultural Research Systems: Policy Issues and Good Practice*. Environmentally and Socially Sustainable Development Series, Rural Development. Washington, D.C.: World Bank.

Chen, L. C., T. G. Evans, and R. A. Cash. 1999. "Health as a Global Public Good." In I. Kaul, I. Grunberg, and M. A. Stern, eds., *Global Public Goods: International Cooperation in the 21st Century*. New York: Oxford University Press for the UNDP.

Collier, P. 1997. "The Failure of Conditionality." In C. Gwin and J. Nelson, eds., *Perspectives on Aid and Development*. Overseas Development Council, ODC Policy Essay No. 22. Washington, D.C.

Collier, P., and D. Dollar. 1998. "Aid Allocation and Poverty Reduction." Development Research Group, World Bank, Washington, D.C. Photocopy.

Gaddy, C., and B. Ickes. 1998. "Russia's Virtual Economy." *Foreign Affairs* 77:53-67.

Global Environment Facility. 1998. *Study of GEF's Overall Performance*. G. Porter, R. Clemencon, W. Ofosu-Amaah, and M. Philips, eds. Washington, D.C.: GEF Secretariat.

Gwin, C. 1999. "The New Development Cooperation Paradigm." *ODC Viewpoint*, Overseas Development Council, Washington D.C.

Hirschman, A.O. 1958. *The Strategy of Economic Development*. New Haven, CT: Yale University Press.

Jayaraman, R., and R. Kanbur. 1999. "International Public Goods and the Case for Foreign Aid." In I. Kaul, I. Grunberg, and M. A. Stern, eds., *Global Public Goods: International Cooperation in the 21st Century*. New York: Oxford University Press for the UNDP.

Kanbur, R., T. Sandler, and K. M. Morrison. 1999. *The Future of Development Assistance: Common Pools and International Public Goods*. Overseas Development Council, Policy Essay No. 25. Washington D.C.

Kaul, I., I. Grunberg, and M. A. Stern eds., 1999. *Global Public Goods: International Cooperation in the 21st Century*. New York: Oxford University Press for the UNDP.

Killick, T., R. Gunatilaka, and A. Marr. 1998. *Aid and the Political Economy of Policy Change*. London, New York: Routledge.

Martin, L. I. 1999. "The Political Economy of International Cooperation." In I. Kaul, I. Grunberg, and M. A. Stern, eds., *Global Public Goods: International Cooperation in the 21st Century*. New York: Oxford University Press for the UNDP.

ODI (Overseas Development Institute). 1998. "Promises to the Poor: The Record of European Development Agencies." *ODI Poverty Briefing* No. 1.

OECD (Organization for Economic Cooperation and Development). 1998. *Review of the International Aid System in Mali: A Synthesis*. Paris.

OED. 1998. *The Special Program of Assistance for Africa (SPA): An Independent Evaluation*. Washington, D.C.

Picciotto, R. 1995. *Putting Institutional Economics to Work*. World Bank Discussion Paper No. 304. Washington, D.C.

———. 1998. "The Logic of Partnership." OED, World Bank, Washington, D.C. Photocopy.

Purcell, D. L., and J. R. Anderson. 1997. *Agricultural Extension and Research: Achievements and Problems in National Systems*. Washington, D.C.: OED.

Reinicke, W. H. 1998. *Global Public Policy: Governing without Government?* Washington, D.C.: Brookings Institution Press.

Sandler, T. 1998. "Global and Regional Public Goods: A Prognosis for Collective Action." *Fiscal Studies* 19:3.

Sjoberg, Helen. 1994. *From Idea to Reality: the Creation of the Global Environment Facility*. GEF Working Paper 10. Washington, D.C.: GEF.

Slaughter, A.-M. 1997. "The Real New World Order." *Foreign Affairs* 76:183-97.

Stiglitz, J. E. 1998. "Towards a New Paradigm for Development: Strategies, Policies, Processes." The 1998 Prebisch lecture, UNCTAD, Geneva, October 19.

UNDP, UNEP, and the World Bank. 1994. *Global Environment Facility: Independent Evaluation of the Pilot Phase*. Washington, D.C.: World Bank.

World Bank. *Assessing Aid: What Works, What Doesn't and Why*. 1998. World Bank Policy Research Report. New York: Oxford University Press for the World Bank.