THE DEVELOPMENT GATEWAY FOUNDATION

THE WORLD BANK GROUP

WORKING FOR A WORLD FREE OF POVERTY

The World Bank Group consists of five institutions—the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), the International Development Association (IDA), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for the Settlement of Investment Disputes (ICSID). Its mission is to fight poverty for lasting results and to help people help themselves and their environment by providing resources, sharing knowledge, building capacity, and forging partnerships in the public and private sectors.

THE INDEPENDENT EVALUATION GROUP

Improving Development Results Through Excellence in Evaluation

The Independent Evaluation Group (IEG) is an independent, three-part unit within the World Bank Group. IEG-World Bank is charged with evaluating the activities of the IBRD (The World Bank) and IDA, IEG-IFC focuses on assessment of IFC's work toward private sector development, and IEG-MIGA evaluates the contributions of MIGA guarantee projects and services. IEG reports directly to the Bank's Board of Directors through the Director-General, Evaluation.

The goals of evaluation are to learn from experience, to provide an objective basis for assessing the results of the Bank Group's work, and to provide accountability in the achievement of its objectives. It also improves Bank Group work by identifying and disseminating the lessons learned from experience and by framing recommendations drawn from evaluation findings.

IEG WORLD BANK
INDEPENDENT EVALUATION GROUP

The Development Gateway Foundation

June 26, 2007
Sector, Thematic and Global Evaluations

http://www.globalevaluations.org

Cover photo: Computer training in Marrelian Palestinian refugee camp, Beirut, Lebanon. Photo by Alan Gignoux, 2002, courtesy of the World Bank Photo Library.

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> **IEG Mission: Improving Development Results
> Through Excellence in Evaluation**

The Independent Evaluation Group (IEG) of the World Bank reviews global and regional partnership programs (GRPPs) in which the Bank is engaged as one partner among many for two main purposes: (a) to provide accountability in the achievement of the program's objectives by providing an independent opinion of the program's effectiveness, and (b) to identify and disseminate lessons learned from the experience of individual GRPPs. The preparation of a global or regional program review (GPR) is contingent on a recently completed evaluation of the program, typically commissioned by the governing body of the program.

The first purpose includes validating the findings of the GRPP evaluation with respect to the effectiveness of the program, and assessing the Bank's performance as a partner in the program. The second purpose includes assessing the independence and quality of the GRPP evaluation itself and drawing implications for the Bank's continued involvement in the program. Assessing the quality of GRPP evaluations is an important aspect of GPRs, since encouraging more consistent evaluation methodology and practice across Bank-supported GRPPs is one of the reasons why IEG embarked on this new product in 2005.

IEG annually reviews a number of GRPPs in which the Bank is a partner. In selecting programs for review, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming sector studies; those for which the Executive Directors or Bank management have requested reviews; and those that are likely to generate important lessons. IEG also aims for a representative distribution of GPRs across sectors in each fiscal year.

A GPR is a "review" and not a full-fledged "evaluation." It assesses the independence and quality of the relevant evaluation; provides a second opinion on the effectiveness of the program; assesses the performance of the Bank as a partner in the program; and draws lessons for the Bank's engagement in global and regional programs. The GPR does not formally rate the various attributes of the program.

A GPR involves a desk review of key documents, consultations with key stakeholders, and a mission to the program management unit (secretariat) of the program if this is located outside of the World Bank or Washington, DC. Key stakeholders include the Bank's representative on the governing body of the program, the Bank's task team leader (if separate from the Bank's representative), the program chair, the head of the secretariat, other program partners (at the governance and implementing levels), and other Bank operational staff involved with the program. The writer of a GPR may also consult with the person(s) who conducted the evaluation of the GRPP.

Each GPR is subject to internal IEG peer review, Panel review, and management approval. Once cleared internally, the GPR is reviewed by the responsible Bank department and the secretariat of the program. Comments received are taken into account in finalizing the document, and the formal management response from the program is attached as an annex to the final report. After the document has been distributed to the Bank's Board of Executive Directors, it is disclosed to the public on IEG's external Web site.

Abbreviations and Acronyms

AiDA	Accessible Information on Development Activities (Gateway)
AMP	Aid Management Platform
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DGF	Development Grant Facility (World Bank)
GDLN	Global Development Learning Network
GDN	Global Development Network
GPR	Global Program Review (IEG)
GRPP	Global and Regional Partnership Program
ICT	Information and communications technology
ICT4D	Information and communications technology for development
IEG	Independent Evaluation Group, formerly OED (World Bank)
infoDev	Information for Development Program
INT	Institutional Integrity Unit
ISG	Information Solutions Group (World Bank)
M&E	Monitoring and evaluation
OED	Operations Evaluation Department, now IEG (World Bank)
OPCS	Operations Policy and Country Services (World Bank)
UNDB	United Nations Development Business
WBI	World Bank Institute

Fiscal Year of Program

July 1 to June 30

Director-General, Independent Evaluation	Mr. Vinod Thomas
Director, Independent Evaluation Group (World Bank)	Mr. Ajay Chhibber
Manager, Sector, Thematic and Global Evaluations Unit	Mr. Alain Barbu
Global Programs Coordinator, Sector, Thematic and Global Evaluations Unit	Mr. Chris Gerrard
Consultant	Ms. Kris Hallberg

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Program at a Glance: Development Gateway Foundation

Start date	The Development Gateway was launched as a program of the Bank in1999; the Global Development Gateway Foundation, Inc. was incorporated in July 2000; the name was changed in May 2001 to the Development Gateway Foundation, Inc.
Original objectives (2001)	• To promote sustainable development and poverty reduction through knowledge and resource sharing. • To establish partnerships with private, public and civil society organizations to build a common space for dialogue and exchange of experiences, knowledge, ideas, tools, and other information resources. • To foster the availability of development information at the local level.
Current mission statement (FY07-09 Strategy)	The Development Gateway Foundation provides Web-based tools to make aid and development efforts more effective. The Foundation provides governments and development professionals with Internet solutions in two areas of high impact: • Improving aid effectiveness and • Strengthening governance by increasing transparency.
Current activities	The Gateway has supported five core programs: • Online public tender services (dgMarket) • Global knowledge-sharing and collaboration (dgCommunities) • Country Gateways • e-government grants • Aid effectiveness tools. In addition, the Gateway cooperates with several research and training centers, has supported annual Forums to share experiences, and conducts an annual awards program.
WBG contributions	In-kind contributions (mainly staff time) of $7.0 million during 2000–2001 for the establishment of the Gateway ($3.9 million) and the development of the Portal ($3.1 million). Development Grant Facility, $9.0 million, 2002–2007.
Other donor contributions	$46.1 million (cash and in-kind), 2001–2006.
Location	As of 2001, the Development Gateway Foundation is an independent legal entity — a 501(c)(3) nonprofit corporation registered and located in Washington, D.C.
Original governance and management (1999-2001)	When it was started inside the Bank, the Development Gateway was managed by the Bank's Information Solutions Group (ISG). The organizational meeting of the Board of Directors of the Development Gateway Foundation was held in May 2001, at which time the Board consisted of 3 directors all of whom were present or former employees of the World Bank. In December 2001, the Board was expanded to 9 directors by adding representatives the governments of Australia, Germany, India, Japan, Korea and Mali.

Current governance and management (2007)	No Bank employees currently serve on the Board, although two are former Bank Vice Presidents. The Chair of the Board is Michael J. Hofmann, a Director General in Germany's Federal Ministry of Economic Cooperation and Development (BMZ). The Board has three types of members: donors and potential donors (including in-kind donors), partners/beneficiaries, and individuals with particular expertise. Each type has about one third of the seats on the Board. The Board's Executive Committee has eight members including the Chair of the Board and the Foundation's CEO (non-voting member).
Latest program-level evaluation	April 2005, by independent consultants Peter Muth and Fred Gerlach.

Key Bank Staff and Program Management Responsible during Period under Review

Position	Person	Period
Program Manager	Carlos Braga, Program Manager, Information Solutions Group, World Bank	1999–2001
	John McArthur, interim CEO of Development Gateway Foundation	2001–2002
	Alan Rossi, CEO of Development Gateway Foundation	2002–2005
	Mark Fleeton, CEO of Development Gateway Foundation	January 2006 – present
Global Program Team Leader	Robert Floyd, Assistant to the President	2004 – July 2005
	Janet Entwistle, Sr. Partnership Specialist, OPCS	September 2005 – present
Information Solutions Group	Mohammed Muhsin, Vice President and Chief Information Officer	1999 – 2004
Trust Fund Operations	Arif Zulfiqar, Director	June 1999 – present
Global Programs & Partnerships	Margret Thalwitz, Director	May 2004 – present

Glossary

Devolution or exit strategy	A proactive strategy to change the design of a program, to devolve some of its implementation responsibilities, to reduce dependency on external funding, or to phase out the program on the grounds that it ha achieved its objectives or that its current design in no longer the best way to sustain the results which the program has achieved.
Donor	Any organization or entity that makes a financial or in-kind contribution to a program that is reflected in the audited financial statements of the program. Therefore, this includes not only "official donors" but also developing countries that contribute annual membership dues, seconded staff, or office space, provided that these are formally recognized in the financial statements of the program.
Efficacy	The extent to which the program has achieved, or is expected to achieve, its objectives, taking into account their relative importance. The term is also used as a broader, aggregate measure — encompassing relevance and efficiency as well — of the overall outcome of a development intervention such as a GRPP.
Efficiency	The extent to which the program has converted or is expected to convert its resources/inputs (such as funds, expertise, time, etc.) economically into results in order to achieve the maximum possible outputs, outcomes, and impacts with the minimum possible inputs.
Evaluation	The systematic and objective assessment of an ongoing to completed policy, program, or project, its design, implementation, and results. The aim is to determine the relevance and achievement of its objectives, and its developmental effectiveness, efficiency, impact, and sustainability.
Governance	The structures, functions, processes, and organizational traditions that have been put in place within the context of a program's authorizing environment to ensure that the program is run in such a way that it achieves its objectives in an effective and transparent manner. It is the framework of accountability and responsibility to users, stakeholders and the wider community, within which organizations take decisions, and lead and control their functions, to achieve their objectives.
Impacts	Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
Independent evaluation	An evaluation that is carried out by entities and persons free from the control of those involved in policy making, management, or implementation of program activities. This entails organizational and behavioral independence, protection from interference, and avoidance of conflicts of interest.
Indicator	A quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.
Legitimacy	As a criterion for assessing governance and management, the way in which governmental and managerial authority is exercised in relation to those with a legitimate interest in the program — including shareholders, other stakeholders, implementers, beneficiaries, and the community at large.

Logical framework or logframe	A management technique that is used to develop the overall design of a program or project, to improve implementation monitoring, and to strengthen evaluation, by presenting the essential elements of the program or project clearly and succinctly throughout its cycle. It is a "cause and effect" model which aims to establish clear objectives and strategies based on a results chain, to build commitment and ownership among the stakeholders during the preparation of the program or project, and to relate the program's or project's interventions to their intended outcomes and impacts for beneficiaries.
Management	The day-to-day operation of the program within the context of the strategies, policies, processes, and procedures that have been established by the governing body.
Monitoring	The continuous assessment of progress achieved during program implementation in order to track compliance with a plan, to identify reasons for noncompliance, and to take necessary actions to improve performance. Monitoring is usually the responsibility of program management and operational staff.
Outcomes	The achieved or likely short-term and medium-term effects of the outputs of a development intervention.
Oversight	One of the core functions of the governing body of a program: Monitoring the performance of the program management unit, appointing key personnel, approving annual budgets and business plans, and overseeing major capital expenditures.
Partners	Stakeholders who are involved in the governance or financing of the program (including the members of the governing, executive, and advisory bodies).
Public goods	Goods which produce benefits that are non-rival (many people can consume, use, or enjoy the good at the same time) and non-excludable (it is difficult to prevent people who do not pay for the good from consuming it). If the benefits of a particular public good accrue across all or many countries, then the good is deemed a global or international public good.
Relevance	The extent to which the objectives and design of the program are consistent with (a) the current global/regional challenges and concerns in a particular development sector and (b) the needs and priorities of beneficiary countries and groups.
Shareholders	The subset of donors that are involved in the governance of the program. Therefore, this does not include individual (particularly anonymous) donors who choose not to be so involved, or who are not entitled to be involved if their contribution does not meet the minimum requirement, say, for membership on the governing body.
Stakeholders	The parties who are interested in or affected, either positively or negatively, by the program. Stakeholders are often referred to as "principal" and "other", or "direct" and "indirect". While other or indirect stakeholders — such as taxpayers in both donor and beneficiary countries, visitors to a beneficiary country, and other indirect beneficiaries — may have interests as well, these are not ordinarily considered in evaluations unless a principal stakeholder acts as their proxy.
Sustainability	When the term is applied to the **activities of a program**, the extent to which the benefits arising from these activities are likely to continue after the activities have been completed. When the term is applied to **organizations or programs** themselves, the extent to which the organization or program is likely to continue its operational activities over time.

Transparency	As a criterion for assessing governance and management, the extent to which a program's decision-making, reporting, and evaluation processes are open and freely available to the general public. This is a metaphorical extension of the meaning used in physical sciences — a "transparent" objective being one that can be seen through.
Value for money	The extent to which a program has obtained the maximum benefit from the outputs and outcomes it has produced with the resources available to it.
Source: Sourcebook for Evaluating Global and Regional Partnership Programs: Indicative Principles and Standards. Independent Evaluation Group – World Bank, 2007.	

Preface

The Development Gateway ("the Gateway") was created in 1999 as a vision of World Bank President James D. Wolfensohn to promote sustainable growth and poverty reduction through the use of information and communications technology. The Gateway was one of several global programs that were started in the Bank with the intention of being spun off — in a manner similar to a venture capital investment — with continuing support from donors and some degree of self-financing from fee-generated revenues.

The transition from a Bank-owned program to an independent program was plagued with problems, some of which have been shared with the other global program spin-offs. The difficult situation faced by the initial CEO of the independent Development Gateway Foundation in 2002 was compounded by management shortcomings. In effect, the Gateway lost several years of growth during the transition.

In late 2004, the Development Gateway Foundation's Board of Directors commissioned an external evaluation of the program. This evaluation was required as a condition of continued Development Grant Facility funding and was prepared by two independent consultants, Peter Muth and Fred Gerlach. The final report was completed in April 2005 and discussed with the Board and management of the Gateway. The conclusions of the evaluation have largely been taken on board by the Foundation's new CEO upon assuming his duties in January 2006.

This Global Program Review (GPR) assesses the quality and independence of the 2005 evaluation of the Gateway; provides a second opinion on the effectiveness of the program; assesses the performance of the Bank as a partner in the program; and draws lessons for the future operation of the program. It covers the period from the beginning of the Gateway to the present, including key developments during the last two years since the Muth/Gerlach evaluation was completed in April 2005. The Development Gateway was chosen for a GPR because it provides lessons for the design of other global programs — in particular, for those that were founded by the Bank with the intention of being spun off from the Bank.

The Review follows IEG's Guidelines for Global Program Reviews (Annex A). It is based on a desk review of relevant documents (including, in addition to the 2005 evaluation, program strategies, annual reports, Web sites, and user surveys), discussions with Gateway management and staff in Washington, D.C., in November–December 2006; and telephone interviews with members of the Board of Directors as well as other stakeholders and people knowledgeable about the Gateway and information technology for development.

IEG gratefully acknowledges all those who made time for interviews, in particular Gateway Board members, management, and staff. A list of people consulted can be found in Annex F.

Copies of the draft GPR were sent to the Development Gateway Foundation, to the current and former Bank units that have been responsible for the Bank's involvement with the Gateway (Operations Policy and Country Services, and the Information Solutions Group, respectively), and to other Bank units that have some responsibility for the Bank's engagement with global programs more generally (the GPP Group, Trust Funds Operations,

and the Quality Assurance Group). Their comments have been taken into account in finalizing this GPR. The formal response received from the Gateway management can be found in Annex H.

Summary

Objectives, Activities, and Funding

1.   The Development Gateway began in 1999 as part of the World Bank's external knowledge-sharing strategy. Its objectives, as detailed in a document presented to the Bank's Board of Directors in 2001, were:

- To promote sustainable development and poverty reduction through knowledge and resource sharing.
- To establish partnerships with private, public, and civil society organizations to build a common space for dialogue and exchange of experiences, knowledge, ideas, tools, and other information resources.
- To foster the availability of development information at the local level.

2.   The Gateway's original objectives were broad and somewhat vague. As the Gateway proceeded through its first several years, learning by doing and attempting to find a niche, the objectives became more focused. The objectives contained in the Gateway's current mission statement emphasize improving aid effectiveness, and strengthening public sector governance by increasing transparency.

The Development Gateway Foundation provides Web-based tools to make aid and development efforts more effective. The Foundation provides governments and development professionals with Internet solutions in two areas of high impact: Improving aid effectiveness and strengthening governance by increasing transparency.

3.   The Gateway has supported five core programs:

- **dgMarket,** an online service that posts tenders for government contracts including those funded by the World Bank and other aid agencies plus some larger national tenders. The program is intended to increase competition and transparency in public procurement, thereby enabling savings in government spending in developing countries, and helping small companies participate in tenders.

- **Knowledge sharing and collaboration** through 29 online "dgCommunities" on the Gateway's Portal that provide information on various development topics as well as the opportunity to collaborate and share information online.

- **Country Gateways** — locally owned and managed social enterprises that offer an array of Web-related services, particularly for small business support, e-government, and e-learning.

- **E-government grants** to help developing country governments implement national e-government strategies.

- **Aid effectiveness tools,** including Accessible Information on Development Activities (AiDA), a directory of official aid activities worldwide from over 200 donors; the Aid Management Platform (AMP), a royalty-free software that combines financial management with project management and monitoring and evaluation; and a Virtual Statistical System to provide easier access to common statistical languages and processes produced by multilateral organizations.

In addition to these core programs, the Gateway cooperates with several research and training centers, and has supported annual Forums to share experiences, as well as an annual awards program.

4.   Initial funding of $7 million during 2000–2001 (mainly for staff time) to establish the Gateway and develop the Portal came from the Bank's administrative budget (including $2.17 million from the President's Contingency Fund). The Bank has also contributed $9 million from the Development Grant Facility to support the Gateway between 2002 and 2007. Initial expectations of donor funding for the Development Gateway Foundation — from $30 to $50 million per year — turned out to be overly optimistic. Cash and in-kind contributions from non-Bank donors totaled about $46.1 million from 2001 through 2006.

Transition to Independence

5.   Like some other global programs started around the same time, the Gateway was intended to be "spun off" from the Bank and to become self-sustaining. Sustainability could either be on an operational basis with continuing support from other donors (to the extent that the Gateway provided public goods), or on a commercial basis with fee-generated resources (to the extent that the Gateway provided private goods). In the beginning, the Gateway was managed inside the Bank by the Information Solutions Group (ISG). In 2000, the non-profit Global Development Gateway Foundation was established, and in 2001, its name was changed to the Development Gateway Foundation, Inc.

6.   The transition to independence was plagued with problems. ISG continued to exert control over the Gateway: high ranking Bank officials continued to serve on the Board and Executive Committee; and many Gateway staff faced the loss of their working visas if and when they moved from Bank employment to the Foundation. ISG continued to provide program support between FY02 and FY04 under a series of service agreements with the Foundation. These payments — from funds contributed largely by donors — allowed ISG to employ a large number of staff without having to go through the Bank's annual budget process. The difficult situation faced by the incoming CEO in 2002 was compounded by management shortcomings. In effect, the Gateway lost several years of growth during the transition.

The External Evaluation of the Gateway

7.   An independent evaluation of the Gateway was required as a condition of continued Development Grant Facility (DGF) funding, and was completed in April 2005. This Review concludes that the evaluation was free from conflicts of interest, and was both organizationally and behaviorally independent. Most of those interviewed for this Review

felt that the evaluation was of high quality; however, some suggested that the evaluation was not critical enough of the Gateway's lack of strategic focus, and that it could have done more to question the relevance of the program's objectives.

8.   Despite generally positive findings, the evaluation contained a number of very specific recommendations. During the year and a half since the evaluation was completed (and in particular since the new CEO came on board), Gateway management has followed up most of these recommendations. Significant changes include (a) a change in the composition of the Board of Directors, reflecting the adoption of a "stakeholder" model; (b) development of a monitoring and evaluation framework and the appointment of a staff member responsible for monitoring and evaluation (M&E); (c) the adoption of a clearer fund-raising strategy and the hiring of a Director of Development; (d) the appointment of a new CEO with a development background; and (e) the implementation of a dgCommunities member survey.

The Effectiveness of the Program

9.   In the past, and even to a large extent in the new M&E framework, most of the Gateway's performance indicators have been measures of outputs (e.g., number of visits to dgCommunity Web sites) rather than outcomes (e.g., increased knowledge or capacity). As a result, it is difficult to evaluate the efficacy of the program.

10.   According to information provided by the Gateway, dgMarket is the leading independent aggregator of government tender opportunities worldwide, amounting to $540 billion worth of procurement each year. The Gateway estimates that dgMarket helps developing countries save about $300 million per year through increased transparency and efficiency in contracting. In addition, Gateway estimates for World Bank tenders suggest that the benefit of awarding contracts to the most economical bidders is between $50 million and $150 million per year. However, the Bank's requirement that its borrowers publish procurement opportunities in two places — dgMarket and UN Development Business — creates an additional cost for borrowers and an unfair advantage for dgMarket against competing private suppliers.

11.   Evidence from interviews conducted for this evaluation suggests that the quality of both the Country Gateways and the dgCommunities is mixed. For now, Gateway management intends to maintain both of these activities, but is reconsidering whether to continue supporting some of the smaller programs (e-government grants and the Development Gateway Award). The impact of the Gateway's aid effectiveness tools — AMP and AiDA — has not been evaluated except for a small survey of users in Ethiopia and an AiDA user survey.

Efficiency

12.   It is clear that the time lost during the Gateway's difficult transition period had a negative impact on the efficiency of the program. The achievement of objectives was delayed while the program incurred expenses. In the beginning, the Gateway spent time and money finding a niche and refining its services, which could have been avoided if the Gateway had started with a more focused strategy.

Sustainability

13.   The Gateway's FY07–09 business plan sets a funding goal of $30.0 million over the three-year period against projected operating costs of $29.3 million, and reports that funding sources amounting to $17.3 million have been identified. To fill the gap, the Gateway's funding strategy will focus on increasing service revenues and seeking donor funding for services and countries that closely align with donor priorities. If the Bank stops providing funds, the Gateway may find it more difficult to mobilize funding from other donors on a continuing basis.

Governance

14.   Initially, when the Gateway was part of the World Bank and no partners were involved, its legitimacy rested entirely on the reputation of the Bank. The Gateway's continuing legitimacy depends on the Gateway's ability to mobilize support from other partners, and its ability to produce and demonstrate positive results.

15.   As the Gateway moved through the transition to full independence from the Bank, the share of World Bank membership on the Board gradually decreased. Currently, no Bank employees serve on the Board of Directors, although two Board members are former Bank Vice Presidents. It is likely that the Bank will be represented in the future by the new Vice President of OPCS, the unit in charge of the Bank's aid effectiveness agenda.

16.   In line with the recommendations of the 2005 independent evaluation, the governance of the Gateway has moved toward more of a stakeholder model. Some Board members interviewed for this Review felt that the governance model should be changed to have a smaller Board of Directors guided by an advisory panel. At a minimum, they felt, Board members needed to be better engaged in the strategic direction and oversight of the Gateway rather than merely representing their organizations. Others interviewed felt that such a governance change was unnecessary, since the Executive Committee was now sufficiently engaged to perform these functions.

17.   The governance problems that plagued the Gateway during the transition — the dominance of the Board by Bank employees and the conflicts of interest associated with the ISG services contract — have disappeared. Currently, the risks facing the Gateway have less to do with conflicts of interest than with the risks of unfair advantage in marketing commercially competitive services using its historically close relationship with the Bank.

Bank's Performance as a Partner

18.   When the Gateway was created, the Bank's presence was instrumental in helping the Gateway launch its products and secure funding from multilateral and bilateral donors. However, the Gateway's relationship with the Bank became more of a liability over time as most of the transition and growth problems experienced by the Gateway during its first five to six years were due to strategic and organizational shortcomings that were the responsibility of the Bank.

19.   Strategically, the Gateway concept lacked clarity as to the public/private good nature of its activities, and therefore whether long-term donor support from the Bank and others was justified. The Bank failed to articulate a strategy for the Gateway that was conceptually consistent with the Bank's plan to spin off the organization into an independent entity. Organizationally, the Gateway's spin-off into an independent entity was hampered by continuing operational control by the Bank, achieved by the presence of influential Bank managers on the Foundation's Board of Directors. The Bank tolerated the conflicts of interest between the Gateway and ISG, as well as the bureaucratic competition among similar Information Technology for Development (ICT4D) programs in the Bank.

Lessons

20.   The lessons learned from the Development Gateway are not unique. Most are shared with other "spin-offs", many of them in the area of knowledge-sharing, that were started around the same time.

- From the beginning, the strategy for a global program needs to establish the degree to which the program provides public goods (global or national) as opposed to private goods, and its funding and exit strategies need to be consistent with this concept. It is unlikely that a program's public goods and services will become sustainable on a commercial basis without continuing donor support.

- It is difficult to expect an entrepreneurial program, especially one in a new subject area, to be embraced and nurtured in a mature bureaucracy like the Bank. Some global programs run into problems with the processes and procedures of the Bank bureaucracy. For the Gateway the problems had more to do with control and competition with existing programs. This problem is part of the larger issue of the management and funding of innovation in the Bank.

- A global program that has been designed to be spun off from the Bank may lose time during the transition process, limiting the achievement of its objectives and reducing its efficiency. The idea of starting a global program at the Bank and then spinning it off should be considered more carefully. In most cases, it may be better to decide at the outset where a global program is best located and plan to keep it there for the indefinite future.

- ICT4D initiatives need to be careful to maintain their focus on development objectives, not just the "means" of ICT. The development dimension should permeate the organization, and management and staff should have relevant development experience.

- Monitoring and evaluation frameworks need to be established at the outset. Although it is challenging to develop performance indicators in the ICT4D area, measuring outcomes and impacts is the only way to ensure that resources are allocated to the highest-impact activities, and to continue to attract donor support. For services that compete with those of commercial providers, the test of the market can be used to ensure that resources are allocated to the highest-impact activities.

1.   Program Objectives, Activities, and Costs

Objectives

1.1   During the late 1990s and early 2000s, the "dot-com" boom attracted the world's attention, creativity, and start-up capital. The imagination of the Bank, too, was captured by the opportunities opened up by new technology. "Knowledge for development" became a hot topic, and the Bank sought to reinvent itself as a "Knowledge Bank." A myriad of new activities were started, many of which were managed within the Information Solutions Group (ISG), the Bank unit that contained the largest number of staff with technical expertise in the means, though not necessarily in the content, of information technology for development.

1.2   The Development Gateway began in 1999 as part of the World Bank's external knowledge-sharing strategy.[1] The Gateway's objectives, as detailed in a document presented to the Bank's Executive Board in 2001, were:

- To promote sustainable development and poverty reduction through knowledge and resource sharing.
- To establish partnerships with private, public, and civil society organizations to build a common space for dialogue and exchange of experiences, knowledge, ideas, tools, and other information resources.
- To foster the availability of development information at the local level.

1.3   In addition, the Gateway would support initiatives and research, implement better connectivity solutions, and promote human and institutional capacity. These activities would include:

- A forum for discussions intended to promote partnerships and synergies between civil society and the public and private sectors.
- A research and training center in the developing world.
- Seed funding for selected projects and programs at the local, national, regional, and global levels in support of the mandate of the Gateway.

1.4   The Gateway's original objectives were broad and somewhat vague. As the Gateway proceeded through its first several years, learning by doing and attempting to find a niche, the objectives became more focused. The sharpening of objectives has been particularly apparent during the past year, since the Paris Declaration on Aid Effectiveness in March 2005, and since the new CEO took charge. As stated in the 2007–09 Business Plan, the Gateway's

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1. The Bank Group's strategy is described in *Information and Communication Technologies: A World Bank Group Strategy* (2002). The strategy distinguishes the role of the Development Gateway Foundation from that of infoDev: "They will focus on different types of activities — the Foundation on the management of larger ICT projects, and infoDev (as it currently does) on small-scale pilot projects managed at arm's length from the program and/or policy-oriented interventions. But the two initiatives will work together in a complementary way to address the digital divide" (page 69).

objectives now say less about "knowledge sharing" and more about improving aid effectiveness and strengthening public sector governance by increasing transparency:

> *The Development Gateway Foundation provides Web-based tools to make aid and development efforts more effective. The Foundation provides governments and development professionals with Internet solutions in two areas of high impact: Improving aid effectiveness, and strengthening governance by increasing transparency.[2]*

Activities

1.5   The Gateway has supported five core programs: online public tender services (dgMarket), a global knowledge-sharing and collaboration network (dgCommunities), Country Gateways, an e-government grants program, and aid effectiveness tools (Figure 1). In addition, the Gateway cooperates with several research and training centers, and has supported annual Forums to share experiences as well as an annual awards program.

- **Online public tender services.** Called "dgMarket," this is an online service that posts tenders for government contracts around the world. It includes tenders funded by the World Bank and other aid agencies plus some larger national tenders. Data is integrated either via data exchange or by hosting national versions. In some cases, dgMarket accesses publicly available tender information and posts it on dgMarket. An abbreviated version of the procurement notice is provided for free; the full contract information can only be seen by subscribers who pay $50 per month. The program is intended to increase competition and transparency in public procurement, thereby enabling savings in government spending in developing countries, and helping small companies participate in tenders.

- **Knowledge sharing and collaboration.** The Gateway's online "dgCommunities" (formerly called "topics pages") provide information on various development topics as well as the opportunity to collaborate and share information online. Currently there are 29 dgCommunities (Annex E) and over 37,000 registered members. Each community is facilitated by one or more volunteer guides who coordinate topic highlights, prepare community newsletters, and monitor content submission.

- **Country Gateways.** These are locally owned and managed social enterprises that offer an array of Web-related services, particularly for small business support, e-government, and e-learning. Currently there are 46 operating Country Gateways and one regional gateway; of these, 28 have become financially independent from the Gateway Foundation.

- **E-government grants.** The Gateway provides seed funding to help developing country governments implement national e-government strategies (i.e., applications of ICT in procurement, statistics, and accounting). The program, which started as a partnership with the Government of Italy, provides grants averaging $400,000 to

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2. Development Gateway Foundation, Business Plan FY07–09 (February 2007), page 9.

Figure 1. Development Gateway Expenditures on Five Major Program Activities, 2002–2006

US$ Millions

- dg Market
- dg Communities
- Country Gateways
- E-Government
- Aid Effectivness
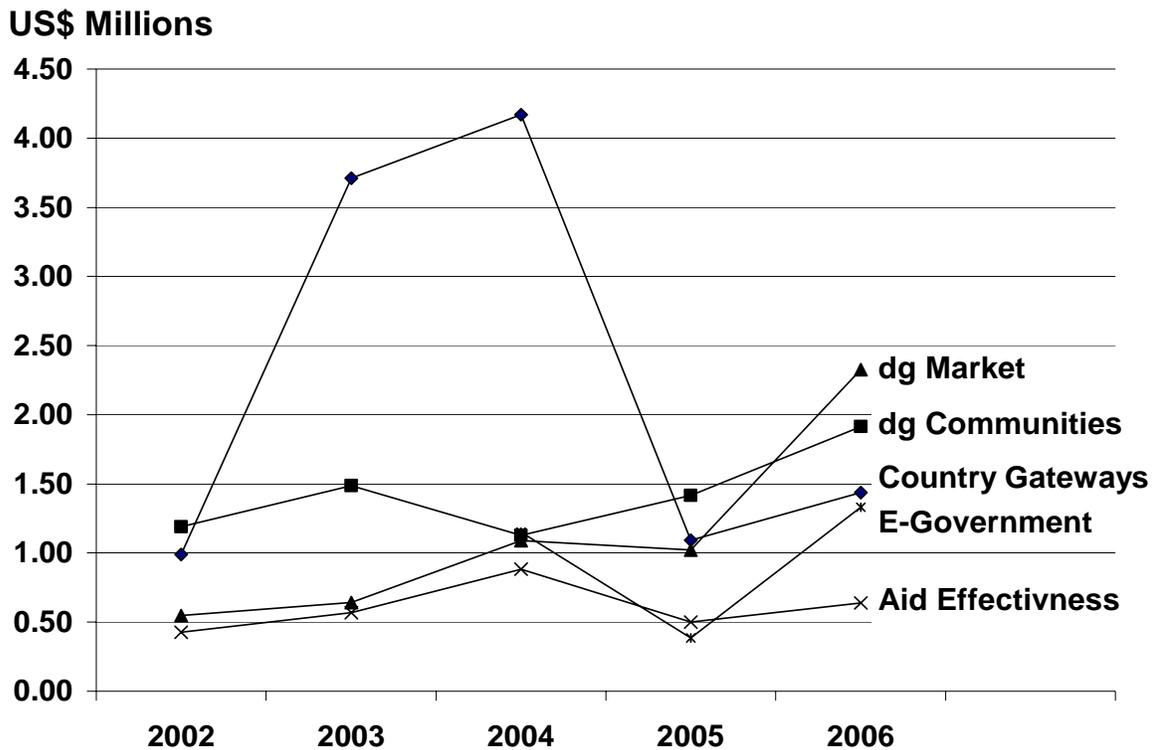
Source: Development Gateway Foundation.

$500,000. (Note that Gateway management is considering whether to continue this program.)

- **Aid effectiveness tools.** The Gateway provides Web-based tools and processes to help donors, developing country governments, and other players share information and coordinate, in order to reduce waste and overlap. The first tool developed was a standardized system called Accessible Information on Development Activities (AiDA), a directory of official aid activities worldwide from over 200 donors. The second, the Aid Management Platform (AMP), was introduced in 2005. AMP provides royalty-free software as well as technical assistance, combining financial management with project management and monitoring and evaluation. It is intended to streamline aid reporting and management processes in line with the recommendations of the Rome Declaration on Harmonization (2003) and the Paris Declaration on Aid Effectiveness (2005). Finally, the Gateway is developing a concept called a Virtual Statistical System to provide easier access to common statistical languages, standards, processes, and methods produced by multilateral organizations.

1.6   The Gateway's research and training centers were part of the Gateway's original business plan, but have not become a core program. Instead, they are implemented as joint programs (in China, India, Korea and Rwanda) with a limited Gateway role.

1.7   Other "non-core" activities have included the annual Development Gateway Forum (held in 2003, 2004, and 2005) to bring together leaders from developing countries to share experiences with ICT for development (ICT4D); and the Development Gateway Award, which has recognized outstanding use of ICT to improve lives in developing countries (including a $100,000 prize). The Forum has been discontinued due to resource constraints, and the Development Gateway Award is under review.[3]

Governance

1.8   When the Gateway became legally independent from the Bank in July 2000, it was established as an independent 501(c)(3) nonprofit organization in the District of Columbia.[4] As an independent entity, the Foundation is able to structure partnerships with public, private, and non-governmental organizations.

1.9   The Foundation is governed by a Board of Directors (see Annex C for the list of the 23 current members). The CEO of the Gateway is an *ex officio* member of the Board. The Board has three types of members, each with about a third of the seats: donors and potential donors (including in-kind donors), partners/beneficiaries, and individuals with particular expertise.[5] The current Chair of the Board is Michael J. Hofmann, director general in Germany's Federal Ministry for Economic Cooperation and Development (BMZ) since 1999. The Board meets every six months.

1.10   The Board's Executive Committee has eight members, including the Chair of the Board and the Foundation's CEO (non-voting member). The Executive Committee meets more frequently than the full Board, usually every one to two months by teleconference, and plays a more direct oversight role.

Costs and Funding

1.11   The Bank was the sole source of funding for the start-up of the Gateway. Initial funding of $7 million during 2000–2001 (mainly for staff time) came from the Bank's administrative budget, including $2.17 million from the President's Contingency Fund. The

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3. Development Gateway Foundation, Business Plan FY07–09 (February 2007), page 29.

4. Initial incorporation under the name "Global Development Gateway" was on July 17, 2000. A certificate of amendment with the new name "Development Gateway Foundation, Inc." was issued on May 17, 2001.

5. Directors are elected by majority vote of the Board at the annual meeting or special meeting of the Board. The bylaws provide that the Board shall include persons from the public and private sectors who will be selected on the basis of their competence, qualifications, integrity, commitment and willingness to support and serve the Organization. Candidates for the Board representing an organization or entity are nominated by the organization or entity. Nominations for all other director positions are made by the Nominating Committee, except that nominations made be made from the floor by a member of the Board. Nominations from the floor must be seconded.

Bank has also contributed $8 million from the Development Grant Facility (DGF) between 2002 and 2006 (Table 1 and Annex D).[6]

1.12   The Bank's direct financial contribution to the Gateway is now limited to DGF funding.[7] The Bank's Executive Board approved a DGF contribution of $1.0 million for FY07 in June 2006, and a further $1.0 million for FY08 in June 2007. (Neither of these contributions is shown in Table 1).

1.13   Initial expectations of donor funding for the Development Gateway Foundation — from $30 to $50 million per year — turned out to be overly optimistic. Cash and in-kind contributions from non-Bank donors have totaled about $46 million up to June 30, 2006. Bilateral donors have included Australia, Germany, Italy, Japan, Luxembourg, and the Netherlands. Canada has seconded staff to the Gateway. France, the United Kingdom and the United States have never contributed directly, although the U.S. contributes indirectly through tax deductibility of corporate and individual contributions in the U.S. Some country donors have provided in-kind contributions for activities in their countries (China, India, Korea, and Rwanda). Increasingly, bilateral donors have earmarked a portion of their contributions for particular activities or countries — e.g., Italy (for e-government grants), Luxembourg (for certain countries), and Australia (for Asia-Pacific countries).

1.14   The number of staff positions has fallen since the Development Gateway Foundation was created. The Foundation employed 84 staff (Foundation and World Bank assigned staff) in 2005; now there are fewer than 60, with 28 in Washington D.C. The Gateway has been able to reduce staff and other costs by off-shoring some activities such as content coordination for dgCommunities and technical programming support.

Start-up and Transition to Independence

1.15   The performance of the Gateway can be better understood with some background on how it was created in the World Bank and the process by which it became independent from the Bank. Some features of this history are common among other global programs that started around the same time within the Bank with the intention that they would be "spun off" from the Bank and become self-sustaining, either on an operational basis (with continuing funding from other donors) or on a commercial basis (with fee-generated revenues).

1.16   According to interviews conducted for this evaluation, the idea of the Gateway arose at a 1999 conference in Uzbekistan attended by President Wolfensohn and representatives of other donor organizations. When questions were asked about "who was doing what", it became apparent that there was no source of comprehensive information on donor activities in the country. President Wolfensohn was determined to improve aid coordination and knowledge-sharing on development projects and issues. Thus, the Gateway was initiated as

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6. DGF funding represented 15 percent of total funding between 2002 and 2006, and therefore complied with the DGF guideline of 15 percent over this period of time.

7. However, some Country Gateways and some AMP applications are receiving support under Bank-financed contracts and through the Institutional Development Fund.

Table 1. Development Gateway Foundation, Sources and Uses of Funds
(\$000, fiscal years ending June 30)

	2001	2002	2003	2004	2005	2006	Total
SOURCES OF FUNDS							
Donor Contributions							
Industrialized Countries		12,890	5,691	7,968	513	4,539	31,601
Developing Countries			673	1,333	994	500	3,500
World Bank							
In-kind	7,000						7,000
Development Grant Facility		1,000	2,000	2,000	1,000	2,000	8,000
Other Donor Contributions	1,000	0	1,500	2,888	3,116	2,454	10,958
Total Donor Contributions	8,000	13,890	9,864	14,189	5,623	9,493	61,059
Other Sources							
Service Revenue, Including Sponsorships			118	292	486	514	1,411
Interest and Dividends	2	60	130	110	146	117	564
Total Sources of Funds	8,002	13,949	10,113	14,591	6,255	10,124	63,033
USES OF FUNDS							
Program Activities							
e-Government Grants Program				1,152	385	1,153	2,689
e-Government						178	178
Aid Effectiveness Tools		426	569	883	502	640	3,021
Online Public Tender Services – dgMarket		549	641	1,091	1,023	2,326	5,630
Global Knowledge-Sharing and Collaboration Networks – dgCommunities		1,189	1,488	1,127	1,417	1,914	7,136
Country Gateways		990	3,710	4,170	1,093	1,438	11,400
Program Support							
Research and Training Network			161	1,814	2,118	1,703	5,796
Annual Forum and Gateway Award			248	798	506	198	1,750
Portal Technology and Systems Development		6,646	3,497	2,246	1,524	0	13,914
Communications and Outreach		505	435	820	641	672	3,073
Total Program Services		10,306	10,749	14,100	9,210	10,222	54,587
Support Services							
Fundraising				108	82	361	551
Management and General	.022	541	1,080	1,689	1,467	1,562	6,339
Total Uses of Funds		10,848	11,829	15,897	10,759	12,145	61,477

Source: Development Gateway Foundation.

an internal Bank program funded by the Bank's administrative budget. President Wolfensohn pulled together staff working on ICT, including staff in ISG as well as other ICT4D programs (e.g., infoDev). Initially, the program was task managed by an ISG staff member (Carlos Braga) under the oversight of the Director of ISG (Mohammed Muhsin).

1.17   In 2000, efforts began to create a legally separate entity; In July 2000, the Gateway was incorporated as a 501(c)(3) nonprofit organization in the District of Columbia. President Wolfensohn asked a former colleague who had advised him on several initiatives (John McArthur, former Dean of the Harvard Business School) to be acting CEO while the search for a permanent CEO proceeded.

1.18   In 2002, Mr. Alan Rossi was selected as CEO of the Development Gateway Foundation. Mr. Rossi had extensive experience in the ICT industry, having completed 23 telephone company start-ups around the world,. However, the Charter and Bylaws of the Foundation defined a fairly limited role for the CEO, which made it difficult for him to steer the Foundation in a new direction. The senior Board member who represented ISG also served as CFO of the Foundation, limiting the CEO's control over resources. And until 2005, many Gateway staff reported to the head of ISG, who signed their performance agreements. The CEO therefore had no managerial responsibility for these staff.

1.19   Despite the creation of the Foundation as a separate legal entity, in reality the Gateway was not fully independent from the Bank. The Board of the Foundation included Executive Directors and other high-ranking officials from the Bank. ISG continued to provide services to the Foundation via a management services contract, so that the Gateway essentially was funding a large number of ISG staff.[8] The transition also created visa problems for many Gateway staff that faced the loss of their working visas if and when their Bank employment ended, so that the independence of the Gateway conflicted with their personal interests. Finally, the broad mandate of the Gateway continued to create competition and conflict with other global partnerships (e.g., infoDev and GDLN).

1.20   The Bank's recently formulated guidance on conflicts of interest in global programs and partnerships suggests that these conflicts of interest should have been identified and managed better during the transition.[9] The early years of the Foundation suffered from conflicts of interest at both the organizational level (the Bank's involvement in the Foundation's Board along with the ISG service contract, and the fragmentation of ICT4D initiatives) and at the staff level (disincentives to leave employment with the Bank).

1.21   About six months into Mr. Rossi's tenure, allegations were made by several women that he had acted in an inappropriate fashion during a conference in Bonn, Germany. A second set of allegations were made the following year by different individuals. Although an

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8. The Foundation paid the World Bank $17.5 million over the period 2002–2005 for management services provided by ISG. Most of the "staff" of the Gateway continued to be Bank employees through June 2005.

9. "Identifying and Addressing Partnership Conflict of Interest at Inception of Global Programs and Partnerships: Guidance Note for Bank Staff." Global Programs and Partnerships Group, October 2006.

INT[10] investigation found support for the allegations, the Gateway's Executive Committee concluded that the allegations were unproven and unfounded. Some insiders still feel that the allegations were implausible and that the matter was handled poorly. After the Board received negative feedback from Gateway staff about Mr. Rossi's management style, they decided to end his employment; his authority to act as CEO ended in December 2005.

1.22   As a result of these transition difficulties and controversies surrounding the CEO, the Gateway lost several years which could and should have been used to refine its strategy, focus its operations, and achieve results. The problems were partly due to personalities and to the Gateway's organizational and governance arrangements.

2.   The External Evaluation of the Gateway

Scope, Process, and Approach

2.1   An external evaluation of the Gateway was required by the DGF in order to consider the Gateway's request for additional (second-round) funding. The evaluation was commissioned by the Board of Directors of the Development Gateway Foundation to assess the performance of the Gateway over the period 2001 through 2004 in relation to its 2003 Business Plan. The consultants were selected by the Executive Committee and reported to the Chair of the Executive Committee and to the Board of Directors.

2.2   The terms of reference for the assignment were developed by the Executive Committee and were approved by the DGF. The terms of reference called for the evaluation to provide an understanding of (a) how well the Gateway had articulated its vision and was achieving its mission as outlined in the Business Plan; (b) the quality of the Gateway's activities and how useful they were in meeting the development community's needs as articulated in the Business Plan; and (c) how capacities such as financial and executive management, governance, and country-oriented resources affected quality. The terms of reference contained core questions in the areas of global relevance; outcomes, impacts, and sustainability (including monitoring and evaluation); and organization, management, and financing. Included in this last area was an assessment of partner performance: the extent to which partners were playing up to their comparative advantages at the global and country levels, and linking Gateway activities to their country operations.

2.3   Invitations to present proposals were sent to a total of six individuals and firms. Proposals were received from two: the first from a large consulting firm, and the second from a team of two individual consultants, Peter Muth and Fred Gerlach. The Executive Committee selected the Muth/Gerlach proposal for several reasons: the consultants' reputation for quality work in relevant areas;[11] the fact that they had done the external

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10. The Department of Institutional Integrity (INT) is the department of the World Bank Group that investigates allegations of fraud and corruption in Bank Group operations and allegations of staff misconduct.

11. Muth and Gerlach had worked on joint assignments in developing countries for over fifteen years. Muth's background was in industry, development finance, investment banking, and development consulting; Gerlach specialized in business and development consulting. Neither was a specialist in ICT, but this was not seen by

evaluation for the Global Development Network, a similar knowledge-sharing global program housed in the Bank; and the lower cost of their proposal compared to the other one.[12]

2.4   The evaluation methodology consisted of desk research as well as some 80 interviews, conducted in most cases in person along with a few telephone interviews. Interviewees included most of the members of the Board of Directors, employees of and advisers to the Bank, representatives of several Country Gateways, Topic Page guides and other contributors to Gateway products; other ICT4D players in the development community; and employees and management of the Gateway. The consultants were provided with organizational, financial, survey, and performance data by Gateway staff. They also benefited from a brief external evaluation of the Gateway conducted by IEG as input into a sector study of the Bank's knowledge-sharing activities.[13]

2.5   The draft evaluation was completed on April 5, 2005 and delivered to the Chair of the Executive Committee for comments. The final report, which incorporated comments from Board members and Gateway management, was delivered on April 19, 2005.

2.6   The full evaluation was never posted on the Gateway Web site. Instead, a summary version containing the main findings and recommendations is available on the Web site. Both Gateway management and the consultants explained that this decision was based on the sensitive nature of the findings related to Gateway management and problematic issues with the Bank during the transition from a Bank-managed program to the Foundation. However, this Review finds that, although the full version of the evaluation was frank about organizational and staff-level conflicts of interest, it did not reveal confidential personnel information that would have precluded its dissemination.

Independence and Quality of the Evaluation

2.7   This GPR concludes that the external evaluation was appropriately impartial. It was free from conflicts of interest, and was both organizationally and behaviorally independent.[14] Neither of the consultants had had contact with the Gateway prior to applying for this assignment, and they were selected under a competitive and open process. Operationally, the evaluators were commissioned and managed by the governing body of the program, the Board of Directors (delegated to the Executive Committee of the Board). During the

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the Executive Committee as a decisive qualification for an assessment of the Gateway's products and services, operations, and sustainability.

12. The cost difference was a significant factor in the decision: the Muth/Gerlach proposal was priced at $34,000, compared to a $180,000 bid from the large consulting firm.

13. Louise Walker, "Startup of the Development Gateway." Operations Evaluation Department, The World Bank, 2003.

14. Organizational independence means that the evaluation team reports to a unit separate from program management (e.g., the Board of Directors) and are insulated from political pressures from either donors or beneficiary groups. Behavioral independence means that the evaluation team is able to work freely and without interference, and assured of cooperation and access to all relevant information. See IEG, *Sourcebook for Evaluating Global and Regional Partnership Programs: Indicative Principles and Standards* (2007), pages 15–17.

preparation of the report, the evaluators had good access to available information and free access to informants. The draft report was submitted first to the Chair of the Executive Committee, before it was reviewed by Gateway management.

2.8   The evaluators were constrained by a lack of quantitative information that might have been used to evaluate the outcomes of the program and its cost-effectiveness. They were also constrained by the time available to complete the evaluation, and a limited travel budget. The latter meant that they were not able to conduct interviews in person in client countries, which they felt inhibited some of the responses. Nevertheless, the report covers all of the topics in the terms of reference and is very thorough, especially considering the low cost of the evaluation.

2.9   Most of those interviewed for this review felt that the evaluation was of high quality and that it was useful to the Gateway, providing a number of good suggestions that have been adopted. However, some felt that the evaluation was not critical enough of the Gateway's lack of strategic focus, and that it could have done more to question the relevance of the Gateway's objectives.

Findings, Recommendations, and Gateway Response

2.10   The evaluation found that the five core programs of the Development Gateway were compatible with the Gateway's mission and objectives. It found that some of the Gateway's programs were unique in scope or concept, and some promised growing and eventually major impact in achieving the program's objectives. To the extent there were shortcomings, the report blames some of these on the problematic transition from World Bank incubation to operational independence.

2.11   The evaluation was generally positive. However, it did contain a number of specific recommendations to improve the effectiveness and efficiency of the Gateway. These recommendations — 19 relating to programs and eight relating to governance, organization, and management — are summarized in Annex G, along with the actions that Gateway management has so far taken to respond to them.

2.12   The key recommendations of the evaluation were the following:

- The Gateway should make impact measurement a matter of high priority, since donors are unlikely to be persuaded forever by anecdotal evidence of impact.

- The Gateway should continually reassess the relative merits — in terms of development and poverty-reduction impact — of its menu of programs to ensure that scarce resources are applied to the development and improvement of those programs that generate the most "value for money." Synergies among programs should increase.

- The Gateway should leverage its resources through an even more collaborative approach to program development and implementation, even if it means that the Gateway plays a secondary role with competitors.

- Management should develop a comprehensive fund-raising strategy, based on two premises: (a) continued public sector and multilateral donor support is essential as evidence of recognition of the impact of Gateway programs, and (b) private sector support is welcome and can give the Gateway the financial freedom to experiment with new programs. Potential donors should be approached on the basis of their missions, objectives, and programs and on the synergies and impact the Gateway's programs can offer.

- The organization of the Gateway should be strengthened in four respects: (a) the "development dimension" should be a factor in the selection of senior staff; (b) the planning, marketing, fund-raising, and impact-measurement functions should be given higher priority; (d) these functions should permeate the organization through cross-departmental working groups; and (d) the governance structure and processes should be made more effective.

2.13   During the two years since the evaluation was completed (and in particular during the tenure of the new CEO), management has taken on most of these recommendations in word, and in some cases action. Management's agreement with virtually all of the recommendations is evident in the FY06–08 and FY07–09 Business Plans. Significant changes include (a) the adoption of a "stakeholder" model of membership on the Board of Directors, including representatives of donors and potential donors (target representation 40 percent), beneficiaries and partners (30 percent), and persons with special expertise and knowledge (30 percent); (b) development of a monitoring and evaluation framework and the appointment of a staff member responsible for M&E; (c) the adoption of a clearer fundraising strategy and the hiring of a Director of Development; (d) the appointment of a new CEO with a development background; and (e) the implementation of a dgCommunities member survey.

2.14   For some recommendations, Gateway management has consciously decided to go another way, arguably for good reasons. For example, the evaluation recommended that the Gateway should involve the Editorial Committee[15] in the process of reviewing Topics Pages (dgCommunities). Instead, the Board and management decided to disband the Editorial Committee in favor of a more community-driven model with content produced by partners and members — a decision in line with general trends in the industry. A second example is the recommendation that the Gateway build on its cooperation with the Government of Italy by offering to other donors the option of channeling earmarked e-Government funds through the Gateway. Management pursued this option with a number of donors but found there was little interest. As a result of this and the risk that funding from the Italian Government would end, management is re-evaluating the e-Government program. A third example is the recommendation that the Gateway become a leader in developing and disseminating methodologies for impact evaluation. Management notes that it is not convinced that it is appropriate to strive to become a leader in this field, in part because this role has been taken on by infoDev.

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15. The evaluation noted that, in theory, an Editorial Committee appointed by the Chair of the Board recommends principles for content contributions and quality assurance for the Portal. In practice, the Committee had not been very active.

2.15   The Gerlach/Muth evaluation recommended that the Gateway reassess its menu of programs to ensure that scarce resources are allocated to activities that generate the most value. This process is ongoing. The FY2008 budget makes no provision for the Development Gateway Forum or the Development Gateway Award, and provides only for existing commitments under the e-Government grants program. However, two core programs — dgCommunities and the Country Gateways — have been maintained, even though they are not closely tied to the Gateway's main objective of increasing aid effectiveness. The evaluation also recommended that the Gateway try to reduce duplication of effort in the dgCommunities program by reaching out to competitors (e.g., OneWorld, Eldis, and Bellanet) as potential partners. Although some efforts have been made, there is no evidence of a significant increase in collaboration.

3.   The Effectiveness of the Program

Relevance

3.1   **Relevance of objectives.** The Development Gateway's original objective — to promote sustainable development and poverty reduction through knowledge and resource sharing — was broad and vague. Some of those interviewed for this review felt that the Gateway's mission and definitions were a "muddled" combination of two separate ideas: using ICT as a means to share knowledge about development topics (for which ICT is used, but is not the focus of assistance), and piloting and mainstreaming the use of ICT in different sectors (for which the focus is on ICT itself).

3.2   The Gateway's knowledge-sharing objective was similar to the objectives of some other ICT4D initiatives started around the same time, such as infoDev, the Global Development Network (GDN) and the Global Distance Learning Network (GDLN) (Table 2). For example, knowledge sharing is a common objective of GDN (objective no. 5), the Gateway (no. 1) and GDLN (no. 2). Supporting networks of interest is an objective of infoDev (objective no. 2), the Gateway (no. 2) and GDLN (no. 2). Fostering local development information is an objective of GDN (no. 2) and the Gateway (no. 3). In addition to overlapping with other global programs, the Gateway partly duplicated some existing efforts outside the Bank (e.g., OneWorld, the International Institute for Communication and Development, Eldis, and Bellanet).

3.3   Some of those interviewed stated that the Gateway's original knowledge-sharing objective was highly relevant at the time it was created, but that the growth of other sources of these activities — many of which are more efficient and effective — means that the original objectives have become less relevant. However, most of those interviewed felt that the Gateway's currently-stated objectives — improving aid coordination, aid effectiveness, transparency, and governance — are better focused and more relevant than its initial knowledge-sharing objective. Moreover, there is less risk of duplication of effort in the area of procurement, governance, transparency, and coordination of aid. Several people suggested that, if done well with other partners, the Gateway has a major contribution to make in aid effectiveness. However, some people also raised the question of the emphasis that should be placed on ICT — as opposed to capacity-building, for example — to achieve the aid

effectiveness objective. In a similar vein, others noted that aid harmonization is more of a political problem than a technical problem, limiting the Gateway's ability to achieve this objective.

3.4 Even if the Gateways' current objectives are relevant, some questioned whether the Gateway's past had damaged its reputation to the point where it should signal its break from the past with a new name, or even a completely new start. There are varying views on this issue, but most people held the view — shared by this Review — that it is reasonable for the Gateway to "give it a try" with its more focused strategy and business plan. The real test of the Gateway's new strategy will be the willingness of donors to support it.

3.5 **Relevance of design.** With its broadly stated objectives, the entrepreneurial nature of its business model, the preferences of the first CEO, and the various interests of different stakeholders, the Gateway took on a set of activities that lacked strategic coherence. Some of the activities were driven by funding sources — e.g., the Gateway added e-government grants to its list of activities when the Italian government expressed interest in funding such grants. Similarly, the choice of countries to receive support for research and training centers was driven by in-kind contributions from four governments: China, India, Korea and Rwanda. While it could be argued that the selection of these four countries were the result of a demand-driven process, it is harder to argue that they were strategically selected on the basis of the greatest potential development outcomes. ISG was another stakeholder, aiming to expand out of internal computer support to direct development assistance. And the President's objective was to push ahead with innovation in ICT. As a result of the different objectives of different stakeholders, the Gateway came to be criticized for being "too many things to too many people."

3.6 Looking at the Gateway's current mission statement, it is apparent that the Gateway's objectives have become more focused. Gateway management now feels that their "flagship products" are dgMarket, AMP and the Virtual Statistics System, which fit strategically with the principal objective of improving aid effectiveness. However, none of the other core programs have been cut, so that collectively-speaking the Gateway's activities are not as focused as its current strategy would suggest. It will be important for the next independent evaluation of the Gateway to assess the extent to which the program's core activities have been narrowed to reflect the tighter focus of its strategy.

3.7 The initial agreement with the Gateway that led to the Bank requiring borrowers to publish Bank-financed tenders on dgMarket was made at a time when the Bank was dissatisfied with the service of United Nations Development Business (UNDB), and when the Gateway was still a part of the Bank. As such, the decision to publish procurement notices on dgMarket as well as UNDB was consistent with good practice, and with the practice of other multilateral development banks which publish such notices on UNDB and on their own Web sites. The Bank is presently evaluating its requirement that borrowers publish on dgMarket, and is already piloting its own procurement portal — Client Connections.

3.8 The relevance of dgMarket is part of the ongoing controversy among donors surrounding e-procurement. Under the new system (Client Connections), the Bank no longer favors dgMarket over UNDB. Remaining issues, however, are the tensions caused by the Bank

Table 2. Objectives and Activities of Similar Knowledge-Sharing Programs

Program	Objectives	Activities
infoDev (1995)	1. Encourage policies which increase connectivity, and especially which increase the access of the poor to ICT. 2. Build human capacity, consensus and networks of interest needed for the introduction and utilization of new ICT in developing countries. 3. Pilot, demonstrate, and learn from innovative applications in ICT.	1. Access for All: sponsoring research, toolkits, and capacity building on regulation issues, expanding access to broadband, promoting municipal networks, etc. 2. Mainstreaming ICT as tools of development and poverty reduction: field-based experimentation, research, and analysis using ICT in health, education, public sector reform, etc. 3. Innovation, Entrepreneurship & Growth: direct support for ICT-enabled innovation, new business and partnership models and toolkits, and networking among entrepreneurs, private sector investors, and the donor community.
Global Development Network (1998)	1. Support multidisciplinary research in social sciences. 2. Promote the generation of local knowledge in developing and transition economies. 3. Produce policy-relevant knowledge on a global scale. 4. Build research capacity to advance development and alleviate poverty. 5. Facilitate knowledge sharing among researchers and policymakers. 6. Disseminate development knowledge to the public and policymakers.	1. Knowledge creation and dissemination 2. Advocacy 3. Supporting national-level policy and institutional reform
Development Gateway (1999)	1. Promote sustainable development and poverty reduction through knowledge and resource sharing. 2. Establish partnerships with private, public, and civil society organizations to build a common space for dialogue and exchange of experiences, knowledge, ideas, tools, and other information resources. 3. Foster the availability of development information at the local level.	1. Online public tender services, posting tenders for government contracts around the world. 2. E-government grants: seed funding to help developing country governments implement national e-government strategies. 3. Aid effectiveness tools: AiDA, a directory of official aid activities worldwide from over 200 donors, and AMP, providing royalty-free software as well as technical assistance, combining financial management with project management and monitoring and evaluation. 4. Knowledge sharing and collaboration: online "dgCommunities" provide information on various development topics as well as the opportunity to collaborate and share information online. 5. Country Gateways: locally owned and managed social enterprises that offer an array of Web-related services.

Program	Objectives	Activities
Global Distance Learning Network (2001)	1. Offer the use of advanced information and communication technologies to connect people working in development around the world. 2. Enable organizations, teams, and individuals around the world to communicate, share knowledge, and learn from each others' experiences in a timely and cost-effective manner.	1. GDLN Affiliates are located in more than 60 countries worldwide. Affiliates' facilities include classrooms or meeting rooms with access to videoconferencing and high-speed internet resources (such as email and instant messenger). These technologies are combined with facilitation and learning techniques that vary according to the individual needs of users.

Sources: "Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank's Approach to Global Programs." Independent Evaluation Group - World Bank, 2004.

requiring that procurement notices be published on dgMarket, and the question of pricing of procurement notices and of bidding documents. As long as procurement information is only available for a fee (as it is for full contract information on dgMarket), the issue of competition (and therefore unfair advantage) between private suppliers of procurement notices will persist, as well as questions on whether dgMarket provides a private good or a public good.

3.9   Another design issue is the degree to which the Gateway worked with existing institutions to achieve its objectives. Some of those interviewed suggested that the Gateway duplicated the efforts of existing civil society organizations, and competed with them for donor funding. Instead of building an expensive alternative, they argued, the Bank should have used its credibility and convening power to strengthen existing organizations (e.g., OneWorld) or networks of organizations. To the extent that the Bank's program does not compete on a level playing field with existing organizations, it has the potential of weakening the others.

3.10   With respect to the Country Gateways, more than half have become financially independent of the Gateway. Therefore, the question naturally arises as to whether a central Gateway is still relevant to the functioning of the Country Gateways — do they still need to be linked to a center? However, even though the Country Gateway content is country-specific, the Gateway plays useful role in providing technical assistance, common platforms and open-source software.

3.11   The relevance of the dgCommunities was questioned by a larger number of people interviewed. They noted that the quality of dgCommunities varies considerably, and in many cases there are better sources of information available. Some of those interviewed suggested that alternatives to both dgCommunities and the Country Gateways exist in the market for Web-based information delivery, and that both of these Gateway programs should be shut down.

3.12   A final design issue is the "spin-off" model that characterized the Gateway as well as several other global programs that began around the same time (the Global Development Network, World Links for Development, and the Global Knowledge Partnership). President Wolfensohn was a successful investment banker before becoming President of the World Bank. According to interviews conducted for this Review, he initiated a number of global partnership programs with the expectation that these would exit from the Bank, in much the same way as a successful venture capital investment. However, to the extent that a program provides global or

national public goods (such as better aid coordination and transparency), it could not be expected to spin off as a commercially sustainable enterprise. And for public goods programs, the expectation that other donors will continue to fund a program when the Bank steps back may not be realistic.

3.13   For Gateway services that are private goods, the market can provide a test of their relevance, or value, to users. If users are unwilling to pay fees sufficient to cover the cost of providing a service, then this would be an indication to the Gateway that it should drop those activities and allocate resources to other activities. Lower-price competition from commercial providers of services would also be a signal that the Gateway should allocate resources to other types of activities.

Efficacy

3.14   The Gateway has only recently begun to establish a monitoring and evaluation framework (Annex B). In the past, and even to a large extent in the new M&E framework, most of the Gateway's performance indicators are indicators of outputs (e.g., the number of visits to dgCommunity Web sites) rather than outcomes (e.g., increased knowledge or capacity). The available quantitative information is summarized below, along with qualitative evidence obtained from interviews conducted for this evaluation.

3.15   **Government procurement.** According to information provided by the Gateway, dgMarket is the leading independent aggregator of government tender opportunities worldwide, available in 20 languages and carrying about 25,000 tenders at any time, which amounts to $540 billion worth of procurement each year. Some 30,000 firms from 150 countries obtain daily e-mail alerts about tenders in their specific areas of business. The Gateway estimates that dgMarket achieves savings of about $300 million per year for developing countries through increased transparency and efficiency in contracting. In addition, the Gateway estimates suggest that for World Bank tenders the benefit of awarding contracts to the most economical bidders could be between $50 million and $150 million per year. However, these estimates of dgMarket's benefits may be overstated since Bank procurement notices are also available on other platforms.

3.16   The Bank is the only multilateral aid agency that requires its borrowers to publish procurement opportunities in two places — the UN Development Business and dgMarket. Others, including bilaterals, require notices in UNDB only. According to interviews, the requirement of entering the same information twice creates an additional cost for some Bank client countries and an unfair advantage for dgMarket against competing private suppliers of procurement software. This also calls into question the additionality of dgMarket's estimated benefits.

3.17   **Global knowledge-sharing.** The Development Gateway has hosted online communities of practice on development issues — dgCommunities — since its beginning. Usage data show that over the past year, the 29 dgCommunities have attracted approximately 130,000 unique visitors per month on average — reportedly the same number of visitors as the Web sites of the Asian Development Bank and the Inter-American Development Bank (and compared to over one million unique visitors per month for the World Bank external

Web site, February 2006). Membership is diverse across regions and organization types (Table 3). A large proportion of users represent civil society organizations (27 percent) and think tanks, education and research organizations (22 percent). The Civil Society dgCommunity is the most popular of the 29 portals, with over 17,000 members.

3.18   In November 2006, the Gateway conducted an e-mail survey of 36,000 registered users to obtain member feedback on the use and impact of the platform and service.[16] However, the response rate was only 3.4 percent (1,230 responses) — too low for meaningful statistical analysis. Because the Gateway has not defined outcome indicators for its knowledge-sharing activities, it is difficult to judge their efficacy.

Table 3. dgCommunity Membership

Region	Share of Users	Type of Organization	Share of Users
North America	22%	Business	13%
Europe and Central Asia	21%	Concerned citizen	2%
South Asia	17%	Consultant/independent	5%
Sub-Saharan Africa	15%	Education/think tank/ research	22%
Latin America and the Caribbean	11%	Governmental	10%
East Asia and the Pacific	10%	Inter-governmental	2%
Middle East and North Africa	4%	Media	2%
Total	100%	Non-governmental/civil society	27%
		Students	7%
		Other	10%
		Total	100%

Source: dgCommunities Monitoring & Evaluation Report, November 2006.

3.19   **Country Gateways.** The Country Gateways provide a platform to promote exchange and dissemination of information on development topics. The Development Gateway has provided $7 million in small grants and technical assistance to Country Gateway organizations in about 50 countries, typically for a period of three years.

3.20   When asked about the performance of the Country Gateways, most people interviewed for this review said that there was significant variation across countries. On the positive side, several Country Gateways have received local and international awards for ICT achievement and the quality of their portals (El Salvador, Vietnam, Venezuela, Bangladesh, Mauritania, Uzbekistan, Colombia, and Mongolia). Also on the positive side, one respondent said that the Country Gateways have contributed to a "change in mindset" in Africa, toward the greater use of online resources and virtual communities. In addition, the Country

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16. A dgCommunity "member" is a user that has registered to participate in online discussions.

Gateways have supported greater use of indigenous knowledge — as opposed to knowledge produced in multilateral organizations — thereby helping to empower communities.

3.21   On the negative side, some of those interviewed said that some of the Country Gateways are thin in terms of content, and that the Country Gateway program could have been done more efficiently. Some questioned the need for a central portal or common platform to facilitate national information-sharing. Again, without any outcome data to provide evidence either way, it is difficult to draw conclusions on the effectiveness of the Country Gateways.

3.22   **E-government grants.** This program provides seed funding for e-government projects, seeking to improve efficiency in government processes. Projects initiated under this program include an inter-agency government network and an electronic land registry in Mozambique, and public procurement information systems in Lebanon, Morocco, and Tunisia. In a related initiative, the Gateway has also promoted the creation of the e-Government Effectiveness Inter-Agency Task Force to share information, improve coordination, and facilitate collaboration among its members' e-government activities. There is little evidence that the e-government program has had an effect on government efficiency. Management is reconsidering the role of this program in the Gateway's mission.

3.23   **Aid effectiveness.** The Aid Management Platform (AMP) is a fairly recent activity. It was piloted in Ethiopia in 2005. Implementations are underway in Bolivia, Montenegro, and Mali, and further implementations are pending in the Democratic Republic of the Congo, Burundi, Tanzania, Ghana and the South Pacific. The Gateway is consulting with about ten additional countries that have expressed an interest in AMP.

3.24   The benefits of improved aid management to governments and donors are expected to result from better planning, execution, and implementation of projects; standardization of terminology and processes for aid reporting and data management; more efficient report preparation and document management; and a more efficient virtual workspace. Gateway management notes that the benefits of a common aid management platform are substantial, but its impacts have not been assessed across the entire program. However, a recent survey of AMP users in Ethiopia (with eight respondents out of a total of 40 AMP users) provided some evidence that clients were able to produce reports faster, save time on data entry, identify ongoing aid projects more quickly, and view funding commitments faster compared to the time needed with the previous system.[17]

3.25   Similar aid management software is available commercially. For example, Synergy Systems offers proprietary software and has a long-term agreement to provide this software through UNDP. AMP, in contrast, is not proprietary and provides technical assistance as well as software.

3.26   The other aid effectiveness program, AiDA, is also said by the Gateway to be the largest online global directory of its kind, with about 100,000 current projects and programs.

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17. Preliminary results of AMP-Ethiopia survey, January 2007.

However, there is no evidence to indicate what kind of impact this information has had on aid effectiveness or public sector efficiency.

3.27   **Other programs.** A relatively large amount of Gateway resources (almost $5.8 million over FY02 through FY06) was spent on the Research and Training Network, a non-core activity. The R&T program was found by the Muth/Gerlach evaluation to be a worthwhile initiative because of its synergies with other Gateway programs and its usefulness as a tool in forging cooperative arrangements. There is little evidence on outcomes to judge the efficacy of the R&T program, but it is probably fair to say that it does not fit with the Gateway's current aid effectiveness agenda.

3.28   The Development Gateway Award program recognizes outstanding achievements in the application of ICT for development. The recipients in the three years the program has operated were Grameen Bank in Bangladesh (2004), e-Choupal in India (2005), and South Africa's Mindset Network (2006). However, Gateway management is also reconsidering the role of this program, and it has not been funded for FY08. The Development Gateway Forum has been discontinued.

3.29   To conclude, there is some anecdotal and qualitative evidence of achievements in all program areas, but virtually no quantitative evidence that the Gateway's intended outcomes have been achieved due to the lack of an outcome-oriented monitoring and evaluation framework.

Efficiency

3.30   It is clear that the time lost during the Gateway's difficult transition period had a negative impact on the efficiency of the program. The achievement of objectives was delayed while the program incurred expenses. In the beginning, the Gateway spent time and money finding a niche and refining its services, which could have been avoided if the Gateway had started with a more focused strategy.

3.31   The Gateway has been criticized for the reportedly generous salaries that are paid to its managers. An analysis of the salary structure is outside the scope of this Review, but may be an area for the Board to review in the future. With respect to other staff costs, the Gateway has recently reduced its staff and off shored many functions to consultants in client countries. In addition, the practice of paying dgCommunity guides has been abandoned; this function is now being performed by volunteers. According to the Gateway, these changes have reduced costs.

3.32   On average over the period 2002 through 2006, the Gateway's support services (management and general services plus fundraising) amounted to $1.38 million, about 1.1 percent of total program expenditures (Annex Table 6). This share of administrative costs compares favorably with that of other global programs.

3.33   A more detailed assessment of efficiency should be done as part of the next independent evaluation of the Gateway. It would be useful to gather data on the costs of each of the Gateway's core activities, drawing comparisons where appropriate to similar services

available from other sources. The efficiency of the portal technology and system development costs should also be assessed.

Sustainability

3.34   The Muth/Gerlach evaluation pointed out the difference between commercial sustainability and financial sustainability. Some Gateway products — principally dgMarket and AMP — are private goods that might be expected to sustain themselves by revenue generation. Others — such as dgCommunities — have characteristics of public goods. For these, operational sustainability can only be achieved through continued donor funding.

3.35   The Gateway's original funding expectations were overly optimistic. The Foundation reached a funding crisis in the spring of 2004, when it appeared that financial resources would be exhausted in the second half of FY05. Since then, sufficient contributions have been received to allow operations to continue, and a more concerted fundraising effort has begun with the appointment of a fundraising consultant and more direct fundraising efforts by Board members.

3.36   The Gateway's FY07–09 business plan sets a funding goal of $30.0 million over the three-year period against projected operating costs of $29.3 million, and reports that funding sources amounting to $17.3 million have been identified.[18] To fill the gap, the Gateway's funding strategy is to focus on increasing service revenues, and seeking donor funding for services and countries that closely align with donor priorities. Fundraising efforts will primarily continue to target governments and international organizations for multi-country, multi-year, and multi-million dollar commitments, and secondarily charitable foundations engaged in development.

3.37   If the Bank stops funding the Gateway, there is a risk that the Gateway will find it more difficult to mobilize continuing funding from other donors. In addition, Gateway management recognizes that there is an increasing preference from many bilateral and multilateral donors to provide project-based support, making it more challenging for the Gateway to obtain core funding.

Governance

3.38   Since the Gateway was founded by the World Bank without any other partners to begin with, its initial legitimacy rested entirely on the reputation of the Bank. Its continued legitimacy would depend on the Bank's ability to interest other partners in joining, and the ability of the Gateway to produce and demonstrate positive results.

3.39   The share of World Bank membership on the Board gradually decreased as the Gateway moved through the transition to full independence from the Bank. When the Development Gateway Foundation was created, all of the three Board members were employees of the Bank, although one Board member had retired from the Bank by the time the first Board meeting was held. In December 2001, the Board was expanded to nine

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18. Development Gateway Foundation, Business Plan FY07–09 (February 2007), pages 7 and 37.

members, adding six from outside the Bank. Currently, the Board has 23 members, none of whom are Bank employees (although two members are former Bank vice presidents).[19]

3.40   In line with the recommendations of the 2005 independent evaluation, the governance of the Gateway has moved toward more of a stakeholder model. The Board has three types of members, each with about a third of the seats: donors and potential donors (including some that contribute in kind); partners/beneficiaries; and individuals with particular expertise. Some Board members interviewed for this Review felt that the governance model should be changed to have a smaller Board of Directors guided by an advisory panel. At a minimum, they felt, Board members need to be better engaged in the direction of the Gateway rather than merely representing their organizations. Others interviewed felt that this governance change was unnecessary, since the Executive Committee now performs this oversight function.

3.41   The governance problems that plagued the Gateway during the transition — the dominance of the Bank and the conflicts of interest between the Gateway and ISG — have disappeared. The Vice President of OPCS has been invited to serve on the Board and the Bank's Legal Department is currently reviewing this invitation. This is appropriate for the Gateway's new objectives, since OPCS has responsibility for the Bank's aid effectiveness agenda following the Paris Declaration.

3.42   Currently, the risks facing the Gateway have less to do with conflicts of interest than with the risks of unfair advantage associated with its historically close relationship with the Bank.[20] An example would be if the Gateway encouraged clients to use funds from Bank-financed projects to purchase Gateway products such as AMP. The Gateway's current funding strategy includes a shift from core funding to project funding, and in some cases seeking funding for country-level products from Bank loans and credits. This practice might be questionable if the Bank is encouraging borrowers to use Gateway products, and then lending them the resources to buy these products. In a second example, if dgMarket is competing with private providers of similar procurement services, it is inappropriate for the Bank to require borrowers to list procurement opportunities on dgMarket while not requiring the same for competing products.

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19. Board members may be elected to terms of either two or three years and may be reelected to additional terms of office. Candidates for three-year terms must commit to contribute $5 million to the Gateway over a three-year period, including a cash contribution of at least $2 million for the unrestricted use of the Gateway. Candidates for two-year terms must offer benefits to the Gateway that will significantly promote and advance the Gateway's objectives taking into account the diversity goals established by the Board of Directors.

20. See "Partnerships with the Private Sector: Assessment and Approval," World Business Partnership and Outreach Group, August 2001.

4. Bank's Performance as a Partner

4.1   When it was created in 1999, the Development Gateway was an innovative idea that enjoyed strong support from the Bank's then-president, James D. Wolfensohn, who also served initially as the chair of the Board. The Bank's presence was instrumental in helping the Gateway launch its products and secure funding from multilateral and bilateral donors. However, most of the transition and growth problems experienced by the Gateway during its first five to six years were due to strategic and organizational shortcomings that were the responsibility of the Bank.

4.2   Strategically, the Gateway concept lacked clarity as to the public/private goods nature of its activities, and therefore whether long-term donor support from the Bank and others was justified. This problem was compounded by Gateway's broadly worded objectives, under which a wide range of activities seemed to fit. The Bank failed to articulate a strategy for the Gateway that was conceptually consistent with the Bank's plan to spin off the organization into an independent entity. There was no provisional timeline of Bank support or preparation for independence. If the public goods nature of some Gateway activities justified long-term support, the Bank did not articulate a plan for providing it.

4.3   Being an initiative of the President, the establishment of the Gateway short-circuited some of the Bank's normal review processes for the establishment of new global programs. This created suspicion in the eyes of the Bank's Executive Board, of Bank staff working in related areas, and of closely related global programs such as infoDev and GDLN. Some Executive Board members were so concerned with what they saw as an excessive number of initiatives started by the President that they took the unusual step of requesting a Board meeting in 2001 to discuss the establishment of the Gateway.[21] This suspicion led to weak support from the Bank's Executive Board. As a result, the Bank was indecisive in leading a fund-raising effort for the Gateway, which sent a message to some donors that the Bank was unconvinced about the Gateway's future.

4.4   The types of linkages, if any, that were expected to develop between the Gateway and World Bank Group operations were not articulated when the Gateway began, and have not received much attention since the Gateway became an independent entity. This has been true both from the Gateway's perspective (coordination with the Bank is not mentioned in recent Gateway business plans) and the Bank's perspective (Gateway activities have not generally been included in the Bank's Country Assistance Strategies). Interviews conducted for this

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21. This was unusual since the establishment of new global programs is not normally discussed at the Bank's Executive Board. New programs and partnerships can be approved by the responsible Vice President, unless they present complex issues or risks, in which case they must be approved by the responsible Managing Director. The global program team leader must prepare a Partnership Review Note on a standard form in the Bank's operations portal, which addresses the objectives and rationale for the program, the proposed governance and management, and the anticipated partners and funding. Today, all new proposals are reviewed by the GPP Group and at a formal review meeting — attended by relevant parties in the Bank and chaired by the responsible Sector Director — before being submitted to the relevant Vice President or Managing Director for approval.

Review suggested that linkages between Gateway activities and the Bank's country operations have happened in some countries, but usually due to demand from client countries rather than due to efforts by the Gateway or the Bank's country departments.

4.5   Organizationally, the Gateway's spin-off into an independent entity was hampered by continuing operational control by the Bank as a result of the presence of influential Bank managers on the Foundation's Board of Directors. The Bank tolerated the conflicts of interest between the Gateway and ISG, as well as the bureaucratic competition among similar ICT4D programs in the Bank.

5.   Lessons

5.1   The lessons learned from the Development Gateway are not unique to the Gateway. Many lessons are shared with other "spin-offs" that were started around the same time, many of which were also in the knowledge-sharing area. Box 1 presents lessons learned from recent "knowledge initiatives," taken from the minutes of a meeting on the subject organized by the World Bank Institute. Table 4 summarizes the lessons learned from three global programs reviewed by IEG — World Links for Development, the Global Development Network, and ProVention — that were created with the intention of spinning them off. Together, these tables show that the knowledge initiatives and spin-offs shared a number of issues: time lost during the transition process, a lack of long-term planning at creation, getting caught up in Bank bureaucracy, and difficulties disengaging from Bank financial support.

5.2   This Review concludes with the following lessons learned from the Development Gateway experience:

- From the beginning, the strategy for a global program needs to establish the degree to which the program provides public goods (global or national) as opposed to private goods, and its funding and exit strategies need to be consistent with this concept. It is unlikely that a program's public goods and services will become sustainable on a commercial basis without continuing donor support.

- It is difficult to expect an entrepreneurial program, especially one in a new subject area, to be embraced and nurtured in a mature bureaucracy like the Bank. Some global programs run into problems with the processes and procedures of the Bank bureaucracy. For the Gateway the problems had more to do with control and competition with existing programs. This problem is part of the larger issue of the management and funding of innovation in the Bank.

- A global program that has been designed to be spun off from the Bank may lose time during the transition process, limiting the achievement of its objectives and reducing its efficiency. The idea of starting a global program at the Bank and then spinning it off should be considered more carefully. In most cases, it may be better to decide at the outset where a global program is best located and plan to keep it there for the indefinite future.

- ICT4D initiatives need to be careful to maintain their focus on development objectives, not just the "means" of ICT. The development dimension should permeate the organization, and management and staff should have relevant development experience.

- Monitoring and evaluation frameworks need to be established at the outset. Although it is challenging to develop performance indicators in the ICT4D area, measuring outcomes and impacts is the only way to ensure that resources are allocated to the highest-impact activities, and to continue to attract donor support. For services that compete with those of commercial providers, the test of the market can be used to ensure that resources are allocated to the highest-impact activities.

Box 1. WBI Lessons from Knowledge Initiative "Spin-Offs"

In June 2006, the World Bank Institute organized a meeting of leaders of knowledge initiatives that the Bank has incubated and spun off over the past ten years to review the process and reflect on successes and failures of the experience. The following are some of the main lessons discussed at the meeting, which show that the spin-off problems of the Gateway were shared by many other programs created at the same time.

Original Goals and Rationale for the Program

While the Bank consciously gave each of the initiatives space to evolve toward their most appropriate end goal, be it replication, spin off or shut down, the structure to evaluate progress toward the end goal was not established.

Pressures to deliver forced many of the initiatives to bypass some of the Bank's review processes as well as begin implementation before key aspects of future sustainability were in place.

All of the initiatives were created without a clear instrument in the Bank to support them. The Development Grant Facility and the President's Contingency Fund became the *de facto* innovation funds, with neither being an appropriate instrument for funding innovation.

The Incubation Process

All of the entrepreneurial initiatives eventually got caught up in Bank bureaucracy, which limited their effectiveness. The Bank environment also created bad habits and expectations for those organizations that eventually spun out (e.g., high salaries and benefits, unrealistic overhead costs).

The Bank's access to policymakers and global reach helped organizations get off the ground, but this high profile also created a reputational risk for the Bank.

Evaluation components were underemphasized and underfunded.

The Spin-Off

Post-Bank management has been difficult. New managers wanted to take their organizations in slightly different directions than originally envisioned, which created tensions between the old and new teams.

Most of the spin-off organizations experienced the typical problems of start-up organizations where survival in the first few years is a challenge. Post-Bank training in non-profit management, Board development, procurement, systems development, and fundraising would have helped the new organizations adjust to their new status.

There was a lack of clarity with regard to ongoing Bank support for the newly created organizations, with an underlying assumption that Bank financial support would continue to be available.

Source: Minutes of Knowledge Initiative Meeting, June 23, 2006.

Table 4. IEG Lessons from Other Global Program "Spin-Offs"

Global Program and Objectives	Transition Arrangements	Lessons
World Links for Development		
The program's goal is to link secondary school students and teachers around the world via the internet, in order to improve educational opportunities, develop information technology skills, facilitate cultural understanding, and promote broad-based support for economic development.	The World Links program started in 1998 as a pilot initiative of the Bank that was located in the World Bank Institute. Since then, it has been spun off from the Bank as an independent 501(c)(3) not-for-profit organization located in Washington, D.C.	• The program has helped leverage financing from donors, but those donors are increasingly requiring a match for their funds. Hence the impact of the Bank's planned financial disengagement is much greater than the Bank's own financial share in the program.
Global Development Network		
The program's objectives are to support multidisciplinary research in social sciences, promote the generation of local knowledge in developing and transition economies, build research capacity and facilitate knowledge sharing, and disseminate development knowledge to the public and policymakers.	GDN was started in 1999 as a joint effort between the World Bank Institute and the senior managers in the Bank's Development Economics Vice Presidency. GDN moved out of the Bank in 2001 and became an independent, nonprofit organization based in Washington, D.C. The GDN Secretariat was relocated to New Delhi, India, in 2003 and GDN has since become an international organization.	• GDN lost valuable time in the transition process to ensure its own long-term viability. • Too close Bank involvement, including underwriting of GDN overhead costs, made it difficult for GDN to develop an independent identity and to raise resources for overhead costs from other donors. • The Bank needed but lacked a well-developed strategy to ensure sustainable spin-offs and to manage appropriately the potential risks of a program moving away from the Bank.
ProVention		
The program's objective is to better integrate disaster risk management into the development agenda. The program was designed as a think tank to commission research and to disseminate risk reduction tools.	The program began in 2000 as a partnership between the World Bank, other international financial institutions, bilateral donor organizations, the insurance sector, the academic community, and civil society. From its inception, it was planned to have the ProVention Secretariat rotate among partner organizations so that different partners could contribute to its development. Initially located in the World Bank, the Secretariat moved to the International Federation of the Red Cross and Red Crescent Societies in 2003.	• It is difficult to retain the interest of Bank staff in those global programs which leave the Bank and which no longer provide trust funds to support their ongoing work. • The relocation of a global program's Secretariat from one partner organization to another has enormous costs. In ProVention's case, this slowed down the implementation of activities by about two years. • Rather than birthing a global program at the Bank and spinning it off to other organizations, the major sponsors and partners should decide at the outset where a global program is best located and should plan to keep it there for the indefinite future.

Source: "Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank's Approach to Global Programs" Independent Evaluation Group - World Bank, 2004.

Note: The objectives and transition arrangements for each program may have changed since the time that each review was conducted.

Annex A. Evaluation Framework for Global Program Reviews

Note: This evaluation framework is a general framework that has been designed to cover the wide range of such programs in which the World Bank is involved, encompassing policy and knowledge networks, technical assistance programs, and investment programs. It is not expected that every global program review will cover every question in this table in detail.

Annex Table 1. Assessing the Independence and Quality of the Evaluation

Evaluation Questions
1.   **Evaluation process** To what extent was the GRPP evaluation independent of the management of the program, according to the following criteria: • Organizational independence? • Behavioral independence and protection from interference? • Avoidance of conflicts of interest? Factors to take into account in answering these questions include: • Who commissioned and managed the evaluation? • Who approved the terms of reference and selected the evaluation team? • To whom the evaluation team reported, and how the evaluation was reviewed? • Any other factors that hindered the independence of the evaluation such as an inadequate budget, or restrictions on access to information, travel, sampling, etc.?
2.   **Monitoring and evaluation framework of the program** To what extent was the evaluation based on an effective M&E framework of the program with: • Clear and coherent objectives and strategies that give focus and direction to the program? • An expected results chain or logical framework? • Measurable indicators that meet the monitoring and reporting needs of the governing body and management of the program? • Systematic and regular processes for collecting and managing data?
3.   **Evaluation approach and scope** To what extent was the evaluation objectives-based and evidence-based? To what extent did the evaluation use a results-based framework — constructed either by the program or by the evaluators? To what extent did the evaluation address: • Relevance   • Governance and management • Efficacy   • Resource mobilization and financial management • Efficiency or cost-effectiveness   • Sustainability, risk, and strategy for devolution or exit
4.   **Evaluation instruments** To what extent did the evaluation utilize the following instruments: • Desk and document review   • Consultations/interviews and with whom • Literature review   • Structured surveys and of whom • Site visits and for what purpose: for interviewing implementers/beneficiaries, or for observing activities being implemented or completed • Case studies   • Other

Evaluation Questions
5. **Evaluation feedback** To what extent have the findings of the evaluation been reflected in: • The objectives, strategies, design, or scale of the program? • The governance, management, and financing of the program? • The monitoring and evaluation framework of the program?

Annex Table 2. Providing an Independent Opinion on the Effectiveness of the Program

Every review is expected to cover the first four criteria in the following table: (a) relevance, (b) efficacy, (c) efficiency, and (d) governance and management. A review may also cover (e) resource mobilization and financial management and (f) sustainability, risk, and strategies for devolution or exit if the latter are important issues for the program at the time of GPR, and if there is sufficient information available on which to base an independent opinion.

Evaluation Criteria and Questions
Relevance: The extent to which the objectives and design of the program are consistent with (a) current global/regional challenges and concerns in a particular development sector and (b) the needs and priorities of beneficiary countries and groups.
1. **Supply-side relevance — the existence of an international consensus that global/regional collective action is required**. To what extent does the program reflect an international consensus on the need for action, on the definition of the problem being addressed, on priorities, and on strategies for action? Is the original consensus that led to the creation of the program still present? Is the program still needed to address specific global/regional public concerns? Take into account the origin of the program in answering these questions: • Is the program formally responsible for implementing an international convention? • Did the program arise out of an international conference? • Is the program facilitating the implementation of formal standards and approaches? • Is the program primarily donor-driven? Did donors establish the program with little consultation with developing countries? • Is the program primarily Bank-driven? Did the World Bank found the program and then seek other partners?
2. **Demand-side relevance — alignment with beneficiary needs, priorities, and strategies.** To what extent are the objectives consistent with the needs, priorities, and strategies of beneficiary countries as articulated in the countries' own PRSPs, and in donors' strategies such as the World Bank CASs, and the UN Development Assistance Frameworks? To what extent has the voice of developing and transition countries been expressed in the international consensus underlying the program?
3. **Vertical relevance — consistency with the subsidiarity principle.** To what extent are the activities of the program being carried out at the most appropriate level — global, regional, national, or local — in terms of efficiency and responsiveness to the needs of beneficiaries? To what extent are the activities of the program competing with or substituting for activities that individual donors or countries could do more efficiently by themselves? Pay particular attention to those programs that, on the face of it, are primarily supporting the provision of national or local public goods.

Evaluation Criteria and Questions
4. Horizontal relevance — the absence of alternative sources of supply. What is the comparative advantage, value added, or core competency of the program relative to other GRPPs with similar or complementary objectives? To what extent is the program providing additional funding, advocacy, or technical capacity that is otherwise unavailable to meet the program's objectives? To what extent are the good and services being provided by the program in the nature of public goods? Are there alternative ways of providing these goods and services, such as by the private sector under regular market conditions?
5. Relevance of the design of the program To what extent are the strategies and priority activities of the program appropriate for achieving its objectives? What are the major activities of the program: • Policy and knowledge networking? • Financing country and local-level technical assistance? • Financing investments to deliver national, regional, or global public goods? Has the program articulated an expected results chain or logical framework, along with assumptions that relate the progress of activities with the achievement of the objectives? Does the results chain identify the extent to which the achievement of the objectives depends on the effective functioning of bureaucracies, markets, or collectivities? If so, to what extent are these assumptions valid? For programs providing global or regional public goods, is the design of the program consistent with the way in which the individual efforts of the partners contribute to the collective outcome for the program as a whole — whether "best shot", "summation", or "weakest link?"
<mark>**Efficacy:** The extent to which the program has achieved, or is expected to achieve, its objectives, taking into account their relative importance.</mark>
6. Achievement of objectives To what extent have the stated objectives of the program been achieved, or has satisfactory progress been made towards achieving these objectives? To what extent are there implicit objectives that are well understood and agreed upon by the partners and to which the program should also be held accountable? To what extent are there any positive, unintended outcomes of the program that have been convincingly document? To what extent have these assessments by the program or the evaluation been evidence-based?
7. Progress of activities, outputs, and outcomes. To what extent has the program or the evaluation measured the progress of activities, outputs, and outcomes? How did the program or the evaluation aggregate its outputs and outcomes at all levels — global, regional, national, and local — to provide an overall summary of its results? To what extent have factors such as changes in the location of the program, its legal structure, or governance processes affected the outputs and outcomes of the program? To what extent have there been outcomes that can be uniquely attributed to the partnership itself — such as the scale of or joint activities made possible by its organizational setup as a GRPP, or its institutional linkages to a host organization?
8. Linkages to country or local-level activities. To what extent has the program established effective operational linkages with country-level activities, taking into account that: • The desired nature of these linkages will vary according to the objectives, design, and implementation of each program? • Positive outcomes at the country or local level are generally a joint product of both global/regional and county-level activities?

Evaluation Criteria and Questions

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Efficiency or cost-effectiveness:

Efficiency — the extent to which the program has converted or is expected to convert its resources/inputs (such as funds, expertise, time, etc.) economically into results.

Cost-effectiveness — the extent to which the program has achieved or is expected to achieve its results at a lower cost compared with alternatives.

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9. Efficiency

To what extent is it possible to place a monetary value on the benefits arising from the activities of the program?

To what extent has the program or the evaluation conducted impact evaluations of representative program activities?

To what extent has the program or the evaluation analyzed the program's costs in broad categories (such as overhead vs. activity costs), and categorized the program's activities and associated benefits, even if these cannot be valued in monetary terms?

10. Cost-effectiveness

To what extent is the program measuring up against its own business plans:

- Has the program cost more or less than planned? How did it measure up against its own costing schedule?
- Have there been any obvious cases of inefficiency or wasted resources?

To what extent is the program delivering its activities cost-effectively in comparison with alternatives:

- How do actual costs compare with benchmarks from similar programs or activities?
- Are the overhead costs of governing and managing the program reasonable and appropriate in relation to the objectives and activities of the program?

How does the program compare with traditional development assistance programs:

- For beneficiary countries, has receiving the development assistance through the GRPP increased the transactions costs compared with traditional development assistance programs?
- For donors, has delivering the development assistance through the GRPP reduced donor costs by harmonizing efforts among donors or by reducing overlapping work (such as through joint supervision, monitoring and evaluation)?

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Governance and management:

Governance — the structures, functions, processes, and organizational traditions that have been put in place within the context of a program's authorizing environment to ensure that the program is run in such a way that it achieves its objectives in an effective and transparent manner.

Management — the day-to-day operation of the program within the context of the strategies, policies, processes, and procedures that have been established by the governing body. Whereas governance is concerned with "doing the right thing," management is concerned with "doing things right."

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11. Compliance with generally accepted principles of good governance.

To what extent are the governance and management structures and processes well articulated and working well to bring about legitimate and effective governance and management?

To what extent do governance and management practices comply with the following seven principles:

- Legitimacy — the way in which governmental and managerial authority is exercised in relation to those with a legitimate interest in the program — including shareholders, other stakeholders, implementers, beneficiaries, and the community at large?
- Accountability — the extent to which accountability is defined, accepted, and exercised along the chain of command and control within a program, starting with the annual general meeting of the members or parties at the top and going down to the executive board, the chief executive officer, task team leaders, implementers, and in some cases, to the beneficiaries of the program?
- Responsibility — the extent to which the program accepts and exercises responsibility to stakeholders who are not directly involved in the governance of the program and who are not part of the direct chain of accountability in the implementation of the program?

Evaluation Criteria and Questions
• Fairness — the extent to which partners and participants, similarly situated, have equal opportunity to influence the program and to receive benefits from the program?   • Transparency — the extent to which a program's decision making, reporting, and evaluation processes are open and freely available to the general public?   • Efficiency — the extent to which the governance and management structures enhance efficiency or cost-effectiveness in the allocation and use of the program's resources?   • Probity — the adherence by all persons in leadership positions to high standards of ethics and professional conduct over and above compliance with the rules and regulations governing the operation of the program?
12. Partnerships and participation   To what extent has the program identified a complete list of stakeholders, or "stakeholder map", including the agreed-upon or perceived roles and responsibilities of the categories of stakeholders identified? To what extent is this a routine programmatic function, updated regularly, and transparently available?   Has the program adopted primarily a shareholder model of governance (in which membership on the governing body is limited to financial and other contributors), or a stakeholder model (in which membership also includes non-contributors)?   To what extent, if any, is the program's legitimacy being sacrificed in order to achieve greater efficiency, or vice-versa?
13. Programs located in host organizations   To what extent is the location of the program in the Bank or other partner organization adversely affecting the governance, management, or other aspects of the program, such as compliance with the principles of transparency and fairness?   For which functions is the program manager accountable to the host organization and the governing body of the program, respectively? Are conflicts of interest being managed appropriately?   To what extent does the host organization play such a dominant role in the program, thereby reducing the incentives of other partners to participate effectively, or reducing the ability of the host organization to look at the weaknesses of the program objectively?
Resource mobilization and financial management: **Resource mobilization** — the processes by which resources are solicited by a program and provided by donors and partners.   **Financial management** — the processes that govern the recording and use of funds, including allocation processes, crediting and debiting of accounts, controls that restrict use, accounting, and periodic financial reporting systems. In cases where funds accumulate over time, this would also include the management of the cash and investment portfolio.
14. Resource mobilization   To what extent has the program succeeded in raising financial resources commensurate with its objectives? And from what sources — the Bank, bilateral donors, foundations, etc.?   To what extent has the program succeeded in diversifying its funding beyond a small number of donors?   To what extent are the sources of funding for the program (including donor restrictions on the use of resources) affecting, positively or negatively: • The strategic focus of the program?   • The outputs and outcomes of the program?   • The governance and management of the program?   • The sustainability of the program?

Evaluation Criteria and Questions
15. **Financial management** Are there any issues that have emerged during the course of the review in relation to: • The quality of financial management and accounting? • The methods, criteria, and processes for allocating funds among different activities of the program? • Financial management during the early stages of the program?
Sustainability, risk, and strategy for devolution or exit: **Sustainability** — When applied to the **activities of a program**, the extent to which the benefits arising from these activities are likely to continue after the activities have been completed. When applied to a **program** itself, the extent to which the organization or program is likely to continue its operational activities over time. **Devolution or exit strategy** — a proactive strategy to change the design of a program, to devolve some of its implementation responsibilities, to reduce dependency on external funding, or to phase out the program on the grounds that it has achieved its objectives or that its current design is no longer the best way to sustain the results which the program has achieved.
16. **Sustainability of the benefits of the program's activities** What is the risk, at the time of evaluation, that the development outcomes (or expected outcomes) of the program will not be maintained (or realized)? This depends on (a) the likelihood that some changes may occur that are detrimental to maintaining or realizing the expected outcomes, and (b) the affect on the expected outcomes if some or all of these changes actually materialize?
17. **Sustainability of the program** This will depend on a number of factors, such as the continued legitimacy of the program, its financial stability, its continuity of effective management, and its ability to withstand changing market or other conditions. To what extent is there still a sufficient convergence or accommodation of interests among the major partners to sustain the program financially? To what extent has the program developed institutional capacity such as performance-based management, personnel policies, learning programs, and knowledge management that help to sustain a program? In what areas could the program improve in order to enhance its sustainability, such as better marketing of the program's achievements in order to sustain its reputation?
18. **Prospects for continuation and strategies for devolution or exit** To what extent should the program be sustained? Is the continuation of the program the best way of sustaining the results achieved? Should the design of the program be modified as a result of changed circumstances, either positive or negative? What other alternatives should be considered to sustain the program's results more cost-effectively, in the light of the previous evaluation findings with respect to relevance, efficacy, efficiency, and sustainability: • Reinventing the program with the same governance? • Phasing out the program? • Continuing country or local-level activities with or without devolution of implementation? • Seeking alternative financing arrangements, such as revenue-generation, or self-financing to reduce dependency on external sources? • "Spinning off" from the host organization?

Annex Table 3. Assessing the Bank's Performance as a Partner in the Program

Evaluation Questions
1. Comparative advantage at the global/regional level. To what extent is the Bank playing up to its comparative advantages at the global/regional level — its global mandate and reach and convening power? To what extent is the Bank's presence as a partner in the program catalyzing other resources and partners for the program?
2. Comparative advantage at the country level. To what extent is the Bank contributing multi-sector capacity, analytical expertise, and country-level knowledge to the program? To what extent has the Bank's country operations established linkages to the GRPP, where appropriate, to enhance the effectiveness of both?
3. Oversight. To what extent is the Bank exercising effective and independent oversight of its involvement in the program, as appropriate, whether the program is housed in the Bank or externally managed? To what extent is the Bank's oversight independent of the management of the program? To what extent does the Bank's representative on the governing body have a clear terms of reference?
4. Risks and risk management. To what extent have the risks associated with the program been identified and are being effectively managed? For example, IEG identified the following risks in its global review: • Bank bears a disproportionate share of responsibility for governing and managing in-house programs? • Confusion at the country level between global program activities, Bank activities, and Borrower activities? • Representation of NGOs and the commercial private sector on program governing bodies? • Unclear role and application of Bank's safeguards? • Trust-funded consultants and seconded staff representing the Bank on some program governing bodies?
5. Disengagement strategy. To what extent is the Bank engaged at the appropriate level in relation to the Bank's new strategic framework: • Watching brief? • Research and knowledge exchange? • Policy or advocacy network? • Operational platform? To what extent is the Bank facilitating an effective, flexible, and transparent disengagement strategy for the program, in relation to the Bank's objectives for its involvement in the program: • The program declares "mission accomplished" and closes? • The program continues and the Bank withdraws from all aspects of its participation? • The program continues and the Bank remains engaged, but the degree of the Bank's engagement in some or all aspects (such as financing) declines over time?

Annex B. Development Gateway Logframe (March 2007)

Narrative Summary	Expected Results	Performance Indicators
Overall Foundation Objective Assist developing countries in application of internet technologies to accelerate development and promote aid effectiveness	**Impact** Economic growth and poverty reduction Cost savings and efficiency gains and better quality management, coordination and planning	• Total contract value covered by dgMarket is around USD 540 billion per year. Cost savings from online procurement estimated to be between 5-20 % of the contract value depending on country[22] • Implementation of Aid Management Platform leads to efficiencies in the aid management, coordination and planning process. For example, a survey conducted in Ethiopia indicated that AMP makes it over 20 times faster to generate reports and is projected to cut down staff costs by half.

Foundation Purpose
 	
Apply Internet technologies to key development issues with high impact in e-learning, e-government and e-business
 	
Develop/integrate low-cost, shared software tools through such means as open standards and open source
 	
Promote partnerships between countries in developing and applying common solutions
 	
Accelerate technology transfer through training , partnerships and common projects
	Outcomes
	
	Countries adopt solutions, accelerate progress in e-learning, e-government and e-business
	
	Common projects, common solutions, standards
		Over 85 countries participating in various Development Gateway projects and activities[23]
		
		Number of countries adopting common solutions:
		• Global dgMarket platform contains national tenders from 37 countries in 20 languages. 17 countries have nationally branded dgMarket sites
		• Aid Management Platform piloted in Ethiopia. Implementations underway in Bolivia, Mali and Montenegro.
		• 5 countries implemented Local Project Database
		• 8 Country Gateways using common technology platforms
		  – Ukraine, Belarus, Russia use same platform developed by Ukraine
		  – Morocco, Rwanda, Mali use SPIP content management system (CMS)
		  – Guyana, Kenya use Drupal CMS
		  – 3 CMS developed in collaboration with Computer Land ltd in Ukraine. It will be offered freely to CGs to use

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22. An internal study revealed that dgMarket reduced acquisition costs by 0.5–1.5% — or about $50–150 million per year for the World Bank's $10 billion procurement under international competitive bidding (ICB) rules, and a similar amount for contracts funded by other multilateral development banks, for a total of $100–300 million per year. The percentage of cost savings is likely to be smaller for U.S. and EU tenders since robust e-tendering systems already exist. However, for many developing countries cost savings from e-procurement may be as much as (or in some cases even more than) 5%.

Narrative Summary	Expected Results	Performance Indicators
Foundation Purpose	**Outcomes**	
	Capacity building	Capacity building:
		• 46 country gateways and 1 regional gateway providing web portals on development issues and various e-government, e-business and e-learning services to meet local needs
		• 29 online communities of practice (dgCommunities) on various development topics, leading to knowledge-sharing and collaboration among 37,000 registered users and over 250 cooperating organizations.
		• e-Government Grants contributing to institutional development and capacity building in Mozambique, Tunisia, Morocco, Lebanon
		• 60 people trained (business and technical) during Aid Management Platform implementation
		• Over 50 dgCommunities Volunteer Guides[24]
		• The Research and Training Center in Rwanda provides basic IT and GIS training
		• Through the facilitation of the Foundation, the Rwandan Center and the Indian Center are cooperating in developing a new training curriculum for Rwanda, including faculty exchange.
		Partnerships:
		• dgCommunities: cooperating organizations, volunteer Guides

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23. This includes the following: (1) Countries for which dgMarket carries national tenders and countries that have implemented a nationally-branded turn-key version of dgMarket, (2) Country Gateways that are operational or are being implemented (it does not include Country Gateways that are currently being reassessed); (3) Countries that have implemented Local Project s Database (LPD), (4) Countries that have implemented the Aid Management Platform, (5) Countries where the Development Gateway has implemented or is planning e-government pilot projects (Annex 1), (6) the Arabic development project being implemented by Library of Alexandria in conjunction of dgCommunities, (7) Locations of dgCommunities Guides, and (8) Research and Training Centers.

24. A Guide is an organization or person that, in close collaboration with Development Gateway staff, takes overall responsibility for the strategic development of a dgCommunity, writes highlight articles and newsletters, and reviews content submitted by members to ensure that it is appropriate to the site, of value to the membership and up-to-date.

Narrative Summary	Expected Results	Performance Indicators
Program Objective	**Output**	
Public procurement	Hosted national systems	Public procurement
	Global tender information system	• 17 hosted national systems (turnkey version of dgMarket implemented locally) • dgMarket carries national tenders for 37 countries • Basic tender information is available in 20 languages • Total contract value covered: USD 540 billion • Cost savings from online procurement estimated to be between 5-20% of the contract value depending on country. • Around 32,000 active tenders and 110,000 notices (this includes tenders, bidding documents, contract awards etc) on any given day

Aid effectiveness	Aid management system	Aid effectiveness:
		• AMP implementations:
		  – Completed: Ethiopia
		  – Implementation underway: Bolivia, Montenegro, Mali
		  – In the pipeline: Albania, Burkina Faso, Burundi, Congo, Ghana, Haiti, Mauritania, South Pacific, Tanzania
		• Efficiency gains in reporting (Ethiopia survey results): Reports can be generated 21.6 times faster after the introduction of AMP. The projected annual savings in staff cost due to the introduction of AMP is 51% or $60,000/year.
		• Efficiency gains in project/portfolio management (Ethiopia survey results):
		  – Data entry: 2.1 times faster
		  – Identifying ongoing aid projects (sorted by sector, by donor): 7.5 times faster
		  – Viewing funding commitments (sorted by sector, by donor and by lending instrument): 9.2 times faster
		• 60 people trained during implementation in Ethiopia (business and technical)

	AiDA	AiDA: • 7,700 unique visitors • 29,000 page views • Information on 191,000 development projects (ongoing, planned, completed)

Narrative Summary	Expected Results	Performance Indicators
Program Objective	**Output**	
Country Gateways	Country portals, services	Country Gateways: • 46 operational country gateways and 1 regional gateway of which 28 are financially independent • Country gateways provide various kinds of online and offline products/services including training, publications, forums, databases, sub-portals, hosting, online transactions, consulting, publications, events, e-commerce etc. • Average monthly unique visitors (Jan-Mar 2007):[25] approx 94,000 • Average monthly page views (Jan-Mar 2007): approx 319,000
e-Government grants and technical assistance	e-Government projects	e-Government projects: • 5 projects initiated[26] • 1 Caribbean project in the identification phase • 2 project completed[27] • Number of initiatives co-funded - 4 • Amount of co-funding or follow-on funding for scaling-up operations[28] - $ 2.48 million
Online communities	Hosted communities	Online communities: • 29 online communities for knowledge-sharing and collaboration, including newly launched Arab Reform Community (in Arabic) launched with the Library of Alexandria in Egypt • Total registered approx users 37,000 • Average monthly unique visitors

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25. This is the usage statistics (obtained from Omniture) for the following 16 Country Gateways: Azerbaijan, China, Colombia, Georgia, Kyrgyzstan, Mongolia, Nepal, Palestine, Poland, Romania, Tanzania, Ukraine, Uganda, Uruguay, Uzbekistan, and Venezuela.

26. The projects are: (1) Mozambique – GovNet, (2) Mozambique – e-Land Registry, (3) Morocco – e-procurement, (4) Tunisia – e-procurement, (5) Lebanon – e-procurement.

27. Mozambique GovNet and Mozambique-Land Registry.

28. Breakdown: (1) USD 1.7 M for GovNet — this is rather a follow-on funding, provided by the Italian Government on a bilateral basis to support the extension phase of the project, covering the whole Mozambican public administration; (2) USD 350K by the World Bank for the Morocco e-procurement project; (3) USD 330K by the World Bank for the Tunisia e-procurement project; (4) USD $100 expected from the World Bank for a Caribbean project. This is still in its preparatory phase; our involvement (for USD 50 to 100K) has been specifically requested by the World Bank.

Annex C. Members of the Governing Body of the Development Gateway Foundation

Michael J. Hofmann, Ph.D. (chair)
Michael Hofmann is director general in the German Federal Ministry for Economic Cooperation and Development.

Nawid Ahsan
Nawid Ahsan is secretary general of the finance division of the Ministry of Finance in Pakistan.

Julián Casasbuenas
Julián Casasbuenas is the Director of Colnodo, the Colombia Country Gateway host.

Gaoussou Drabo
The Honorable Gaoussou Drabo is minister of communications and new information technologies in Mali.

Hisham El-Sherif, Ph.D.
Hisham El-Sherif is chairman of IT Investments, a holding and direct investment company.

Mark Fleeton (ex officio)
Mark Fleeton is chief executive officer of the Development Gateway Foundation.

Walter Fust
Walter Fust is director general of the Swiss Agency for Development and Cooperation.

Gianluigi Benedetti
Gianluigi Benedetti is the diplomatic advisor to the Italian minister for public reform and innovation.

Rudolf Haggenmueller, Ph.D.
Rudolf Haggenmueller is president of Global Partners Bayern and chairman of Information Technology for European Advancement (ITEA).

Dai-Young Kang
Dai-Young Kang is director general of the International Cooperation Bureau in South Korea's Ministry of Information and Communication.

Shri Dhanendra Kumar
Dhanendra Kumar is the executive director representing India at the World Bank.

Motoo Kusakabe, Ph.D.
Motoo Kusakabe is senior counselor to the President of the European Bank for Reconstruction and Development (EBRD) and the founder of E-Community Link.

Miguel Marques
Miguel Marques is an adviser to the Director for Belgium, Luxembourg and Slovenia at the European Bank for Reconstruction and Development (EBRD).

John H. McArthur, Ph.D.
John McArthur is a retired dean of Harvard University's Graduate School of Business Administration and former advisor to the president of the World Bank.

Romain Murenzi, Ph.D.
The Honorable Romain Murenzi is the minister of science, technology, and scientific research in the office of the president of Rwanda. He holds a doctorate in physics from the Catholic University of Louvain, Belgium.

Margareth Nzuki
Margareth Nzuki is the manager for the Tanzania Development Gateway, coordinator for Tanzania Online and principal information officer heading the Information Centre and Knowledge Management component of the Economic and Social Research Foundation in Tanzania.

Mary O'Kane, Ph.D. (vice chair)
Mary O'Kane is executive chairman of Mary O'Kane & Associates Pty. Ltd., an Australian company that advises governments and the private sector on innovation, research, education, and development.

Sam Pitroda, Ph.D.
Sam Pitroda is chairman of India's National Knowledge Commission, chairman of World-Tel Limited and founder of C-Sam, Inc.

Jean-Francois Rischard
Jean-François Rischard is a retired vice president for Europe of the World Bank.

Kiyomi Saito
Kiyomi Saito is president and chief executive officer of JBond Securities Co., Ltd. in Japan.

Jean-Louis Sarbib (vice chair)
Jean-Louis Sarbib is a retired senior vice president for human development at the World Bank.

V.S. Subrahmanian, Ph.D.
V.S. Subrahmanian is a professor of computer science and the director of the University of Maryland Institute of Advanced Computer Science (UMIACS).

Jiayi Zou
Jiayo Zou is executive director representing China at the World Bank.

Annex D. Sources and Uses of Funds

Annex Table 4. Development Gateway Foundation, Sources of Funds
($000, fiscal years ending June 30)

	2001	2002	2003	2004	2005	2006	Total
Donor Contributions							
Australia		4,333	1,291			1,370	6,993
Bavaria				83	83	83	250
China			333	333	334		1,000
Germany		1,557	1,956	1,487		2,086	7,086
India			340	330	330		1,000
Italy				5,000			5,000
Japan		5,000					5,000
Korea				670	330		1,000
Luxembourg			352	398	430	1,000	2,179
Netherlands		2,000	2,000	1,000			5,000
North Rhine Westphalia			93				93
Pakistan						500	500
Global Partners				83	83	83	250
MAC Holdings			1,500			100	1,600
Hewlitt Foundation						117	117
Michael Bloomberg	1,000						1,000
World Bank		1,000	2,000	2,000	1,000	2,000	8,000
On-line Giving						2	2
In-kind	7,000			2,805	3,033	2,152	14,989
Total donor contributions	8,000	13,890	9,864	14,189	5,623	9,493	61,059
Other Sources							
Service revenue, including sponsorships			118	292	486	514	1,411
Interest and dividends	2	60	130	110	146	117	564
Total other sources	2	60	249	402	632	631	1,975
Total Sources	8,002	13,949	10,113	14,591	6,255	10,124	63,033

Source: Development Gateway Foundation.

Annex Table 5. World Bank Contributions (US$ millions, fiscal years ending June 30)

	2001	2002	2003	2004	2005	2006	2007	Total
World Bank								
In-kind	7.0							7.0
Development Grant Facility		1.0	2.0	2.0	1.0	2.0	1.0	9.0

Source: Development Gateway Foundation and Development Grant Facility Annual Reports.

Annex Table 6. Development Gateway Foundation, Uses of Funds
($000, fiscal years ending June 30)

	2001	2002	2003	2004	2005	2006	Total
Program Activities:							
e-Government Grants Program				1,152	385	1,153	2,689
e-Government						178	178
Aid Effectiveness Tools		426	569	883	502	640	3,021
Online Public Tender Services – dgMarket		549	641	1,091	1,023	2,326	5,630
Global Knowledge-Sharing and Collaboration Networks – dgCommunities		1,189	1,488	1,127	1,417	1,914	7,136
Country Gateways		990	3,710	4,170	1,093	1,438	11,400
Program Support:							
Research and Training Network			161	1,814	2,118	1,703	5,796
Annual Forum and Gateway Award			248	798	506	198	1,750
Portal Technology and Systems Development		6,646	3,497	2,246	1,524	0	13,914
Communications and Outreach		505	435	820	641	672	3,073
Total Program Services		10,306	10,749	14,100	9,210	10,222	54,587
Support Services:							
Fundraising				108	82	361	551
Management and General	.022	541	1,080	1,689	1,467	1,562	6,339
Total Support Services	.022	541	1,080	1,797	1,549	1,923	6,890
Total Uses		10,848	11,829	15,897	10,759	12,145	61,477
Commitments and Non-cash Transactions		-2,303	4,747	67	-1,186	1,078	2,403
Cash and Cash Equivalents, End of Year	1,002	8,801	11,832	10,592	4,902	3,959	3,959

Source: Development Gateway Foundation.

Annex Table 7. Development Gateway Foundation: Statement of Financial Position
($000, fiscal years ending June 30)

	2001	2002	2003	2004	2005	2006
Assets						
Cash and Cash Equivalents	1,002	8,801	11,832	10,592	4,902	3,959
Prepaid Expenses and Other	0	0	83	45	139	402
Furniture and Equipment Net	0	0	0	431	417	310
Portal Net	0	2,314	771	1,474	2,454	2,013
Total Assets	**1,002**	**11,114**	**12,686**	**12,541**	**7,912**	**6,684**
Liabilities and Net Assets						
Liabilities:						
Unpaid Grants	0	0	1,250	2,437	703	1,381
Accts Payable and Accrued Expenses	0	12	2,050	2,005	824	1,774
Deferred Revenue	0	6,729	7,288	6,836	2,144	1,586
Long Term Debt	0	0	0	0	2,271	1,734
Total Liabilities	**0**	**6,741**	**10,588**	**11,278**	**6,460**	**6,475**
Unrestricted Net Assets	**1,002**	**4,373**	**2,098**	**1,263**	**1,452**	**208**
Total Liabilities and Net Assets	**1,002**	**11,114**	**12,686**	**12,541**	**7,912**	**6,684**

Source: Development Gateway Foundation.

Annex E. Current dgCommunities

The Gateway's online "dgCommunities" (formerly called "topics pages") provide information on various development topics as well as the opportunity to collaborate and share information online. The following is a list of the 28 dgCommunities currently operating.

Economic Development

> Business Environment
> Foreign Direct Investment
> Knowledge Economy
> Microfinance
> Poverty
> Trade and Development

Technology and Development

> E-government
> Information and Communication Technologies for Development
> Nanotechnology for Development

Education

> E-learning
> Open Educational Resources

Conflict and Development

> Afghanistan Reconstruction
> Iraq: Relief and Recovery

Development Effectiveness

> Aid Effectiveness
> Capacity Development for MDGs
> Civic Society
> Globalization
> Governance

Human Development

> Culture and Development
> Gender and Development
> Indigenous Issues
> Youth for Development

Environment

Environment and Development
Urban Development
Water Resources Management

Health and Nutrition

Food Security
HIV/AIDS
Population and Reproductive Health

Arab Reform dgCommunity

Annex F. Persons Consulted

Person	Position	Date of Interview
Janet Entwistle	Sr. Partnership Specialist, Task Manager for Development Gateway, OPCVP	Nov. 27, 2006
Nik Harvey	Information Analyst, IEGKM, former staff of Development Gateway	Nov. 27, 2006
Gary Fine	Senior PSD Specialist, GDLN manager for ECA	Nov. 27, 2006
Mark Fleeton	Chief Executive Officer, Development Gateway	Nov. 27 and 30, 2006
Mike Pereira	Manager, dgCommunities Development Gateway	Nov. 28, 2006
Deborah Holston	Chief Financial Officer, Development Gateway	Nov. 28, 2006
Gerhard Pohl	Senior Manager of Operations, Development Gateway	Nov. 29, 2006
Jean-Marie Eklou	Manager, Country Gateways Program, Development Gateway	Nov. 29, 2006
Francis Dogo	Senior Director, Country Operations	Nov. 29, 2006
Knut Leipold	Sr. Procurement Specialist, OPCPR	Nov. 30, 2006
Patricia Weinert	Internal counsel, Development Gateway	Nov. 30, 2006
Richard Steyer	Outside counsel, Development Gateway	Nov. 30, 2006
Nadia Afrin	Business and Policy Advisor, Development Gateway	Nov. 30, 2006
Paul Hubbard	Manager, GPP (Development Grant Facility)	Nov. 30, 2006
Steve Davenport	Manager, Aid Effectiveness Group, Development Gateway	Dec. 1, 2006
Michael Hofmann	Chairman of the Board, Development Gateway Foundation; Federal Ministry for Economic Cooperation and Development	Dec. 22, 2006 (telephone)
Mary O'Kane	Board member and Vice Chair of Executive Committee, Development Gateway Foundation	Jan. 2, 2007 (telephone)
Jean-Louis Sarbib	Vice Chair, Executive Committee, Development Gateway Foundation; former VP of World Bank	Jan. 3, 2007 (telephone)
John McArthur	Dean Emeritus, Harvard Univ. Business School; former Acting CEO of Development Gateway	Jan. 5, 2007 (telephone)

Person	Position	Date of Interview
Joan Hubbard	Advisor, Policy and Strategy, CITID (infoDev)	Jan. 5, 2007 (telephone)
Terry McNamara	Knowledge Coordinator, CITID (infoDev)	Jan. 5, 2007 (telephone)
Spiros Voyadzis	CEO, Partnership for Finance and Development; DG fundraising consultant	Jan. 8, 2007 (telephone)
Peter Muth	Independent consultant and co-author of 2005 evaluation	Jan. 9, 2007 (telephone)
Julius Gwyer	Information Officer, IEGKM; guide of dgCommunity	Jan. 9, 2007 (telephone)
Nicolas Gorjestani	Senior Advisor, AFTQK	Jan. 10, 2007 (telephone)
Brian Hammond	Chair of Aid Effectiveness Steering Committee Head of Statistics and Monitoring Division, Development Cooperation Directorate, OECD	Jan. 10, 2007 (telephone)
Bruno Lanvin	Lead e-Government/e-Strategies Advisor, GICT; former head of infoDev	Jan. 11, 2007 (telephone)

Annex G. Recommendations of the Independent Evaluation and Program Response

Recommendation	Gateway Response
Impact Measurement *The Foundation should make impact measurement a matter of high priority.*	The Gateway has developed a monitoring and evaluation framework (logframe) and reports against this on a quarterly basis. A more detailed logframe was developed for one program area, dgMarket.
Relative Merits of Programs *The Foundation should continually reassess the relative merits — in terms of development and poverty reduction impact — of its menu of programs to ensure that scarce resources are applied to the development and improvement of those programs that generate the most "value for money."*	Management notes that a reassessment of the relative merits of programs was done as part of the planning process of the FY07–09 business plan. All of the previous core programs were maintained. The role and operations of the e-Government Grants Program is being reassessed in consultation with its major sponsor. The future of the Development Gateway Award is similarly under review. The annual Development Gateway Forum was discontinued in view of the heavy demands this makes on senior management.
Stretching Resources through Collaboration *The Foundation should stretch its resources through an even more collaborative approach to program development and implementation. The increased emphasis on partnerships may mean that, in some cases, the Foundation plays "second fiddle" to competitors while, in others, it plays the lead role because of the strength of its own programs.*	Management notes that the Gateway continues to leverage its resources by collaborating with an extensive network of partners in all program areas.

Fundraising Strategy
Management should develop a comprehensive fundraising strategy, based on two premises:
  – *continued public-sector and multilateral donor support is essential as evidence of recognition of the impact of the Foundation's programs; and*
  – *private-sector support is welcome and can give the Foundation the financial freedom to experiment with new programs.*
  – *future approaches to new public-sector and multilateral donors must be prepared with solid research on individual donors' missions, objectives, and programs, and on the synergies and impact offered by the Development Gateway's own programs.*
	The Gateway has hired a Director of Development. In addition, a consultant has been hired to build relations with donors in Europe. The fundraising strategy, which is included in the current business plan, is based on the premise that support for aid effectiveness and good governance products is most likely to be drawn from public-sector and multilateral donors, while other Gateway programs could be supported (perhaps on a smaller scale) from private sources.

Recommendation	Gateway Response
Management and Organization	
The organization of the Foundation should be strengthened in four important respects: − *the development dimension — which is missing from the career histories of the CEO and CFO — should be a selection criterion for all future additions to the Foundation's senior staff;* − *the planning, marketing, fund-raising and impact-measurement functions need to be given their due place in the organization and assigned to individuals with strong relevant experience;* − *cross-departmental working groups must ensure that the entire organization "thinks marketing, impact measurement and fund-raising" and participates in the planning process; and* − *the governance structure and processes must be made more effective.*	The new CEO, Mark Fleeton, has a background in international development. Management notes that the planning, marketing, fundraising and impact-measurement functions have been strengthened through recruitment and organizational changes; and that corporate governance has been improved through changes in membership on the Board, a more active Executive Committee and some changes to the Bylaws.
dgCommunities	
The Development Gateway should regularly survey the users of each dgCommunity to determine how it might be improved and whether it has a potential lead in its field.	A survey of the full dgCommunities membership of 36,000 users in the 28 topic areas was implemented in September 2006.
The Development Gateway should systematically reach out to competitors, treating them as potential partners and seeking cooperative ways of reducing duplication. In some cases, dgCommunities might be re-branded to give the competitors equal billing, in other cases, the Development Gateway might give up its own dgCommunities directing visitors to the Web sites of competitors.	Management notes that dgCommunities provide a range of features and facilities that are not offered by competitors, and that the dgCommunities platform distributes links to the content of other organizations. Periodic reviews are conducted to identify under-performing dgCommunities. Eight communities were merged, refocused or dismantled since mid 2004.
The Development Gateway should remain alert for opportunities to bring its dgCommunities program to bear on aspects not currently covered but of great interest to donors	New programs include the Open Education Resources dgCommunity funded by Hewlett Foundation, the Arab Reform dgCommunity being developed with the Library of Alexandria, and the implementation with UNDP of a private dgCommunity to support planning for UNDP's South-South exchange project.
The Development Gateway should involve the Editorial Committee in the process of reviewing Topic Pages, expanding partnerships and considering new subjects	Instead, the Gateway is following a new community-driven model in which the Gateway provides the program and platform for the community driven knowledge sharing exchange. The Editorial Committee is currently inactive.
The Development Gateway should continue to move gradually toward elimination of the guide stipends and instead use those funds to bring guides together at least once annually and to maintain more systematic contacts with actual or potential partner organizations	As of July 2006, all Guides are participating on a voluntary basis. Management notes that the travel funds included in the FY07–08 budget enable the dgCommunities team to attend key events and conferences, promote the Development Gateway, and network with existing and potential partners.

Recommendation	Gateway Response
dgCommunities (cont.)	
The Development Gateway should enhance the "Third World" dimension of its dgCommunities by more actively seeking partnerships in developing countries.	Management notes that early criticism that dgCommunities content reflects the "Washington Consensus" rather than a more balanced worldview has largely died away, and that over 55% of members and a significant portion of partners are in developing countries.
The Development Gateway should review its relationship with the Country Gateways in the content area and technically facilitate the exchange of resources between the dgCommunities and Country Gateway portals.	Management notes that dgCommunities is already working closely with Country Gateways in several areas including content-sharing, cross-promotion, quality control and translation services. In mid-2005 the Gateway implemented an application (RSS feed) that can post live content feeds from its site to the Country Gateway sites.
Country Gateways	
In an effort to stretch funds available for the Country Gateway program further, the Foundation should systematically approach (a) donors that have funded similar enterprises but not the Foundation and (b) the in-country mission of USAID and other donors in countries that the Development Gateway would particularly like to bring into the CG network	Management notes that it is currently conducting discussions with a range of government donor agencies, multilateral development banks and corporations regarding financial support for the Country Gateway program. The Swiss Agency for Development Cooperation (SDC), is funding two Country Gateway implementations in Burkina Faso and Niger.
As part of the proactive process of seeking promising potential CG partners and expanding potential funding sources for them, the Foundation should contact NGOs and other organizations (e.g. Bellanet, GDN, and GDLN) in the target countries.	Management notes that it already collaborates in this regard with a number of organizations including NGOs, UN organizations and the World Bank, and that the focus now is improving the effectiveness of the collaboration. Discussions are ongoing with other organizations, e.g., GDLN.
The Foundation should budget for carefully prepared travel, by mid-level as well as senior staff, in support of efforts to implement Program Recommendations 8 and 9 as well as to enhance the Development Gateway –Country Gateway dialogue.	Management notes that the FY07–08 budget allows for mid-level staff travel, which was absent in earlier years, and cites examples of recent travel by Gateway managers.
The Development Gateway should phase in a CG grant system that varies (a) grant amounts in accordance with local conditions and country priorities and (b) disbursement schedules in accordance to CG's needs of achieving sustainability.	Management notes that this recommendation has been fully implemented. Support for Country Gateways now takes account of (a) achievements to date; (b) the extent of funding and revenue generation from other sources; and (c) the efficiency of operations, particularly with respect to content development.
The Gateway should continue to organize periodic meetings of the CGs as a means of promoting the exchange of information and the establishment of fruitful lateral relationships. To minimize the costs in organizing such meetings, the DG should work toward requiring the CGs to pay their own expenses but assist them in finding ways of doing so.	Management notes that the Gateway will continue to promote collaboration among Country Gateways by working with regional coordinators to host regional meetings.

Recommendation	Gateway Response
dgMarket *In the context of its review of overall priorities and staffing levels, the Foundation should assure that the popular dgMarket service is staffed to meet current market demands and to support a major marketing and PR effort.*	dgMarket was allocated a 24% increase in its budget for 2006–07, and the Gateway is pursuing offshore recruitment options parallel with staff attrition in head office to drive down costs.
The Foundation should give priority to measuring the impact of dgMarket services as a means of broadening its scope and increase donor support.	In November 2005, an internal study on the "Impact of dgMarket on World Bank-funded Procurement" suggested that the introduction of dgMarket has reduced the Bank's acquisition costs by 0.5–1.5% or about $50–150 million per year.
As a priority area of work for its planned new marketing and public relations position, the Foundation should launch a worldwide campaign to increase the demand for dgMarket services. To leverage the effort, it should explore cooperation with governments and NGOs like Transparency International that share the DG's interest in battling corruption.	Recently dgMarket has received earmarked support for country implementations from AusAid. Web marketing has proved to be the most low-cost and effective means of marketing; the Gateway intends to continue to pursue search engine optimization and improve dgMarket ranking in search engines. The Gateway is discussing closer collaboration with Transparency International.
e-Government Grants Facility *The Foundation should build on its cooperation with the Government of Italy by offering to other donors the option of channeling eG-earmarked funds through the Foundation.*	The Foundation is therefore currently reviewing whether it should continue this program in its current form as it has been poorly integrated with the Foundation's other programs
Research and Training (R&T) Centers *The Foundation should place management of the eG and R&T programs under a single Joint Programs manager and use the R&T option as a vehicle for attracting targeted developing countries into the Development Gateway system and for establishing cooperation with potential partners such as Global Development Learning Network.*	Management notes that recent staff departures, combined with rethinking of the e-Government Grants Program, have provided the opportunity to recruit someone with the necessary skills set to do this.
The Forum *The Foundation should consider holding its Development Gateway Forum biennially, or even triennially, and in the alternate years co-sponsor a regional forum similar to the one in 2005 in Beijing.* *The Foundation should explore, with the Global Development Network or perhaps other kindred organizations that hold annual conferences, the feasibility of holding joint conferences, thus reducing costs and broadening the appeal of the events for the cooperating partners*	Management agrees that the cost and time required to host a Forum outweigh the potential benefits. Instead of hosting its own event, the Gateway will use the Country Gateways to arrange regional meetings and leverage high-profile events organized by other institutions to promote various Gateway programs, including the Development Gateway Award.

Recommendation	Gateway Response
Effectiveness and Impact *The Development Gateway should aim to become an acknowledged leader in measuring the impact of ICT4D projects, starting with its own programs.* *The Development Gateway should consider launching a dgCommunity on "Impact Measurement in ICT4D" and aim to be a leader in this field.*	As noted above, the Gateway has implemented a Logical Framework Analysis and reports against this on a quarterly basis. Management notes, however, that it is not convinced that it is appropriate to strive to be a leader in this field, and that this is a role that infoDev has taken on.
Organization *The organization of the Foundation should be strengthened by:* − *Recruiting a Chief Programs Officer and two senior executives for the newly established functions: Planning and Funding Strategy; and Marketing, Communications and Forums* − *Establishing an impact measurement function* − *Establishing cross-departmental committees or working groups for planning, funding strategy and impact measurement*	In mid 2005 the Foundation filled the fundraising and marketing positions. A staff member has been designated to work with various business lines to address monitoring and evaluation issues. A cross-departmental working group has been established to work on fundraising, and some staff members have also been given lead responsibility for specific fundraising sectors
The "organizational culture" of the Foundation should be oriented more strongly towards, and shaped by, the "development dimension" of the Development Gateway's mission by ensuring that future employees, especially at management level, have relevant past experience in development-oriented work and organizations.	The Foundation has strengthened its "development dimension" by appointing a new CEO, Mark Fleeton, who has spent his career working on development issues for the Government of Australia and is building this also into the selection criteria for all new recruitment. Several other recently-recruited managers and staff have development backgrounds.
Governance *The Board should adopt measures designed to strengthen its effectiveness as the Foundation's supreme organ of governance by, e.g.:* − *Creating new categories of Directors to represent a broader range of stakeholders, such as Current Donors, Potential Donors, Country Gateways, NGOs and Civil Society, organizations with similar missions, and Development Practitioners.* − *Seeking personal commitments from Board members to support and advance the mission of the Development Gateway.* − *Meeting twice annually, with one meeting to be held on a different continent each year, whenever possible in conjunction with a Development Gateway Forum or its equivalent.* *Alternatively, the Board could represent only current and potential donors, DG business partners and individuals with relevant business experience, with other stakeholders being represented on the Advisory Board. The Board and the Advisory Board should meet jointly once every year. Whenever possible, the meeting*	In October 2005, The Executive Committee formed a sub-committee to evaluate the governance structure of the Gateway. The Development Gateway recognizes the importance of having a diverse Board that has a broad range of stakeholders. The Executive Committee has adopted a policy that membership in the Board of Directors should reflect the following stakeholder interests: (1) donors and potential donors, (2) beneficiaries and partners and (3) persons with special expertise/technical knowledge. The allocation as of November 7, 2006 is: donors — 35%, beneficiaries and partners (30%) and individuals (35%). The responsibility of Board members to support and advance the mission of the Foundation has been consistently emphasized by the Chairman including at recent Board meetings. Vice-Chair, Dr. Mary O Kane, is assisting the Gateway in its fundraising effort in the Asia-Pacific region through a program of travel and visits. The Executive Committee has adopted a formal policy that the Board of Directors will meet twice

Recommendation	Gateway Response
would take place in conjunction with a Development Gateway Forum or its equivalent.	annually, usually back-to-back with the World Bank annual meetings. However, hosting meetings in a different continent each year may be difficult and costly, especially since the Gateway is no longer holding an annual Forum.
Membership of the Executive Committee should reflect the operational needs of the Foundation rather than mirror the broadened membership of the Board. *The Executive Committee should hold meetings when required and at places convenient to the members.* *The Executive Committee should meet with Management and use such meetings to deepen its familiarity with the current operations of and problems facing the Foundation.*	Management notes that the Executive Committee comprises those Board members most actively engaged with the Foundation and is familiar with its functions.
The Executive Committee should consider whether the current composition of the Advisory Board is sufficiently broad, enthusiastic and agile and make appropriate recommendations for change. The recommendations should take into account any changes approved in the composition of the Board of Directors.	The Advisory Committee was dissolved in an effort to rationalize and simplify the governance structure of the Foundation.
Membership of the Nominating Committee should be such that the members' business contacts cover the entire spectrum of Board and Advisory Board membership.	Management notes that there are no plans to change the Nominating Committee in the near term.
Financial Evaluation *Following the completion of the second-round fund-raising campaign, the Foundation should assign high priority to development of a long-term, coherent, well-researched and well-targeted public-sector fund-raising strategy as a complement to its strategy of raising a capital fund from social investors.*	Management notes that fundraising efforts are being concentrated on governments and bilateral/multilateral donors, but that other sources of financing are being explored — foundations, private sector organizations and high-net worth individuals — for the "softer" Gateway programs. In addition, the Gateway hopes to increase the level of funds generated from revenues, online donations and sponsorship opportunities. Efforts are being made to gain access to funding from the European donors and reach out to possible sources of financing in the Middle East.

Annex H. Response of the Program to IEG's Global Program Review

May 11, 2007

Mr. Alain Barbu
Manager
Sector, Thematic and Global Evaluation Division
Independent Evaluation Group
The World Bank
1818 H Street NW
Washington DC 20433

Dear Mr. Barbu,

Global Program Review - Comments by the Development Gateway Foundation

I refer to your request for comments on the Global Program Review of the 2005 independent evaluation of the Development Gateway.

We would like to record our appreciation to IEG for conducting this review and, in particular, to the reviewer, Kris Hallberg. We agree with the major findings of the review i.e. that:

- The independent evaluation of the Development Gateway (Muth & Gerlach, 2005) was free from conflicts of interest, and was both organizationally and behaviorally independent.
- Most of the people interviewed in the course of the GPR felt that the independent evaluation was of high quality.
- The management of the Development Gateway has followed up on most of the evaluation's specific recommendations and introduced a number of organizational, management and strategic changes.

We particularly appreciate the endorsement of the review for the Foundation's recent efforts to focus its work on the international aid effectiveness agenda. The Foundation is the only ICT4D organization that systematically seeks to support that agenda through the provision of web-based tools and platforms. We are fortunate to be guided in this endeavor by a Steering Committee comprising the OECD Development Assistance Committee, the World Bank and UNDP.

As this type of review is a new IEG product, we would offer the suggestion that the review process could be improved if there was more opportunity for an exchange on the substance of the findings and analysis. The current guidelines limit the opportunity to comment on the draft to corrections of fact only and the provision of a formal response for publication.

Resource Rationalization and Prioritization

We are pleased to advise that some of the doubts raised by the review about the extent of program rationalization have been further addressed since the review was conducted in November/December last

year. Attachment A shows the reprioritization of resources in the recent FY2008 Budget reflecting a combination of substantial cost savings and efficiency measures together with the reallocation of resources towards the highest priority programs i.e. those which most directly support the Paris agenda. This reflects the program analysis conducted during 2006 and articulated in the Business Plan for FY2007-2009. The task of program review and associated resource allocation is of course ongoing.

Effectiveness of the Program

The review recommends that more outcomes-based performance indicators be developed. The desirability of this is fully accepted. However, the usefulness of the review would have been enhanced if it had offered some specific recommendations on how this could be done in the case of the Foundation's programs at reasonable cost.

The difficulty of developing outcomes-based performance indicators for global programs is well acknowledged in the report. Clearly this is a field where thinking is still developing. The very attributes of public goods (non-rivalrous, non-excludable, non-rejectable) make it difficult to measure "outcomes" for public goods. For the time being in most cases, "best practice" remains measuring outputs that are closely correlated with outcomes. For example, final outcomes of improved education (productivity, knowledge, happiness?) can rarely be established, even after many years. Correlated measures of output (e.g., student achievement tests) can be established more readily and earlier. In the best cases, education policy and implementation is based on such "imperfect" output indicators. More often, "outputs" are not even monitored and evaluated. The same argument applies to many of the Foundation's programs since they are focused on low-cost knowledge sharing and capacity building through the use of ICTs. In a world of many Web sites competing for attention, it is useful to know that dgCommunities attracts about as much traffic as the Web presence of major regional development banks (who all spend far more money on their upkeep). Similarly, it is worth noting that dgMarket now has about half the traffic of the World Bank's site, and that it is the third-most frequented procurement Web site.

One also needs to be cautious about analyzing program effectiveness based on a strict dichotomy between "pure public goods" and "private goods". As recognized in the guidelines for Global Program Reviews, the reality is a continuum of market imperfections that range from (almost) perfect private goods to (almost) pure public goods. Organizations are usually created to deal with market failures, rarely to supply "pure public goods". For example, in paragraph 3.13 the reviewer speaks of potential "unfair advantage for dgMarket against competing suppliers of procurement software". This fails to recognize that the "competitors" are (vastly more expensive) custom government procurement systems operated and paid for by governments. They are not bought off-the-shelf from private suppliers. The case for the Development Gateway is predicated on the premise that it is wasteful to re-invent the wheel 193 times for each country (or more if state and local governments are included), and that it makes sense for governments to cooperate and use the same systems, based on open and common standards. The same applies to the Foundation's other programs that deal with other aspects of aid effectiveness, such as AMP or the proposed Virtual Statistical System. Information technology can drastically lower coordination costs.

Yours sincerely

Mark Fleeton

Mark Fleeton
CEO

FY 2008 Operating Budget

(Years ended June 30,)	BUDGET 2007	OUTLOOK 2007	PROJECTED 2008	
USES:				
Program Activities:				
Aid Effectiveness Tools	1,042,298	1,290,775	2,322,720	79.9%
Online Public Tender Services - dgMarket	1,122,298	1,105,836	1,300,000	17.6%
Global Knowledge-Sharing and				
Collaboration Networks - dgCommunities	816,658	617,645	586,530	-5.0%
Country Gateways	970,902	765,264	953,620	24.6%
e-Government Grants Program	745,027	230,670	41,000	-82.2%
Program Support:				
Research and Training Network	5,000	42,400	47,900	13.0%
Annual Forum and Gateway Award	213,783	203,740	-	-100.0%
Portal Technology and Systems Development	1,278,925	772,871	410,300	-46.9%
Communications and Outreach	741,068	480,828	423,400	-11.9%
Total Program Services	**6,935,958**	**5,510,028**	**6,085,470**	10.4%
Support Services:				
Fundraising	463,859	493,576	571,800	15.8%
Management and General	826,200	783,589	897,200	14.5%
Total Support Services	**1,290,059**	**1,277,165**	**1,469,000**	15.0%
Total Direct expense (cash)	*8,226,017*	*6,787,193*	*7,554,470*	11.3%
Overhead Expenditure (cash)	913,500	871,317	886,800	1.8%
Total Direct cost (cash)	**9,139,517**	**7,658,510**	**8,441,270**	10.2%
Overhead Expenditure (non-cash depreciation)	1,014,907	1,096,161	1,072,000	-2.2%
In-Kind Expenses (non-cash)	1,218,750	1,286,250	500,000	-61.1%
Total expenditure	**11,373,174**	**10,040,921**	**10,013,270**	-0.3%

The Global Program Review Series

The following reviews are available from IEG.

The **Development Gateway Foundation** provides Web-based tools to make aid and development efforts more effective. It provides governments and development professionals with Internet solutions in two areas of high impact—improving aid effectiveness and strengthening public sector governance by increasing transparency. This IEG review found that the Gateway's objectives have become more focused on the international aid effectiveness agenda than when it was established in 2000. The management of the Gateway has followed up on most of the specific recommendations of the 2005 external evaluation, including moving toward more of a stakeholder model of governance. Many of the lessons of the Gateway are shared with other knowledge initiatives that were started in the World Bank at around the same time with the intention of being "spun off." From the beginning, a strategy for a global program needs to establish the degree to which the program provides public goods (global or national) as opposed to private goods, and both its funding and exit strategies need to be consistent with this concept.

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