LEARNING PRODUCT

World Bank Group Joint Projects: A Review of Two Decades of Experience

Lessons and Implications from Evaluation

IEG
Independent Evaluation Group
WORLD BANK GROUP
World Bank • IFC • MIGA

WHAT WORKS

© 2017 International Bank for Reconstruction and Development / The World Bank
1818 H Street NW
Washington, DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org

Contents

Boxes

Figures

Tables

Appendixes

Abbreviations

ASA	Advisory Services and Analytics (World Bank)
DPL	development policy loan
FCS	fragile and conflict-affected situation
FDI	foreign direct investment
FY	fiscal year
GP	Global Practice
ICR	Implementation Completion and Results Report
ICRR	Implementation Completion and Results Report Reviews
IEG	Independent Evaluation Group
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IFI	international finance institution
MIGA	Multilateral Investment Guarantee Agency
PBG	project-based guarantee
PPP	public-private partnership
PRG	partial risk guarantee
PRI	political risk insurance

All monetary amounts are in U.S. dollars unless otherwise indicated.

Acknowledgments

This learning product of the Independent Evaluation Group (IEG) was prepared by a team led by Aurora Medina Siy with support from Feruza Abduazimova, Francesco Bolognesi, Emelda Cudilla, and Anthony Martin Tyrrell. Zorayda Buco Opana helped with the logistics of the World Bank Group joint project practitioners workshop. Nadia Merdassi and Daniel Musiitwa advised the team on dissemination and outreach.

The team gratefully acknowledges the advice and guidance of peer reviewers Ramamohan Mahidhara and Carmen Nonay. Their ideas and perspectives on the practical considerations of working on World Bank Group joint projects have been helpful in injecting realism into this note.

The team highly appreciates the helpful written comments and suggestions received from Antonella Bassani, Caroline Mascarell, Edward Olowo Okere, Daniella Henrike Panhans, Cherian Samuel, David Satola, and the managers of Equitable Growth, Finance, and Institutions; Rafael Dominguez, Keith Hansen, Elona Krypa, Piers Merrick, Junko Oikawa, Robert Schlotterer, and the Energy and Extractives Global Practice's Financial Solutions unit; Yeukai Munzi; and Vera Sevrouk. The team is equally grateful for the comments provided by our IEG colleagues.

The learning note benefited from the insights provided by Patrice Claude Charles Caporossi, Nina Chee, Jill Crowther, Valeriya Goffe, Zhengrong Jason Lu, Carmen Nonay, Catherine O'Farrell, Nkemija Onwuamaegbu, Justin Pooley, Robert Schlotterer, Vera Sevrouk, and Klaus Tilmes during the practitioners' workshop. They shared valuable experience and perspective on process, staff motivation and incentives, and team formation and dynamics in World Bank Group joint projects.

This learning note was conducted under the guidance, support, and encouragement of Andrew Stone, Stoyan Tenev, and Marvin Taylor-Dormond.

Overview

Over the past two decades, many initiatives have sought to increase World Bank Group effectiveness by increasing the number of projects jointly financed among the World Bank Group's three constituent parts. Yet the number of joint projects—a phrase lacking in definitional precision—still amounts to a very modest share of the overall World Bank Group project approvals and commitments.

Although the World Bank Group divides joint projects into cofinancing, parallel, or sequential categories, they do not consistently identify the attributes in their respective project portfolio database. For this first Independent Evaluation Group (IEG) stocktaking of World Bank Group joint projects, determining which projects really display "jointness" has proved very difficult. The World Bank Group often employs the term joint project, but staff understanding about what makes for jointness varies considerably.

Even with some definitional clarity, efforts to determine the effectiveness, efficiency, value-added, and outcomes of joint projects lack methodological tools. Current project evaluation systems remain focused on each institution's development effectiveness and work quality; evaluating joint projects from a World Bank Group-wide perspective remains elusive. Existing project evaluation frameworks exclude World Bank projects supported by project-based guarantees, partial risk guarantees, and Advisory Services and Analytics (ASAs), including joint projects. Current project evaluation systems arguably hinder knowledge about the benefits and results of World Bank Group joint projects.

This learning note focused on projects cofinanced by two or by all three World Bank Group institutions. The cofinancing tag is key. Identifying parallel or sequential joint projects, which also involve two or more World Bank Group institutions, must await separate study. In addition, this learning note locates past and present joint projects with the Multilateral Investment Guarantee Agency within the World Bank Group, which were hitherto not identified.

In the confines of these limitations, IEG found the following:

- World Bank Group joint projects achieved a reduction of risk in client investments across a range of high-risk countries. Jointness lowered or distributed risk in projects with overlapping or multilayered risk profiles. Through its menu of complementary products and instruments, World Bank Group joint projects mobilized private capital for risky projects that required long-term financing and guarantees not readily available from foreign or local commercial sources.

- Jointly financed World Bank Group investments facilitated pioneering foreign direct investment in client countries. They buttressed moves by first-time cross-border investors and supported complex and complicated transnational projects. Internal or supply-driven factors also favored the facilitating of joint projects.
- Coordination, policy, and resource challenges confront two or more World Bank Group institutions seeking joint financing or implementation of the same project. Joint projects entail additional transaction costs, which may delay completion. Higher preparation, appraisal, structuring and negotiating of financial and legal documents as well as implementation and monitoring and evaluation costs can outpace budgeted sums. (Efforts to streamline processes, standardize transaction documents, and train World Bank Group staff are ongoing).
- Information sharing remains a big hurdle for the knowledge exchange crucial to successful jointness, and conflict-of-interest issues surface—a result of different mandates, business models, and mind-sets.
- Differences and incompatibility in processes, incentives, and organizational cultures persist although the tone and signal set by World Bank Group leadership has created conducive environment for future joint projects.

This learning note cannot identify any observed pattern of association between the intensity of interactions in joint World Bank Group projects and the development outcomes achieved. Jointness cannot become a substitute for solid work quality, a committed sponsor, sufficient resources, or other factors critical for any project's positive outcome, whether joint or not.

Implications

- Project jointness can be especially helpful in specific contexts with high direct relevance to the World Bank Group's development mission. Because jointness also entails costs and risks, the attribute works best when the World Bank Group has a clear, even unique comparative advantage.
- Given these restrictive characteristics, joint projects will continue to occupy a niche segment within the World Bank Group's products and services. There is a "sweet spot" where employing World Bank Group

cofinancing of projects makes sense. Jointness doesn't offer a panacea.

- Realism must temper inflated expectations about rapidly increasing the number of joint World Bank Group projects in the future. This applies in particular to project implementation timelines, different institutional processes, and the adequacy and stability of financial and staff resources. Crucially, these expectations rest on the public or private sector clients' willingness to procure products or services from two or more World Bank Group institutions.
- In and of itself, jointness cannot assure successful project outcomes. Nonetheless, joint projects can be powerful and creative tools, accelerating beneficial outcomes as and when specific conditions permit.
- Improving internal (and client) knowledge about joint projects begins with their systematic, consistent tracking by the three World Bank Group institutions. They need to develop and test approaches for evaluating joint projects, especially from a "One World Bank Group" perspective—another component of the agreed policy to create a "Solutions World Bank Group" and an "Agile World Bank Group."
- Recognizing work on World Bank Group joint projects in staff performance reviews can go a long way in reinforcing staff incentives to work collaboratively across the different World Bank Group institutions. Aligning the different human resources systems can also eliminate some of the disincentives for working on joint projects.

1. Introduction

Purpose

This learning note contains the first systematic stocktaking by the Independent Evaluation Group (IEG) of joint projects within the World Bank Group. It aims to offer insights on both benefits of, and challenges in, developing, structuring, supervising, monitoring, and evaluating World Bank Group joint projects. Specifically, this review identifies: What are the core characteristics of these projects? What is the essence of the "jointness" being analyzed? What are the push-pull factors at play? What counts as the key value-added from a World Bank Group joint project? How is jointness factored in, from initial project design and structuring to implementation, monitoring and evaluation, and outcomes? And, what enables and inhibits successful World Bank Group joint projects?

Providing interim answers to these questions required analytic focus on one of three subsets of World Bank Group joint projects. Those that receive cofinancing from two or more World Bank Group institutions form Type 1 joint projects, while Type 2 and Type 3 joint projects (which are collaborative sequential or parallel projects among World Bank Group institutions) fall outside this review. Through this review of joint projects, IEG hopes to contribute to better understanding of how the "One World Bank Group" approach works in practice and at the basic operational level.

As noted, cofinanced (Type 1) projects provide the material for evaluation. These projects have formal approval from the Board of Executive Directors and support from at least two of the three World Bank Group institutions (World Bank 2016a).[1] For joint projects involving International Finance Corporation (IFC) Advisory Services or the World Bank Advisory Services and Analytics (ASA), the projects' formal Concept Notes assisted IEG in determining jointness. As noted, parallel and sequential projects do not appear in this learning note, although (subject to the Committee on Development Effectiveness, Management of the World Bank Group institutions, and IEG priorities) IEG's future work program may evaluate these categories as well.

Context

The World Bank Group's October 2013 strategy sets out how the three constituent institutions should work in partnership for the World Bank Group's development goals (helping end extreme poverty and promoting shared prosperity in a sustainable manner). "Operating as One World Bank Group" forms a central component of the 2013 strategy, which envisages increasing collaboration right across the World Bank Group.

Meanwhile, at the country level, the new Systematic Country Diagnostic and the Country Program Framework tools have begun to put joint diagnostic and business planning into the institutional mainstream. The World Bank Group Corporate Scorecard also tracks institutional collaboration, and the 2013 strategy envisions more joint projects within the World Bank Group. A planned review of World Bank's portfolio of products and services intends to improve synergies and eliminate overlap. Numerous joint World Bank Group initiatives have followed since then. Most recently, the $75 billion financing pledge of the 18th Replenishment of the International Development Association (IDA) includes a $2.5 billion "IDA 18: IFC—Multilateral Investment Guarantee Agency (MIGA) Private Sector Window" to support private sector investment in IDA and fragile and conflict-affected situation (FCS) countries.

The rationale in this note for joint projects rests on three premises: (i) complementarity—the three institutions' instruments, resources, and assets complement each other in various settings and contexts; (ii) commonality—World Bank Group institutions work on common development challenges, countries, or types of clients; and (iii) comparative advantage—the institutions combine their resources based on respective competence or efficiency (transaction costs) in relation to internal or external partners.

Each World Bank Group institution has a distinct business model, operational mandate, internal process, organizational structure, institutional culture, budget, particular clients, and unique staff expertise. They also have overlapping and complementary development tools. These include financing, guarantees, and other risk-sharing instruments provided to governments both at the national and subnational levels, and to the private sector. Within the World Bank Group, the World Bank and IFC also provide advisory services for the public or private sector. Not least, both possess specialist knowledge—such as structuring and advising on public-private partnership (PPP) transactions and improving investment climate.

At the same time, the World Bank, IFC, and MIGA subscribe to a common mission embedded in their respective articles of agreement or convention: promote economic development and encourage the flow of investments in productive purposes.[2] The three institutions also share the "One World Bank Group" goal of eliminating extreme poverty and promoting shared prosperity sustainably.

World Bank Group joint projects epitomize the highest form of internal collaboration at the operational level. Two or all three World Bank Group institutions combine instruments and resources to deliver solutions to clients. Jointness is a means to (i) add value for the client and (ii) increase the World Bank Group's development effectiveness.

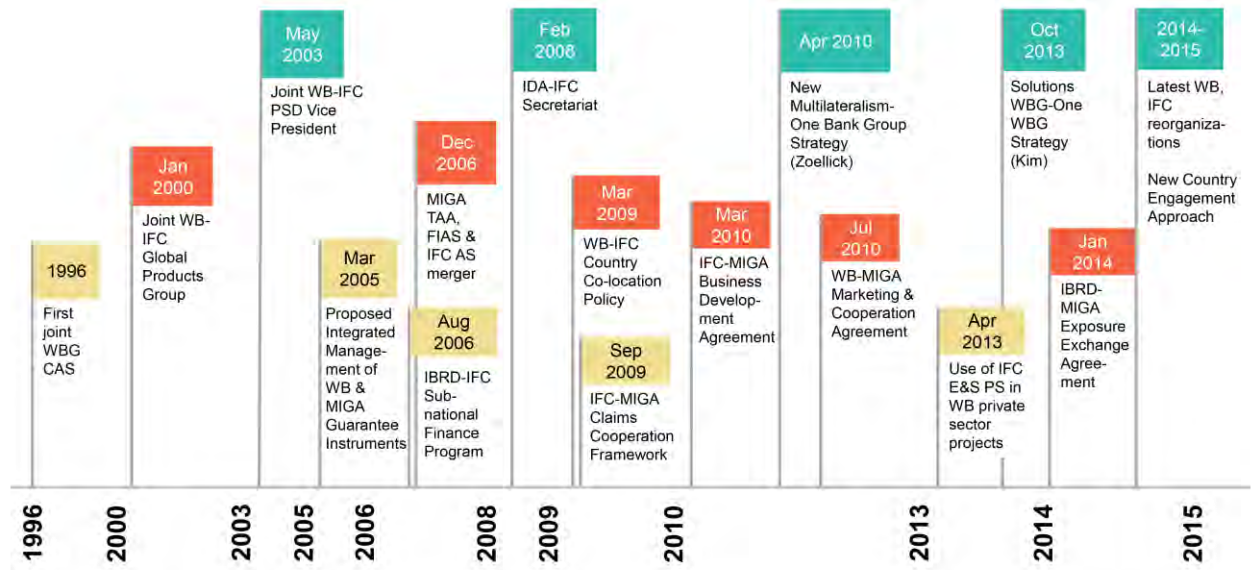
From a corporate perspective, of course, joint projects offer potential for offsetting institutional, operational, and capital constraints as well as complementing the strengths of each World Bank Group institution. To take one example, MIGA has a limited reach. Its small staff based in Washington, D.C., cannot match the reach and scope of IFC and World Bank staff, with their extensive Regional and country presence. But MIGA enhances its portfolio by partnering with the IFC and World Bank. Joint projects can also mobilize much-needed funds for development and help countries achieve World Bank Group's development goals.

Initiatives to Promote World Bank Group Joint Projects

During the last 20 years, successive policy and operational initiatives have sought to increase the number of World Bank Group joint projects (figure 1.1). Aligning development strategies, policies, operational structures, and practices form one management objective: to promote collaboration among the three institutions as a means to achieve the World Bank Group's development mission. The following make up the most prominent initiatives in the past two decades.

Joint country assistance strategies appeared in fiscal year (FY) 1996 to exploit better synergies among the three institutions. These strategies formed the foundation of the World Bank Group's country programs until FY2014. A "new country engagement" approach followed. Other intra-World Bank Group cooperation evolved. Prior to FY2000, IFC had conducted environmental and social appraisals for MIGA projects before MIGA established its own environmental and social unit and adopted its own Safeguards Policy in FY2000. Yet another effort toward greater intra-World Bank collaboration began in January 2000, with the merger of several private sector development units across the World Bank Group into joint IFC-World Bank "Global Product Groups." These groups merged relevant IFC and World Bank sector staff into the Information and Communication Technologies Department and the Oil, Gas, Mining, and Chemicals Departments.

Figure 1.1. **Management's Initiatives** over 20 Years to Facilitate Joint Projects



Source: IEG literature review.

There has been no shortage of top-down intra-World Bank collaborative efforts. Another occurred with the creation of a new IFC-World Bank Private Sector Development Vice Presidency in May 2003. The objective: coordinate investment climate–related activities and integrate private sector development issues into the country assistance strategy process. This joint vice presidency evolved into the Finance and Private Sector Development Vice Presidency, which then merged into various Global Practice groups set up in the FY2014 World Bank reorganization. In March 2005, a Working Group on Management of Guarantee Instruments of the World Bank and MIGA was created to propose solutions to the fragmentation of World Bank Group guarantee product offerings and exploit their full potential. The working group recommended that the management structure of MIGA and World Bank guarantees programs be unified under the MIGA Executive Vice President, but this was not pursued.

These internal changes came on top of other collaborative initiatives and organizational changes. All aimed at maximizing World Bank Group synergy and eliminating institutional constraints (see figure 1.1).

Thus, in December 2006, MIGA's Technical Assistance and Investment Promotion Services unit merged with IFC's Foreign Investment Advisory Service Department. This later became IFC Advisory Services. An IDA-IFC Secretariat emerged on February 2008, having a two-year mandate and aiming at improved intra-World Bank Group collaboration.[3] In early 2009, IFC and MIGA signed a Joint Business Development Agreement targeting its joint support to financial institutions in Europe in response to the global financial crisis. During the same year, a joint IFC-MIGA unit was created to oversee the agreement's implementation (see box 1.1). More improvements to the joint agreement followed. In March 2010, IFC and MIGA expanded the agreement to cover all sectors globally, and in July 2014, a revised agreement allowed MIGA to compensate IFC for its support in processing potential joint transactions. The World Bank and MIGA also piloted a similar agreement. In July 2010, a one-year marketing and cooperation agreement joined the World Bank and MIGA to cross-market their guarantee products and services. Although not renewed, periodic moves to harmonize World Bank Group guarantee instruments continue to occur.

Procedural and locational impediments to project cofinancing by World Bank Group continue to demand attention. In FY2013, for example, Operational Policy and World Bank Procedure 4.03 emerged with the title, "Performance Standards for Private Sector Activities." These concerned the application and compliance by World Bank projects involving the private sector (including PPPs) with IFC's Environmental and Social Performance Standards. Co-locating World Bank and IFC staff in country offices helped address practical difficulties that hinder collaboration, as did the integration of various IFC business lines and staff with several World Bank Global Practice departments (for example, Trade and Competitiveness Global Practice and Finance and Markets Global Practice) and Cross-Cutting Solutions Areas.

Box 1.1. IFC-MIGA Business Development Agreement: Providing Incentives for Joint Projects

Following the 2008 global financial crises, IFC and MIGA entered into a Joint Business Development Agreement to promote a joint World Bank Group response as part of the multilateral Vienna Initiative. The agreement, signed on February 26, 2009, allows IFC to market MIGA political risk insurance products and develop business with financial sector companies based in Western Europe. IFC's marketing efforts targeted existing IFC clients, and new business opportunities and potential new IFC and MIGA clients. On March 5, 2010, the agreement was extended and broadened to cover sponsors, lenders, and private equity funds in all sectors. In July 2014, the agreement was revised to expand the scope of cooperation with MIGA, allowing it to compensate IFC for providing due diligence support to projects originated under the joint agreement. The agreement aimed to develop innovative approaches to business development, mobilize private capital, and find private sector solutions to emerging market issues through close collaboration between IFC and MIGA.

To support implementation and achieve the desired results, several accountabilities, supporting structures, and incentive mechanisms were embedded in the agreement. In particular, IFC (i) provides marketing support to MIGA with respect to its products, targeting IFC's new or existing clients and new potential business opportunities; or (ii) takes the lead in processing joint transactions and, with client consent as required, shares substantial project-related information with MIGA, both during the investment processing phase and the supervision phase. In turn, IFC is compensated for its role and contribution to MIGA's operations. As incentive, MIGA pays IFC a fee for its role in IFC's client referral and support activities. At the corporate level, IFC counts the amount of issued MIGA guarantees in its annual mobilization targets, which is then reflected in IFC's Corporate Scorecard. At the staff level, joint project teams are recognized in the cross-corporate or team awards at IFC and MIGA. More important, IFC staff can include their work with MIGA in the "achievement" part of their annual work performance review.

An IFC-MIGA business development unit serves as the focal point and one-stop shop for staff and clients. The unit is accountable for results delivery. The unit gets support from a network of IFC-MIGA Global Champions, comprising 20 volunteer IFC staff across IFC headquarters and field offices in the financial markets, infrastructure, manufacturing, agribusiness, and services sectors. These champions serve as the knowledge experts, liaison officers, and business developers for MIGA products across IFC Regional and sector units.

From FY2011 to FY2015, the Joint Business Development Agreement generated 32 IFC-MIGA joint projects (IEG's mutually exclusive count), which translated into $2.5 billion of MIGA mobilization. This amount accounted for 19 percent of MIGA gross exposure during this five-year period. Beyond the amount mobilized, the agreement provides a platform for both IFC and MIGA to meet their strategic commitments and enhance operational efficiency.

Sources: Joint Business Development Agreement between IFC and MIGA; IFC-MIGA Business Development Unit.

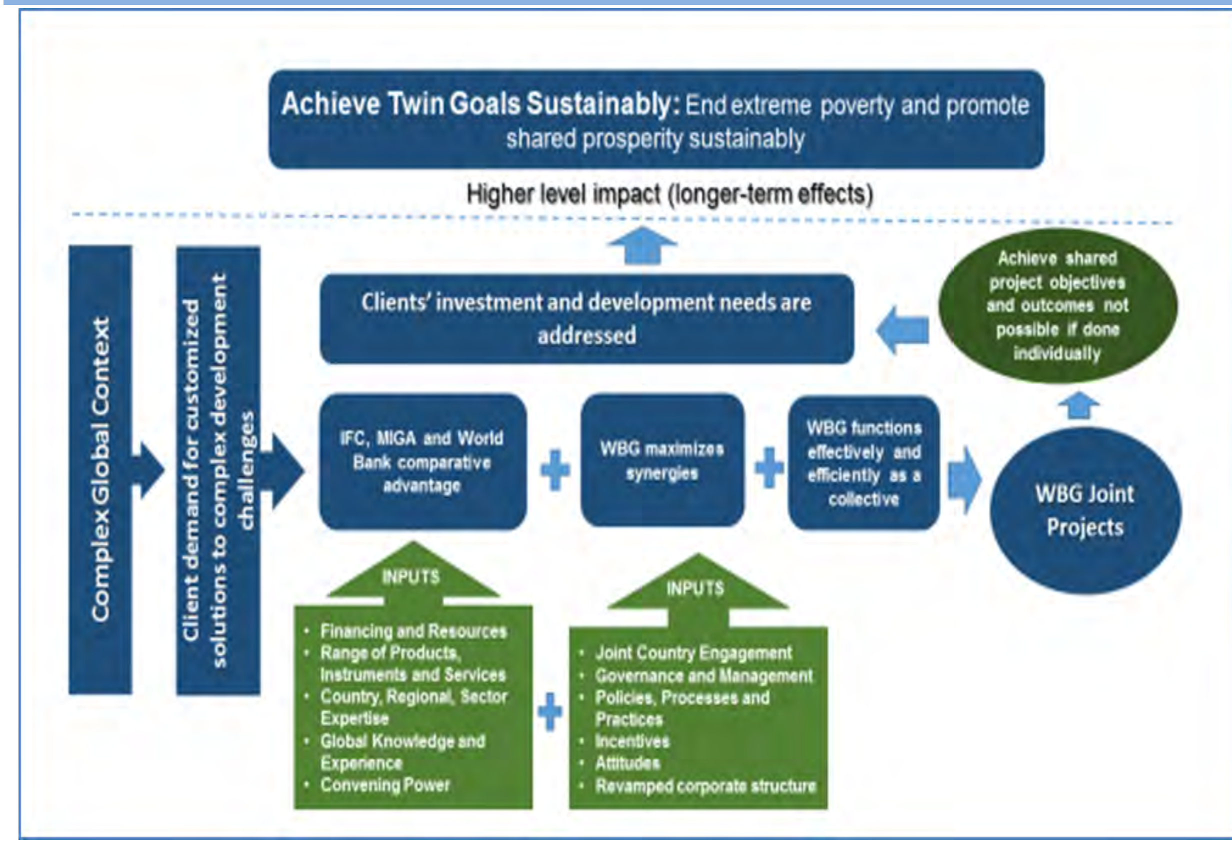
Finally, and parallel to all these organizational changes, a new country engagement approach received approval in 2014. This mandated a formal integration of IFC and MIGA into the country diagnostics and country programming processes. A "One World Bank Group" approach—tied to the Systematic Country Diagnostics, Country Partnership Framework, and the Joint Implementation Plans—emerged, providing a strategic platform for increasing World Bank Group joint projects.

Parallel to these two decades of operational and policy initiatives, intra-World Bank Group collaboration continues to occur at different levels: in strategy, policy, and operations. The previous paragraphs show the incremental and structural changes inculcating the need for institutional jointness. In today's World Bank Group, informal and formal consultations happen routinely among and between management and operational staff. Numerous initiatives continue to facilitate and institutionalize jointness among IFC, MIGA, and World Bank staff. These affect the corporate, Regional, and sectoral levels as well as in-country programs and specific projects.[4] Within the World Bank Group, coordination and collaboration at every level, including at the project level, have become familiar concepts and familiar practice.

World Bank Group Joint Projects: A Theory of Change

A theory of change originating in the 2013 World Bank Group strategy was developed as the rationale for joint projects for purposes of this learning note (World Bank 2013c). The theory recognized that (i) the World Bank Group has a comprehensive package of complementary tangible and nontangible instruments, resources, assets, and intellectual capital, allowing it to fashion bespoke solutions to public and private sector clients' complex development problems; (ii) the World Bank Group can maximize the comparative advantages of each of its three institutions, thereby achieving synergies as a collective entity meeting complex development challenges; in other words, the entire World Bank Group is greater than the sum of its constituent parts when it comes to meeting today's complex global context; and (iii) joint projects can achieve objectives and outcomes otherwise not possible if pursued separately by the respective institutions. Figure 1.2 illustrates the simplified theory of change for joint projects derived from the 2013 World Bank Group Strategy.

Figure 1.2. Theory of Change Underlying World Bank Group Joint Projects



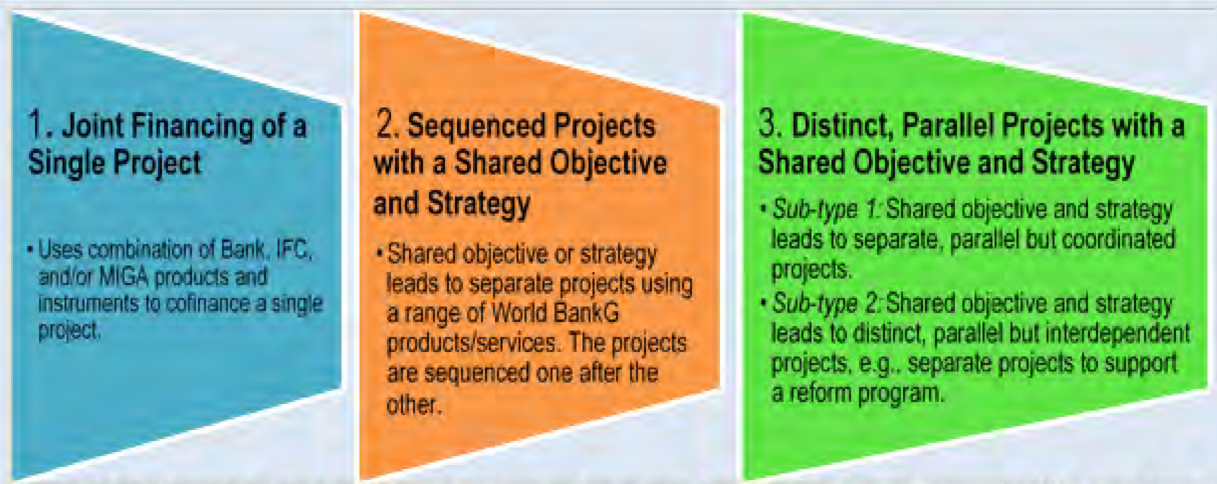
Source: Based on World Bank Group October 2013 strategy.
Note: WBG = World Bank Group.

Defining Joint Projects

Prior to the October 2013 World Bank Group Strategy, a collaborative vision had emerged in a 2009 IDA-IFC Secretariat document on models of collaboration (World Bank 2009a). This document separated joint World Bank Group projects into three types as illustrated in figure 1.3. The concept note for this learning note explains the distinction between the three types in detail (World Bank 2016a). In practice, however, joint projects have operated under varying definitional and reporting regimes, despite the apparently direct categorization.[5,6] As a result, systematic tracking of approved World Bank Group joint projects had become difficult.

Keeping this stocktaking of recent collaborative efforts in mind, this learning note focuses—as noted—on cofinanced Type 1 projects, having formal approval from the Board of Executive Directors of at least two of the three World Bank Group institutions. Focusing on Type 1 joint projects provides solid comparative material. Each project has won approval as a designated joint project by the board—an unambiguous sign of intent—and because these projects align with the typology of joint projects in the 2013 World Bank Group strategy document (World Bank 2013c).

Figure 1.3. Three Types of World Bank Group Joint Projects



Sources: IDA-IFC Secretariat. "Models of Collaboration—Working Across World Bank Group Boundaries." September 2009; "World Bank Group Strategy 2013." October 2013.
Note: The 2013 World Bank Group Strategy defined joint World Bank Group projects as Type 1 and Type 2 only.

Methodology

Identifying World Bank Group joint projects. This learning note rests on a review of all 112 cofinanced (Type 1) joint projects approved by the three institutions from FY1995 to FY2015 (table 1.1). This total reflects a mutually exclusive count of the related individual projects by each of the two or three World Bank Group institutions. A stand-alone portfolio database for all joint projects does not exist. IEG created a database of Type 1 joint projects as extracted from project portfolio data held by IFC, MIGA, and World Bank regarding projects approved, committed or issued from FY1995 to FY2015.

Table 1.1. The World Bank Group Commitments to World Bank Group Joint Projects in the Past 20 Years

World Bank Group Institutions and Main Products Combination	Joint Projects Approved, FY1995–15 (Population)	Joint Projects Commitment Amounts (US$, millions)	Joint Projects Validated by IEG, FY2000–15
World Bank Non ASA-IFC IS-MIGA PRI	10	2,744.3	3
World Bank Non ASA-IFC IS	20	2,172.9	2
World Bank Non ASA-MIGA PRI	8	2,220.4	3
IFC IS-MIGA PRI	43	3,850.5	17
World Bank ASA-IFC IS	2	125.6	1
World Bank Non ASA-IFC Advisory Services	14	1,173.4	7
World Bank ASA-IFC Advisory Services	12	8.4	1
World Bank Non ASA-IFC IS-IFC Advisory Services	3	293.4	2
Total	112	13,128.8	35

Source: IEG portfolio review of World Bank Group joint projects.
Note: These 112 joint projects represent the mutually exclusive count of paired World Bank Group cofinanced projects approved/committed/issued from FY1995 to FY2015 and evaluated from FY2000 to FY2015. If based on project ID number count, these 112 paired projects correspond to 301 individual projects of World Bank, IFC, and MIGA. Amounts represent actual commitments by World Bank and IFC and gross exposure by MIGA. World Bank non-ASA products include investment project financing, project-based guarantees, development policy operations, and program-for-results. IS = investment services; PRI = political risk insurance.

This note also contains the first systematic review and analysis of World Bank Group joint projects involving MIGA. The process of project identification was not easy: IFC and World Bank project portfolio data sets tagged joint World Bank and IFC projects (a legacy from the IDA-IFC Secretariat), whereas the record of MIGA's joint projects was extracted from its annual reports and the MIGA executive vice president's quarterly reports to the board. (To eliminate false positives, IEG cross-checked the identified Type 1 joint projects from board and other approval documents, sharing the list with IFC, MIGA, and Operations Policy and Country Services for verification.)

Identifying World Bank Group joint projects results. Other data relevant to this review were gleaned from records about development outcomes, drivers, and lessons learned from 35 World Bank Group joint projects evaluated by at least one of the partner World Bank Group institutions (and validated by IEG)[7] during the period FY2000 to FY2015. The review of project documents was supplemented with a review of World Bank Group strategies and collaboration initiatives as well as IEG country program, sector, and thematic reports. IEG also reviewed the literature on collaboration theory and on collaboration evaluation, which helped provide the organizing framework for the analysis (appendix B). To enrich the learning note, IEG supplemented the desk review with related interviews and discussions with World Bank Group staff with experience in joint projects.

Terminologies used. The terms World Bank Group joint projects and joint projects are used interchangeably in the rest of the learning note to refer to World Bank Group cofinanced (Type 1) joint projects. The term cofinanced joint projects used in this note means using different combination of IFC, MIGA and World Bank products and instruments—from loans, guarantees, equity, risk-sharing facilities, ASAs, and technical assistances—in a single project. This catch-all term is consistent with that used in the World Bank Group Strategy (World Bank 2013c).

Limitations. This learning note has assessed World Bank Group cofinancing of a single type of project only—the Type 1 joint project. Parallel and sequential joint projects are not part of this review and must await separate study. This note recognizes there are other forms of internal World Bank Group cooperation or collaboration endeavors, but this initial stocktaking exercise did not include such activities. This note also covers the 20-year period, FY1995 to FY2015, and excludes the most recent intra-World Bank Group collaborative activities as their results have not been evaluated yet. Although the past may not necessarily inform present events, taking a long view helped IEG understand better the characteristics of joint projects as well as the motivations of "pioneering" World Bank Group staff who worked on joint projects when the enabling environment for collaborative work across the institutions was not well defined.

IEG distilled some generalized findings from the desk review, but it could not perform further quantitative analysis to test robustness. IEG learning products are confined to a review of existing evaluation materials and cannot include additional data. Obtaining data on the cost of developing, supervising, monitoring, and evaluating joint projects proved difficult, primarily because accounting and budget processes lack coordination across the World Bank Group. On the other information gaps, IEG benefited from a group discussion with several IFC, MIGA, and World Bank staff who have experience in developing, structuring or underwriting, appraising, supervising, monitoring, and evaluating World Bank Group joint projects. Their experiences and lessons are integrated herein.

The remainder of this note is organized as follows: Chapter 2 presents the profile of World Bank Group cofinanced projects based on IEG's portfolio review. Chapter 3 identifies the contributions and challenges in World Bank Group joint operations, summarizing the value-added and the challenges of joint projects from the perspective of clients, World Bank Group staff, and IEG. Chapter 4 reviews the presence or absence (intensity) of World Bank Group project teams' interactions in joint operations throughout the project cycle—from project scoping or concept to evaluation. The chapter then presents IEG's analysis of development outcomes and drivers of the evaluated joint operations and compares these with the intensity of World Bank Group project team interactions throughout the project cycle. IEG also reviewed related project documents to learn more about the motivation for jointness and the varying intensity of interactions at the project level. Chapter 5 summarizes the lessons on effective World Bank Group jointness and sets out the implications for working as One World Bank Group going forward.

---

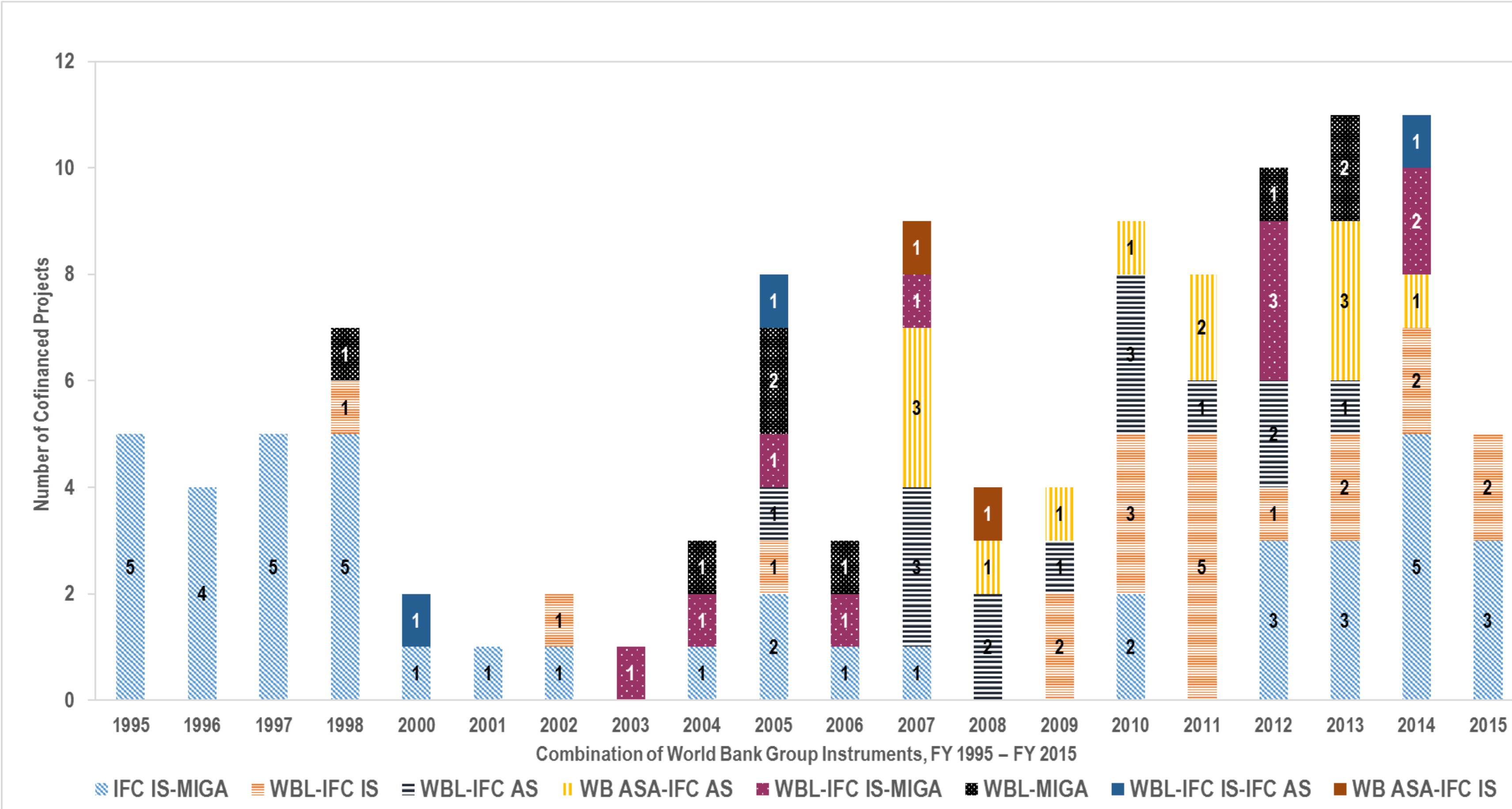
[1] Details on the different types of joint World Bank Group projects are discussed in the concept note for this learning note (World Bank 2016a).
[2] *IDA's Articles of Agreement* (2012 version) states its purpose is "to promote economic development, increase productivity and thus raise standards of living in the less-developed areas of the world included within the Association's membership." (IDA Articles of Agreement 2012). *IBRD's Articles of Agreement* varies slightly but nevertheless affirms the purpose of the Bank is "to assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes, including the restoration of economies destroyed or disrupted by war, the reconversion of productive facilities to peacetime needs and the encouragement of the development of productive facilities and resources in less developed countries." *IFC's Articles of Agreement* (2012 version) also affirms its purpose is "to further economic development by encouraging the growth of productive enterprise in member countries, particularly in the less developed areas" thus supplementing the activity of the Bank. MIGA's objective and purpose as stated in its convention supplements the activities of IBRD and IFC by "encouraging the flow of investments for productive purposes among member countries" (MIGA Convention, Article 2).
[3] The IDA-IFC Secretariat closed officially on December 31, 2010.
[4] By way of example, in the Human Development sphere, the Health-in-Africa (HiA) initiative, a joint work between World Bank and IFC, and growing collaboration on the Jobs agenda are illustrative examples. In the Middle East and North Africa Region, while there are no cofinanced World Bank Group joint projects, there are several other types of collaborative joint projects on jobs and productive inclusion with Jobs and Trade and Competitiveness Global Practice (GP) (led by Social Protection and Labor GP in Tunisia and Lebanon, by Trade and Competitiveness in Jordan, and by Social, Urban, Rural, and Resilience GP in Morocco). These programs were developed in consultation and synergy with IFC. Another example is the Program-for-Results support in Jordan (Jordan: Economic Opportunities for Jordanians and Syrian Refugees), which complements IFC activities (e.g., IFC and International Labour Organization Better Work initiative) and paves the way for follow-on IFC activities in Jordan.
[5] As an example, IFC defines a joint project with the World Bank as follows: a project with "shared World Bank and IFC objectives and [with] cofinancing by the World Bank through one or more of the following: (i) loan, equity, other financial product; (ii) Advisory Services (Advisory Services) or technical assistance; (iii) resources provided through grant or financial allocation; and (iv) joint staffing or cross-support for Advisory Services projects." In this regard, joint IFC-World Bank projects differ from "IFC-World Bank Complementary Projects," which IFC defines as an "IFC project having shared objectives with [an] interdependent or parallel World Bank project requiring active coordination."
[6] The World Bank Group Strategy consolidated "joint World Bank Group projects" into two types: *cofinanced* (Type 1) and *sequential* (Type 2) projects (World Bank 2013a, 31).
[7] Independent project evaluations by IEG (Project Evaluation Report, Project Evaluation Summary) were also part of the evaluative materials used.

2. World Bank Group Joint Projects: A Portfolio Snapshot

Despite numerous initiatives to facilitate joint projects, the number of approved World Bank Group joint operations with commitments[1] had not risen in a commensurate way, making projections of future World Bank Group joint projects challenging. Considering the number of past initiatives toward this result, notably the October 2013 strategy for a One World Bank Group approach, it seems reasonable to assume that joint project approvals would rise steadily, year-on-year. Past trends, however, have been otherwise, as the numbers in figure 2.1 reveal. Over the 20-year period, FY2013 and FY2014 saw the highest number of joint project approvals, with 11 joint projects approved. But joint project approvals declined the next year, FY2015, to just five. Looking ahead, the World Bank Group's "New Country Engagement" approach (involving Systematic Country Diagnostics, Country Partnership Frameworks, and Joint Implementation Plans) may push the figure back up again.

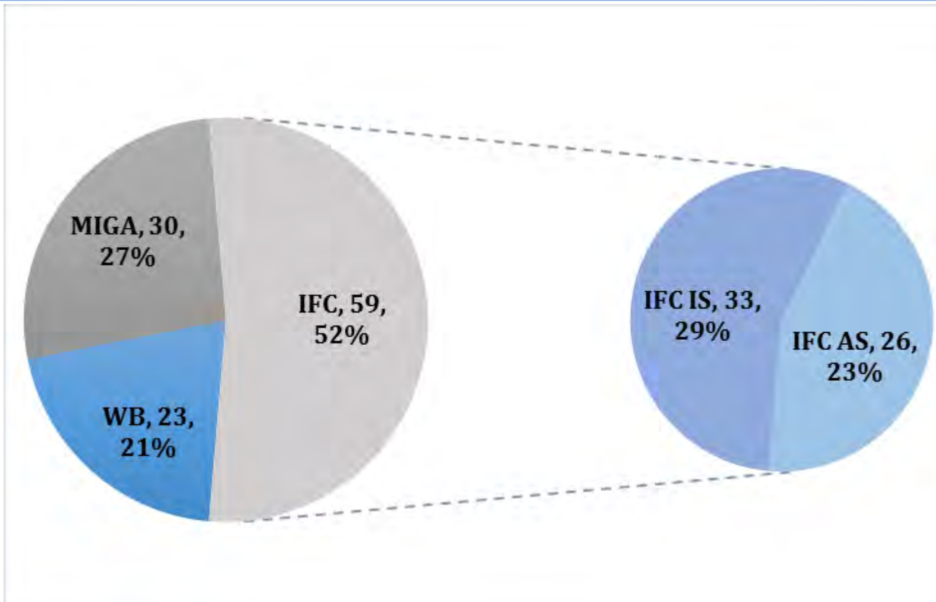
Nearly three-quarters of approved joint projects (83 of 112 joint projects) supported investment projects through a blend of IFC investments, MIGA guarantees, or World Bank non-ASA instruments. Another 16 joint projects combined investment financing and ASA products. Cofinanced projects employing a combination of IFC investments and MIGA political risk insurance (PRI) have a longer history and remained relatively stable during the past 20 years. By contrast, joint operations financed by a blend of World Bank non-ASA instruments (investment project financing and project-based guarantees [PBGs]) and IFC investment had been sporadic—the first occurring in FY1998 and then again in FY2002, FY2005, and FY2009 onward. The World Bank Group product mix in cofinanced joint projects began to diversify only in FY2005 (see figure 2.1). IFC supported over half of World Bank Group joint operations, followed by MIGA and then by the World Bank (figure 2.2). Joint projects with IFC consisted mostly of investments, primarily loans. The World Bank, on the other hand, deployed mainly its PBG instruments (13 of 23 joint projects involving the World Bank—see figure 2.2) and in four joint projects, World Bank guarantees were blended with investment project financing.[2]

Figure 2.1. The 20-Year Trend in World Bank Group Joint Project Approvals



Source: IEG portfolio review of Type 1 World Bank Group joint projects approved, committed or issued, FY1995 to FY2015.
Note: No distinct trend shows, despite successive initiatives and incentives to increase collaboration. IFC IS = IFC Investment Services; IFC AS = IFC Advisory Services; MIGA = Multilateral Investment Guarantee Agency; WB ASA = World Bank Analytics and Advisory Services; WBL = World Bank Lending.

Figure 2.2. Over Half of World Bank Group Joint Project Approvals in the Last 20 Years Involved IFC

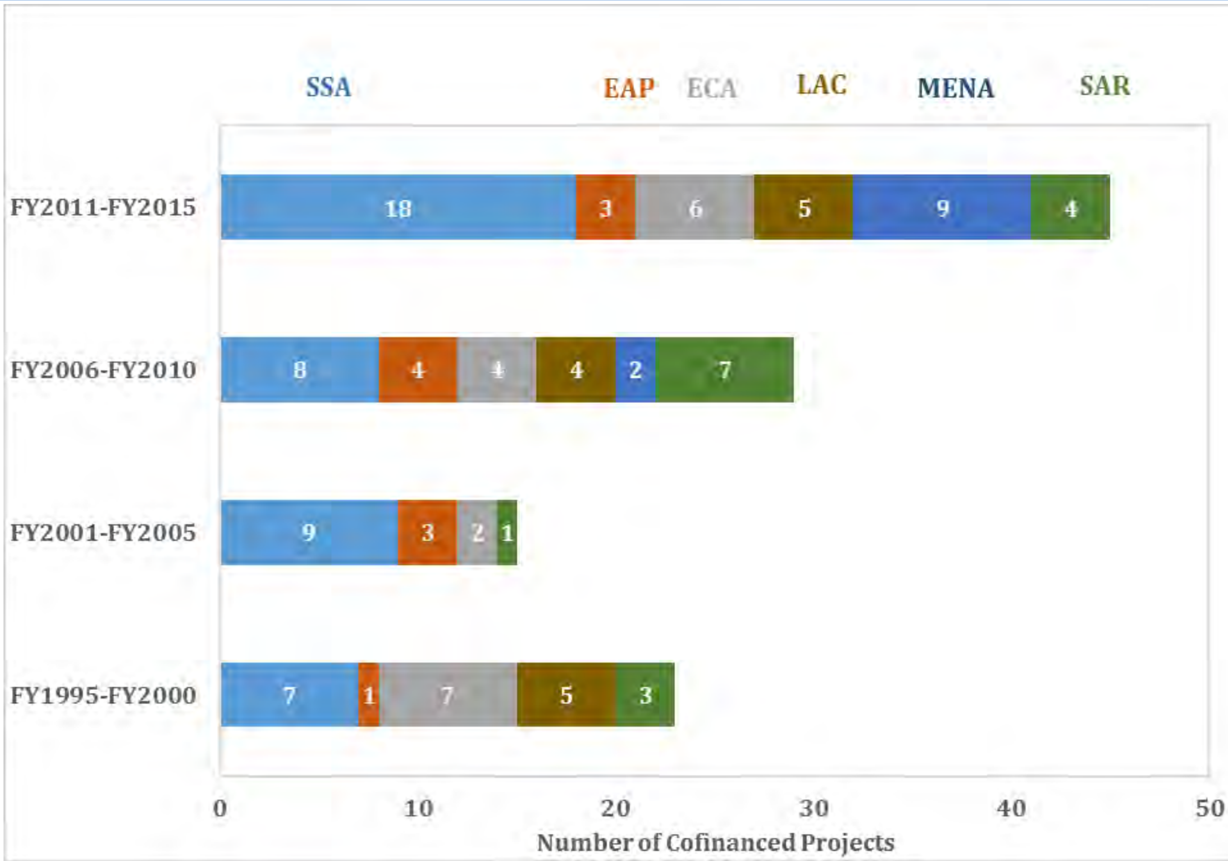


Source: IEG portfolio review of Type 1 World Bank Group joint projects approved, committed or issued, FY1995 to FY2015.

The cofinancing of projects by World Bank Group institutions is not new. In general, it has tracked broader investment flow trends. Ninety-one joint projects (81 percent of the total) received approval, commitment, and started implementation before the "One World Bank Group" mandate in October 2013. Prior to FY2000, World Bank Group jointness reflected private investor demand for IFC financing linked to MIGA PRI. This period also reflects the opening of Europe and Central Asia economies to private investment and several Europe and Central Asia countries' entry into the European Union. Similarly, joint projects approved for the Africa Region before FY2000 supported the first waves of private foreign direct investment (FDI) into Kenya, Mozambique, and Uganda, as well as the inception of the Chad-Cameroon Oil Pipeline.

World Bank Group joint projects for the Africa Region have increased markedly in the last five years (FY2011–15, see figure 2.3). Of the 18 joint projects in Africa approved during this period, seven received cofinancing from all three World Bank Group institutions, all aiming to increase electricity generation in Cameroon, Côte d'Ivoire, Kenya, Nigeria, and Senegal. A mix of IFC loan and/or equity, MIGA PRI, and World Bank PBGs supported private independent power producers in these countries. For the other six joint projects in this Region, blended financing came in the form of World Bank ASA, World Bank Development Policy Financing, or World Bank Specific Investment Loan combined with IFC advisory, all aimed at improving the investment climate in Côte d'Ivoire, Mali, Rwanda, Sao Tomé and Principe, South Africa, and South Sudan. In addition, three joint projects (to improve the enabling environment for agriculture in Cameroon, Rwanda, and Tanzania) were financed by a mix of IDA grants or IFC loans or advisory support. Finally, the World Bank Group has also provided a blend of IFC advisory and World Bank ASA support for Region-wide programs such as Lighting Africa and the Organization for the Harmonization of Business Law in Africa.

Figure 2.3. World Bank Group Cofinancing Mostly Supported Projects in Sub-Saharan Africa



Source: IEG portfolio review of World Bank Group joint projects approved, committed, or issued, FY1995 to FY2015.
Note: EAP = East Asia and Pacific; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa; SAR = South Asia Region; SSA = Sub-Saharan Africa.

Cofinancing Middle East and North Africa area projects also has increased, albeit slightly, in the past 10 years. Joint project approvals rose from two to nine, thanks to cofinancing of power projects in Jordan and Lebanon, and a manufacturing project in Iraq. These projects were the result of the IFC-MIGA business development agreement. The Middle East and North Africa small and medium enterprise financing facility, part of the Arab World Initiative (or AWI), also boosted the number of World Bank Group joint projects in this Region. This small and medium enterprise facility had blended financing from an IFC risk-sharing facility and a World Bank Adaptable Program Loan.

World Bank Group joint projects approved for IDA and for International Bank for Reconstruction and Development (IBRD)-blend countries in the past 20 years are almost the same, indicating that the country's income classification does not drive demand for World Bank Group cofinancing. Half of these joint projects (58 of 112 projects) are located in IDA countries while the rest (54 of 112 projects) are in IBRD-blend countries.

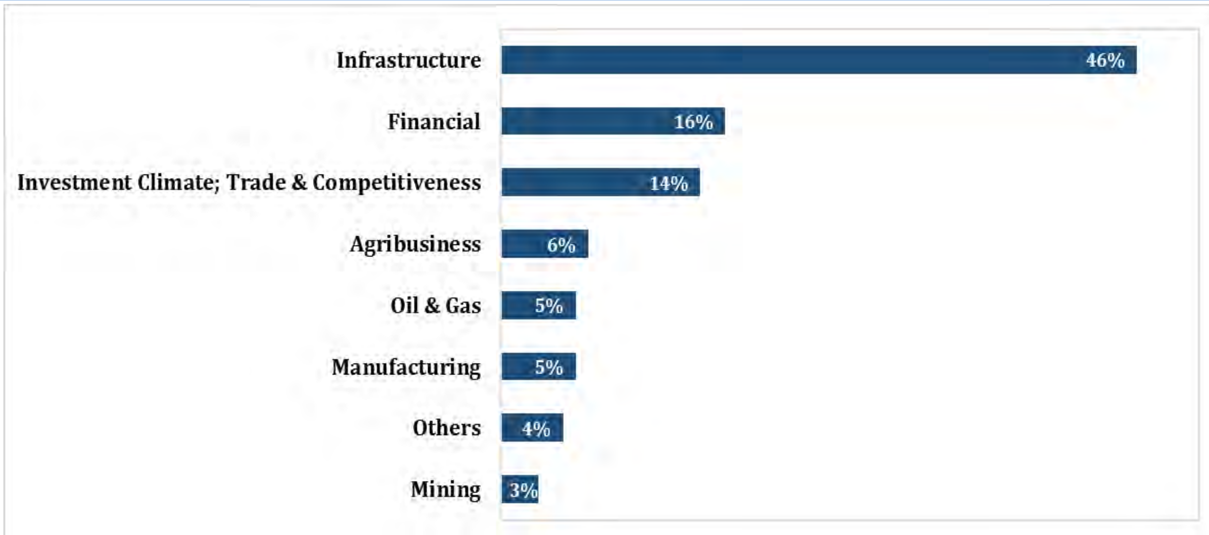
Nearly half of the World Bank Group's cofinanced projects supported infrastructure sector. These joint projects mostly support PPPs plus some project-finance type infrastructure projects, a financing structure commonly applied to projects involving private investment (see figure 2.4). This partly explains the paucity of World Bank Group cofinanced projects within the ambit of the World Bank's Human Development network. Sectors within the human development network are still considered the main domain of government or public sector. In the past 20 years only one World Bank Group cofinanced project has emerged in the health sector—a hospital project supported by an IFC investment and a PRI from MIGA.

Although World Bank Group joint projects have increased in recent years, they still account for a modest share of overall World Bank Group project approvals and commitments. With the exception of MIGA, joint projects among other World Bank Group institutions accounted for a very small share of overall World Bank Group project volume. It is a different situation for MIGA, however; joint projects with the World Bank and IFC formed a significant part of its total portfolio, measured by volume and amount (table 2.1). For MIGA, joint projects have helped expand reach, allowing the agency to increase interaction with IFC and World Bank clients. By way of contrast, cofinanced projects involving the World Bank amounted to less than one percent of total committed projects during the past 20 years. IFC's joint projects, supported by investment or advisory services, figured only slightly higher in its portfolio than in that of the World Bank.

However, only a third of joint projects involved exclusive support from World Bank Group institutions—the majority involved other international finance institutions (IFIs). Seventy-six of the 112 joint projects had financing, or co-provision of technical assistance, from other IFIs.[1] These include bilateral development assistance agencies, regional development banks, and national export credit agencies. In nearly two-thirds of these joint investment projects, private sector clients already had support from their national or regional development or export credit agencies when entering into negotiation with the World Bank Group. Foreign engineering procurement and construction contractors (for infrastructure projects financed or guaranteed by the IFC, MIGA, and World Bank), had already secured trade financing or guarantees from their national export credit agency before seeking World Bank Group support. A pulp mill project, for example, had already arranged loans, trade financing, and investment guarantees from the sponsor's national investment bank and its export credit agency when it sought support from MIGA and then IFC. Several joint projects had multibillion

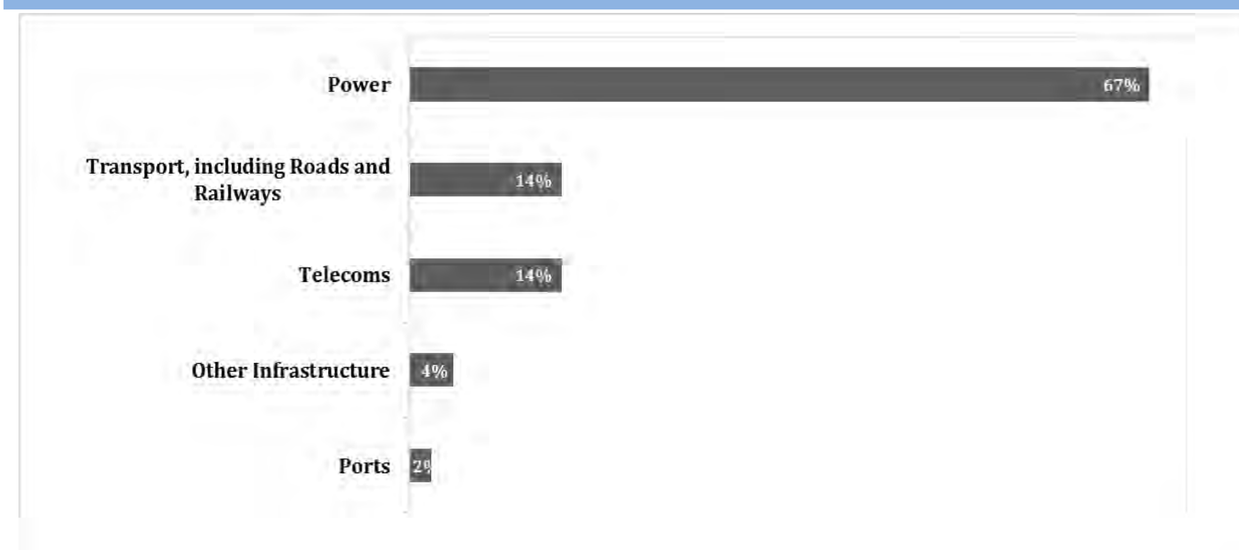
U.S. dollar investments beyond any single IFI's capacity to support. For example, one transnational oil and gas project receiving partial support from the World Bank Group had $6.5 billion investment requirement. Joint financing with external partners have also allowed for better distribution of risks.

Figure 2.4. Nearly Half of World Bank Group Cofinancing Supported Infrastructure Projects



Source: IEG Portfolio Review of Type 1 World Bank Group joint projects approved, committed or issued, FY1995 to FY2015.

Figure 2.5. Infra Cofinancing Primarily Supported Energy and Power Projects



Source: IEG portfolio review of Type 1 World Bank Group joint projects approved, committed or issued, FY1995 to FY2015.

Table 2.1**. Joint Projects Were a Bigger Share of MIGA's Business than the World Bank's or IFC's**

World Bank Group Institution Products and Services	Projects Approved (no.)	Projects Associated with Type 1 Joint Projects[a] (no.)	% Share	Total Amount of Projects Approved (US$, millions)	Commitment associated with Type 1 Joint Projects[a] (US$, millions)	% Share
World Bank non-ASA[b]	10,337	64	0.6	703,147.0	5,385.9	0.8
World Bank ASA	7,800	17	0.2	883.5	2.1	0.2
IFC investments	6,219	94	1.5	171,138.0	2,709.0	1.6
IFC Advisory Services	3,172	39	1.2	485.9	13.4	2.8
MIGA	1,168	87	7.4	34,246.0	5,081.3	14.7
Total World Bank Group	28,696	301	1.0	909,900.4	13,128.8	1.4

Source: IEG Portfolio Review of World Bank Group projects approved, committed or issued, FY1995 to FY2015.
a. The number of projects and project amounts in table 2.1 are based on project ID count and not mutually exclusive. Amounts reflect IFC own funds, World Bank's World Bank Budget, and MIGA gross exposure amounts.
b. World Bank non-ASA products include investment project financing, project-based guarantees, development policy operations, and program-for-results.

---

[1] Or guarantee projects issued in the case of The Multilateral Investment Guarantee Agency.
[2] Thirteen joint projects involving the World Bank used project-based guarantees (PBGs) only (primarily partial risk guarantees). In the other three joint projects involving the World Bank, its PBGs were combined with an International Development Association (IDA) grant, specific investment loan, and an IDA credit.
[1] Recurring international finance institution partners in World Bank Group joint projects include regional development banks such as Asian Development Bank, African Development Bank, European Bank for Reconstruction and Development, European Investment Bank, and bilateral agencies such as Agence Française de Développement (France), Commonwealth Development Corporation (United Kingdom), Deutsche Investitions-und Entwicklungsgesellschaft (Germany), U.K. Department for International Development, Financieringsmaatschappij voor Ontwikkelingslanden N.V. (Netherlands), Japan International Cooperation Agency (Japan), KfW (Germany), Proparco (France), Swedish International Development Cooperation Agency, and U.S. Agency for International Development (United States). Frequent export credit agency partners include Coface (France), Export Development Corporation (Canada), Export Finance and Insurance Corporation (Australia), Japan Bank of International Cooperation (formerly JEXIM)/Nippon Export and Investment Insurance (Japan), Overseas Private Investment Corporation (United States), and Servizi Assicurativi del Commercio Estero (Italy).

3. World Bank Group Joint Projects: Value-Added and Challenges

The first part of this chapter discusses the value-added made by World Bank Group joint projects based on the portfolio review of cofinanced projects. The second part describes challenges in developing, structuring or underwriting, supervising, and monitoring joint projects—as seen by clients and World Bank Group staff. There are also challenges for IEG in evaluating joint projects.

Joint World Bank Group Projects' Additionality

Additionality 1: Facilitating Investments in High-Risk Situations

World Bank Group joint projects contributed to a significant de-risking of client investments in otherwise high-risk countries. Using Institutional Investors Country Risk Ratings data, 86 of 112 joint projects (or 77 percent) operate in countries having below-average country risk scores at project approval stage. Only 25 of these 112 joint projects (22 percent) are located in the current list of FCS countries while another 30 joint projects (27 percent) have been located in countries considered by the World Bank Group to be fragile, conflict-affected, or post conflict countries at the time of project approval.[1] The below-average Institutional Investor Country Risk Rating ratings for non-FCS countries reflect severe economic downturns, weak legal and financial institutions, or other vulnerabilities.

For these risky projects, the World Bank Group has provided a comprehensive and complementary financing and technical assistance package unavailable from commercial sources as well as risk-mitigation products to abate or ameliorate commercial, environmental, human capacity, political, regulatory, and social risks. The Chad-Cameroon Oil Pipeline project involved countries with low institutional capacity. This joint project included capacity building and technical assistance through IDA credits and IFC advisory support to address the investment's "soft" but essential developmental components.

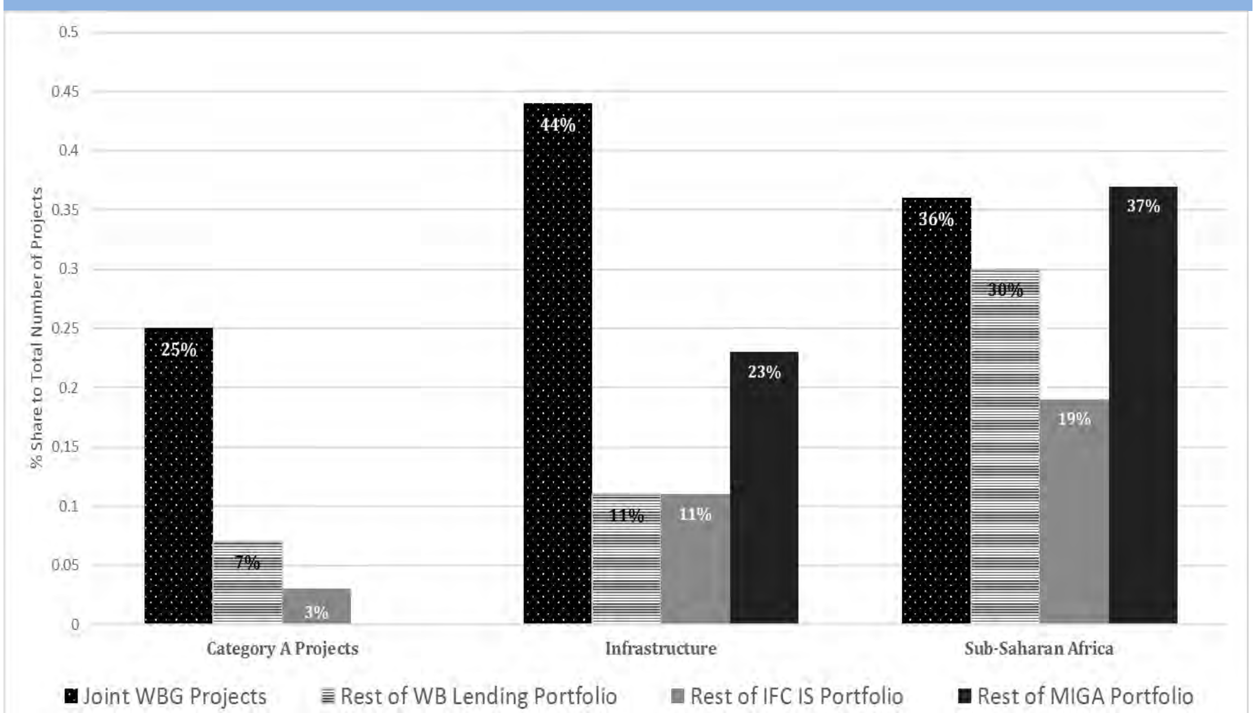
Similarly, World Bank Group support for the Nam Theun 2 project combined an IDA partial risk guarantee (PRG) plus an IDA grant, and a MIGA PRI for a comprehensive commercial, political, and environmental and social risk-mitigation package. The IDA grant financed (i) a portion of the hydropower project works, on behalf of the equity financing contributions of the government of the Lao People's Democratic Republic; (ii) the management of the project's environmental and social impacts; and (iii) the monitoring and evaluation of environmental and social conditions in the affected areas and of the achievement of project objectives by panels of experts (for example, the Dam Safety Review Panel and the Social and Environmental Panel of Experts), independent monitoring agencies, and other monitoring and evaluation activities. Project monitoring by the panels of experts were required under the World Bank's Safeguard Policies. In another example of joint project packaging, the Afghanistan Investment Guarantee Facility rests on another IDA grant—the aim being to lower political risks impeding private FDI flows into that country. The Afghanistan Investment Guarantee Facility's first-loss coverage allowed MIGA to distribute risks which lowered investment insurance costs for private investors. More important, the joint support package opened a window for political risk coverage of investments in Afghanistan hitherto unavailable from private and most public investment insurers.

Another value-added from World Bank Group joint projects comes in the lowering of risk in investments with an overlapping or multilayered risk profile. High-risk characteristics include environmentally sensitive investments having Category A environmental and social risk classification, and PPP-type projects in infrastructure and extractive industries. Additional high risks attach to various types of pioneering investments or a private sector client's first cross-border, or greenfield investments. In financial sector projects, on-lending or risk-sharing facilities enabled by joint funding from the World Bank and IFC target beneficiaries seen as having high credit risk, such as micro, small, and medium enterprises and low-income households. By way of example, IFC Advisory Services and World Bank ASA have partnered to develop financial infrastructure in Afghanistan and to jumpstart capital market development in Vietnam.

The menu of World Bank Group complementary products or services and instruments is best suited to high-risk projects and to clients or investors seeking to mitigate these risks. Risky projects require long-term concessional financing and guarantees not readily available from foreign or local commercial sources. For World Bank Group joint projects focused on boosting project finance, there is often a financing package that includes an IFC B loan, a MIGA PRI, and a World Bank PRG. For the Sasol-ROMPCO-Southern Africa Regional Gas project, products from different World Bank Group institutions eased cross-border risks. In addition to an IBRD PRG and a MIGA PRI, IFC provided both South African and Mozambican investors with an additional layer of risk mitigation. Indeed, the IFC's equity investment in the state-owned company allowed Mozambique, which possesses natural gas resources, to take an ownership stake in the project.[2] In countries or states with underdeveloped business enabling environments, a World Bank development policy loan (DPL), which targeted policy reforms and institutional and human capacity building, sometimes combined with IFC advisory support to facilitate inward investments. Combining instruments like this occurred in joint projects for the Bihar DPL-Investment Climate Reform, the Sao Tomé and Principe Governance and Competitiveness Development Policy Operation-Investment Climate, and for the Ukraine DPL 2 and 3-Business Enabling Environment.

World Bank Group joint projects have also supported environmentally sensitive investments in infrastructure and extractive industries. The World Bank Group has recognized expertise and experience (a comparative advantage) in ensuring that projects meet environmental and social standards. Twenty-eight of World Bank Group joint investment projects (25 percent) were Category A projects—a larger proportion compared with Category A nonjoint projects of IFC and the World Bank (figure 3.1). Category A joint projects included a mix of loans and guarantees (PBGs and/or PRI) for several mining operations, and for oil and gas projects, hydropower plants, and toll road projects. Joint projects supporting infrastructure and extractive industries investments mostly fell into the category of project financing. Among the 10 joint projects supported by all three World Bank Group institutions, seven were Category A projects.

Figure 3.1. Category A Joint Projects in the Infrastructure Sector and in Sub-Saharan Africa Outnumbered Bank Group Nonjoint Projects



Source: IEG portfolio review of World Bank Group projects approved, committed or issued, FY1995 to FY2015.
Note: A full list of MIGA Category A projects is not available at present time.

ADDITIONALITY 2: SUPPORTING PIONEERING INVESTMENTS IN MEMBER COUNTRIES

Ground-breaking first-time investments represented nearly half of all World Bank Group joint projects. These investments have an untested quality, and are seen as risky ventures with overlapping environmental, financial, operational, regulatory, social, and technical challenges. Pioneering joint projects of this type included the following first-movers:

- The first privatization of a state-owned electricity distribution company in the Sub-Saharan Africa Region (Umeme Limited, in Uganda)
- Guatemala's (and central America's) first privately financed geothermal power plant (Orzunil 1 geothermal project)
- Tajikistan's first PPP, enabling Pamir Energy to serve remote populations
- Sri Lanka's first independent power producers—achieved notwithstanding civil strife—pioneered by Asia Private Power Ltd., Sri Lanka
- Honduras' first privately developed and owned power plant (for Electricidad de Cortes, Honduras)
- East Africa's first modern bulk-handling and storage facility for imported grains and fertilizers (for Grain Bulk Handlers Ltd., in Kenya)
- Sub-Saharan Africa's first cross-border, regional natural gas market (for South Africa and Mozambique)

Several World Bank Group joint projects have pioneered FDI inflows in client countries. By way of example, a Europe and Central Asia country lacked a regulatory regime for non-oil sector FDI up until the approval of a joint manufacturing project involving IFC investments and MIGA guarantee for this type of FDI. The joint project initiated the approval of tax and accounting rules for non-oil foreign investment. Another example appeared when IFC and MIGA joined to support a smelter plant in Mozambique—the country's largest foreign investment after its civil war. The project became a catalyst for significant additional FDI into Mozambique. Other examples of pioneering IFC and MIGA joint projects include support for the first hotel privatization in Burkina Faso, and a mining investment considered at the time as the largest FDI in the Kyrgyz Republic.

The World Bank Group's different technical assistance products have joined to design and fund an experimental initiative. The Lighting Africa program, relying on IFC advisory and World Bank ASA support, aimed to transform the solar lighting market to meet the need for basic lighting by the 'base of the pyramid.' The joint initiatives have demonstrated the feasibility of sustainable commercial markets for quality off-grid lighting in Africa, and globally.

ADDITIONALITY 3: FACILITATING FDI FOR FIRST-TIME CROSS-BORDER INVESTORS

World Bank Group joint projects have supported first-time private investors in developing markets—often in projects involving large amounts of equity. Several World Bank Group–assisted investments of this type marked the largest-ever FDI inflow—raising the risk of political backlash. One example is the pulp mill project in which a private foreign company had substantial equity invested in its first overseas investment, also the largest FDI ever brought into the country. In the aftermath of a regional financial crisis, the investor found it hard to acquire long-term financing from commercial sources. Because of a neighboring country's opposition to the project, the investor first sought a MIGA PRI. The investor also chose IFC for its long-term B loan, as well as for its technical and environmental due diligence and supervision experiences. MIGA was able to provide long-term PRI and dispute resolution support—a good example of the complementarity of World Bank Group products and comparative advantage.

In a South-South agribusiness joint project supported by IFC and MIGA, a small company investor tried to revive a failed state-owned joint venture rice farm that was just privatized. Although highly consistent with IFC's and MIGA's strategic priorities, the project's risks factors were multilayered:

- It was the sponsor's first venture into rice production;
- The high start-up risk required for large-scale rice farming, especially developing a long-idled farm land; and
- The project's remote location close to a border rife with armed insurgency.

The private investor has failed to win approval for long-term financing from local or foreign banks. The issue: country and project risks. Commercial insurers hesitated to provide long-term PRI, due to the small guarantee amount and high-risk premium. In this situation, an IFC senior loan coupled to a MIGA guarantee, both issued with long-term maturity, allowed the proposed investment to proceed.

Another investment involved a start-up beverage manufacturing plant, a first step in the investor's ambition to become a major beverage producer in the Europe and Central Asia Region. The investor wanted both IFC financing and the IFC's technical, marketing, and environmental advice. Although IFC's investment package included a B loan, the foreign investor also sought MIGA coverage given expropriation risks and the investee country's weak private investment regulatory regime.

ADDITIONALITY 4: SUPPORTING COMPLEX AND COMPLICATED TRANSNATIONAL PROJECTS

The World Bank Group has jointly supported complex single projects in two or more countries. Seven transnational projects, forming large-sized, Category A projects are primarily in the oil and gas sector. World Bank Group joint project support appealed to both public and private sector clients for the recognized institutional competencies and complementarity of products and services, namely,

- the ability to offer long-term, concessional financing and guarantees not available from commercial sources;
- the variety of World Bank Group products addressing different risk layers in transnational projects, including policy aspects;
- technical expertise or experience in project design and in navigating environmental and social issues, an especially critical consideration in resource extractive industries; and
- supervisory support for project implementation and monitoring.

These competencies have been prominent in transnational World Bank Group joint projects, including

- the Bolivia-Brazil Gas Transmission,
- Sasol-ROMPCO-Southern Africa Regional Gas (Mozambique and South Africa),
- the Chad-Cameroon Oil Pipeline,
- Nam Theun 2 (Lao PDR and Thailand),
- the West Africa Gas Pipeline (Benin, Ghana, Nigeria, and Togo), and
- the Africa Railway project (Kenya and Uganda).

More recently, the three World Bank Group institutions cofinanced and guaranteed the construction of two hydropower plants that would export electricity using the first cross-border transmission line between Georgia and Turkey.[3]

Project sponsors also valued World Bank Group expertise or experience with policy aspects, capacity building, and government dialogue, especially for projects in the oil and gas and energy sectors. The range of investors includes large multinational corporations and lenders seeking World Bank Group joint support for transnational oil and gas projects. For the Chad-Cameroon Oil Pipeline, the World Bank Group initially confined its involvement to an IFC investment and immediately after, World Bank guarantees. However, because World Bank guarantees were not allowed for such projects at the time, the World Bank offered an innovative solution to provide a loan that could be used by the two countries as equity financing in the project—effectively making the respective governments shareholders in the project along with the private investors. In addition, World Bank Group and sponsors concerns about policy and institutional capacity gaps in Cameroon and in Chad prompted the IFC and World Bank (with sponsor urging) to offer capacity building and technical assistance or advisory support. For the Nam Theun 2 project, the approved World Bank Group package included an IDA PRG, an IDA grant, and a MIGA PRI. The IDA grant component, which supplements other project resources, funded a portion of the hydropower works, the social development plan, watershed and environmental managements of the affected (including downstream) areas on the Lao PDR side. The IDA grant also funds the required monitoring and evaluation arrangements designed to meet sound engineering practices, fiduciary responsibilities, and the respective oversight requirements of the participating IFIs. A vital project feature, although not part of the project per se, pertains to the agreement between the Lao PDR government and the World Bank on a detailed revenue management arrangement to ensure that government revenues from the project are allocated to priority expenditure programs for poverty reduction and environmental conservation management (the World Bank's involvement in the project was predicated on the Lao PDR government's commitment to apply project revenues to these two priorities). Capacity building and tracking of this agreement is also funded by the IDA grant.

The World Bank Group also jointly supported several Regional initiatives outside of the oil and gas, and power sectors. Among these projects was the World Bank Group support for the West Africa Economic Monetary Union Capital Markets Development project—financed by a World Bank Financial Intermediary Loan that combined technical and institutional support from IDA (with MIGA technical assistance), an IDA line of credit, and a proposed guarantee facility from IDA, MIGA, and the Agence Française de Développement. Other Regional initiatives include the Lighting Africa program and the Organization for the Harmonization of Business Law in Africa Implementation, both funded by IFC Advisory Services and World Bank technical assistance or ASA. For the Arab World Initiative Middle East and North Africa Small and Medium Enterprise Lending Program, World Bank Group support came by way of an IBRD Adaptable Program Loan or Financial Intermediary Loan and an IFC risk-sharing facility to support micro, small and medium enterprises lending in Jordan, Morocco, and Tunisia.

"SUPPLY-DRIVEN" FACTORS IN JOINT PROJECTS

Market test figured in many cofinanced joint projects, but supply-push factors also facilitated World Bank Group joint projects. Some push factors arose logically, as when the same public or private sector clients figure in different World Bank Group projects, or when World Bank–funded sector and economic policy studies identify future opportunities (for example, in PPPs), or when the same World Bank Group institutions have financed earlier phases of the same projects. Successive investment climate, capacity building, and DPLs followed past World Bank Group interventions. The same institutional "supply-side" factors also applied to joint projects in the power and financial sectors. At the level of strategy, the World Bank Group's internal dynamic leads to a push by leadership to formalize jointness among World Bank Group entities. During the past two decades, Management of the World Bank Group institutions has taken action to facilitate intra-World Bank Group cooperation and to increase the number of joint projects (refer to figure 1.1). This began in 2010 in the aftermath of the global financial crisis and continues today.[4]

Although some joint projects may have a supply-driven origin, demand from public or private sector clients ultimately drives World Bank Group cofinancing of a project. In a number of such joint projects, it was clear that the clients or investors specifically requested the support of two or all three World Bank Group institutions. It is equally apparent that providing prospective clients with tailored and comprehensive solution (and retain the business) motivated World Bank Group staff who worked on joint projects to bring the other World Bank Group institutions into the transaction.

Whether joint projects are demand or supply-driven, these projects have implications for how the different parts of the World Bank Group synchronizes its processes, supporting structures, and provides incentives to staff. IEG's portfolio analysis of 20 years of approved and committed World Bank Group joint projects (table 2.1) shows these joint projects have a very small share of overall World Bank and IFC project portfolios. The situation is otherwise for MIGA. The number of approved and committed joint projects varies from year to year (figure 2.1). Jointness may elude most projects because coordination, policy, process, and resource challenges cannot be overcome.

Challenges in World Bank Group Joint Projects

CLIENT CHALLENGES AND FEEDBACK

Joint projects entailed added transaction costs due to more coordination, overlapping processes, and differing requirements. These often delayed project completion, requiring extra project preparation, appraisal, and intra-World Bank Group coordination. Clients complained about having to comply with two different sets of World Bank and IFC environmental and social requirements. (This led to the adoption of IFC's performance standards for World Bank projects involving the private sector in June 2012).[5] Complying with two sets of environmental and social requirements figured as a prominent business development difficulty, as identified in an IDA-IFC Secretariat progress report. The World Bank Group's separate accountability mechanisms have dismayed clients and some stakeholders, especially those involving cofinanced PPP projects. On one occasion, both the World Bank Inspection Panel and the IFC/MIGA Compliance Advisor Ombudsman investigated separate complaints about the same issue in a joint project. The absence of formalized claims cooperation agreement in projects where MIGA is the equity insurer and IFC the senior lender, emerged as another transaction-related delay. Prior to the 2009 IFC-MIGA joint claims cooperation agreement, various side agreements dealt with these conflict-of-interest issues on a project-by-project basis, but the process still hampered efficiency.

Standardization of World Bank Group documents could also accelerate joint projects' timelines and for clients, minimize expensive legal fees. These challenges emerged in addition to differing nondisclosure requirements and other caveats negotiated among the World Bank Group partners, especially private sector clients. Overall, intra-World Bank Group coordination challenges delayed project implementation and completion and, thus, the benefits from joint projects.

Inadequate explanation to the implementing agencies (about the pros and cons of the various World Bank Group instruments) hindered client understanding about the suite of World Bank Group products. Increased efforts to explain the nuances of different World Bank Group instruments and financing package, especially to government agencies involved, would go a long way in their understanding about the potential additionality of blended World Bank Group support. At the same time, knowledge and realism by World Bank Group staff about the country's internal legal and parliamentary processes and procedures can avoid long delays. This applied especially to World Bank PBGs, the understanding of which required higher levels of financial structuring knowledge by government counterparts. In the Bolivia-Brazil Gas Development Project, for example, an innovative IBRD guarantee product—the "Partial Credit Guarantee Note"—formed part of the joint project's financing package. After six years' delay, the World Bank suspended the partial credit guarantee component, which was not issued.[6] The experience left the project company raising questions about the counter guarantees, endorsements, and other associated agreements required from client governments by the World Bank. The project's Project Performance Assessment Report also noted that the delay and eventual cancellation of the partial credit guarantee component had costly consequences—for the concession company and, ultimately, for gas consumers. In most cases, government counterparts failed to understand the implications of these requirements. The nearly two years delayed signing of World Bank Group support for a power generation project also reflects, among other challenges, a lack of understanding by the implementing government agency about the required counter guarantees and other related agreements. The implementing agency complained about the inadequate explanation by the World Bank Group on the nuances of guarantee instruments and the lack of clarity about the complexity and lengthy process involved in PBGs.

At the same time, government actions can equally exacerbate the lengthy process. In the same power generation project, the government's legal opinion also called for renegotiating broader issues of sovereign immunity, which was beyond the scope of the legal opinion being sought by the lenders as condition precedent to the financing package. This action triggered months of impasse between the lenders and the government that delayed the signing and effectiveness of the project financing agreements.

In some joint projects, clients have agreed to the blend of World Bank Group instruments, even if they did not want all of the instruments offered in the financing package. They did so because of concerns about losing the entire World Bank Group financing package. Government representatives interviewed by IEG for the Chad-Cameroon Oil Pipeline Project Performance Assessment Report subsequently explained they had serious misgivings about the requirements of the two IDA capacity building credits in the financing package. But refusing to accept these would have meant losing the IBRD and IFC loans because of the capacity building conditionality (nonetheless, the project's private sponsors wanted them).

WORLD BANK GROUP STAFF PERSPECTIVE

Among World Bank Group staff, joint projects have required more staff time and processing and therefore higher appraisal, implementation, and monitoring and evaluation costs. Evaluations highlighted additional time and resources required for internal coordination, appraisal and supervision of joint projects. In a complex joint manufacturing project with IFC, MIGA's processing fee didn't cover the extra due diligence, monitoring, and supervision costs, which rose as the project became increasingly politicized. Underestimating the budget for supervision, calculated as a coefficient of the amount of commitment, reduced the World Bank's effectiveness in several joint projects. The Chad-Cameroon Oil Pipeline, the West African Gas Pipeline and to a lesser degree, Pamir Private Power joint projects provide examples.

Differing business models, mandates, procedures, organizational cultures, and mind-sets within the World Bank Group have created disincentives, magnified differences of approach, and spawned perceptions of conflicts of interest.[7] Within the joint projects reviewed here, these issues originated from three sources: (i) differing mandates and business models; (ii) different internal processes; and (iii) different organizational cultures and mind-sets. The pledge of shares problem[8] in IFC and MIGA joint projects, which have caused delays in several joint projects in the past, epitomized the challenge arising from different internal processes before it was resolved in FY2010. Regarding the challenge posed by differing mandates and business models, a perception persists that IFC could gain unfair access to information when partnering with the World Bank on projects with policy or regulatory reforms, particularly relating to PPPs (box 3.1).

Box 3.1. Higher Costs in World Bank Group Joint Projects

Pulp Mill Project: The cost of due diligence and underwriting of this complex, large project exceeded MIGA's normal processing fee for such projects. The project required intensive environmental and social due diligence and monitoring than MIGA would otherwise undertake. A high degree of MIGA (and IFC) management attention was also required because the project had become highly controversial. A lesson from this project's evaluation urged MIGA to continue and increase its support for complex projects but cautioned management to consider mechanisms for coping with the higher cost associated with the appraisal and monitoring of such complex projects and to carefully consider its cost recovery policy in such cases.

Pamir Private Power: Although the IDA and IFC teams had sufficient budget and staff resources allocated that allowed them to adequately supervise the project jointly, the budget for the supervision staff costs required significantly more resources than the World Bank's average supervision coefficient.[9] The sufficient budget and staff resources allowed the IDA and IFC teams to respond promptly to two unexpected major crises that arose at implementation: the deteriorating financial situation of the company during 2006–08 by developing the Financial Restructuring Plan; and the catastrophic flooding in February 2007, which severely damaged the hydropower plant.

West African Gas Pipeline: A lesson from evaluation of the World Bank PRG urged that the supervision of a transformational Regional project should be comprehensive and requires more resources regardless of the instrument used and amount of World Bank support.[10] Supervision budget was based on the relatively small amount of World Bank PRG calculated as a coefficient of World Bank commitment amount for this large transnational project. As a result, supervision of the project was not given priority during the first 18 months following board approval, until a request for an Inspection Panel review was filed.

Source: Project documents.

Different procedures, organizational cultures, and mind-sets can entrench practices that hinders jointness. By way of example, issuing Operational Policy/Bank Policy 4.03 in 2012 was intended to remove a burden to clients of complying with both the World Bank Safeguards Policies and IFC Environmental and Social Performance Standards in joint projects involving the two institutions. However, IEG's review of World Bank-IFC investment joint projects approved from FY2013 to FY2015 did not find a cofinanced, Type 1 joint IFC-World Bank PPP project that applied the IFC Environmental and Social Performance Standards, following Operational Policy/Bank Policy 4.03. Despite the administrative directive, internal procedures (including templates in the World Bank's Operations Portal) have yet to be developed, and decision-making rules in joint projects are not aligned. Unfamiliarity by World Bank staff and managers with IFC's performance standards also prevent its adoption.[11] Likewise, decision-making processes of each participating World Bank Group institutions in a joint project remain separate. Similarly, integrity due diligence processes are often conducted separately and not aligned across the three World Bank Group institutions although due diligence information are shared eventually in some cases.

Post approval project and portfolio tracking metrics have yet to be adjusted to integrate and recognize the complexity of developing, structuring or underwriting, and supervising World Bank Group joint projects. Feedback from World Bank Group joint project practitioners have pointed to the misalignment between the World Bank Group leadership signals for greater World Bank Group jointness with prevailing portfolio performance metrics, which are designed for single institution projects. Such metrics have dampened staff initiative and creativity for working in World Bank Group joint projects, which tend to be complex, time-consuming, and entail high coordination cost.

Information sharing remains a big hurdle. Knowledge exchange falls short among some joint project teams, partly because of different ranking of rights in a project. Different definitions of the 'client' create diverging views about contractual obligations and positions, including the levels of access to information on the same project. For the World Bank, its client is the government or the country. For the most part, IFC and MIGA clients are private sector companies. But even with the same private sector client, access to project information depends on whether IFC, and especially MIGA, supported an equity holder (which also depends whether it is a majority or minority shareholder) or a lender. As an insurer, MIGA's access to company information, especially financial information, is limited irrespective of its guarantee to an equity holder or a shareholder—unless a claim situation arises. Numerous past examples abound where client confidentiality is invoked by IFC when it comes to sharing information on the same project that MIGA insured. Ironically, the nonsharing of project information documents has become a recommended solution (as in the Bank Group's conflict of interest guidelines) in the management of conflicts of interest and also to comply with private client confidentiality needs. Although there are valid reasons for not sharing project information,[12] greater project information and knowledge sharing can improve project development outcomes. Whatever the legal imperatives, failure to share project information has prevented closer intra-World Bank Group engagement and knowledge exchange. It has limited the World Bank Group's value-addition to its clients. Thus, assuaging client confidentiality concerns has prevented collaboration after project approval, and hinders overall joint project effectiveness.

World Bank procurement rules seen as complicated and rigid affect the IFC Advisory Services' ability to implement their segment of joint projects with the World Bank. Rigid procurement rules delayed implementation of the IFC component in several joint projects. Experience of this nature had become common among joint IFC Advisory-World Bank ASA projects in Afghanistan, Bangladesh, Cambodia, Mali, and South Sudan—all FCS countries.

Challenges for Monitoring and Evaluation

World Bank and IFC portfolios do not consistently or even accurately record joint World Bank Group projects. Nor are MIGA's joint projects within the World Bank Group identified systematically in MIGA's guarantees database or in World Bank and IFC project databases. The IFC and World Bank have procedures for identifying their mutual joint projects—a legacy of the former IDA-IFC Secretariat. But their joint projects with MIGA go unreported and not tagged. Beyond that, the tagging of projects as joint appears arbitrary. Some projects fall into "cooperation," "collaboration," or "joint" categories—simply because of a phone call, a meeting, or query. Assessing World Bank Group effectiveness as a "Solutions World Bank Group" needs the systematic identification of Type 1 joint projects.

Evaluative evidence and lessons about how to work as One World Bank Group are scarce. Evaluation methodology remains focused on each World Bank Group institution; a One World Bank Group perspective remains elusive. The three World Bank Group institutions have differing business models and operational timelines, and evaluation or sampling methodologies. On environment and social aspects, harmonizing the different evaluation methodologies between the three institutions remain. The World Bank's Implementation Completion and Results Reports (ICRs) and Implementation Completion and Results Report Reviews (ICRRs) treat and rate environmental and social aspects differently compared with IFC's Expanded Project Supervision Reports and MIGA's Project Evaluation Reports. And although IFC and MIGA have similar performance standards, environmental and social monitoring timelines and bases differ. Notwithstanding the successive initiatives to encourage jointness, these separate evaluation methodologies have not been harmonized to assess the development effectiveness of World Bank Group joint projects from a One World Bank Group perspective. A One World Bank Group perspective informed the evaluation of the joint Chad-Cameroon Oil Pipeline project, but recent evaluations of intra-World Bank Group joint projects reflect only a single institution's perspective.

Conflicting ratings and narratives about joint project performance have occurred because of different evaluation methodologies used (in World Bank Group self-evaluations as well as in IEG validations). Assessment of project outcomes often overlooked contributions from another World Bank Group institution. Many evaluation documents sometimes failed to mention support from another World Bank Group member. Different ratings for the same indicator appeared in the evaluation of projects with IFC investment and MIGA guarantees although these employ a similar bench-marked based methodology for determining project development outcomes. For example, the environmental and social ratings in the Expanded Project Supervision Report Evaluation Note and the IEG Project Evaluation Report of a joint IFC-MIGA support to an agriculture project lacked consistency although the evaluations happened within two months of each other. It is likely that the ratings and outcome narratives would change if a joint project is evaluated from a One World Bank Group perspective.

Outcomes and lessons regarding joint projects supported by World Bank guarantees and ASAs are not known**.** Seventeen of the 112 World Bank Group joint projects (15 percent) blended IDA or IBRD PRG with IFC and/or MIGA support. Five PRG projects have closed status with ICRs, but only one of the self-evaluated PRG-supported project was reviewed by IEG.[13] Another 11 of the World Bank Group joint projects (10 percent) had World Bank ASA support. Currently, projects supported by these two World Bank instruments, including in World Bank Group joint projects, are excluded from IEG's existing project evaluation framework. Little is known about their effectiveness, results, value-added, and lessons learned that can inform future projects supported by these two instruments.

---

[1] For example, Guatemala, Honduras, Mozambique, Nepal, Rwanda, Sri Lanka, and Uganda.

[2] MIGA guarantee was first submitted for board concurrence in FY2003 to insure SASOL's initial equity contribution. On the World Bank side, the project was originally structured as a Bank only project with a Bank PRG providing coverage to SASOL's commercial lenders, with the respective governments providing financing of their own equity shareholding in the project. Faced with the difficulty of securing financing for their equity shares, the IFC was brought in by the World Bank to 'warehouse' the two governments' equity shares until a new private investor could be found. A joint Bank-IFC PAD for the project was presented to the joint boards of Directors and approved on November 20, 2003. Source: *Project Appraisal Document for Two IBRD Partial Risk Guarantees and an IFC Equity Investment in the Southern Africa Regional Gas Project, October 22, 2003.*

[3] Refers to the IBRD's Transmission Grid Strengthening Project; MIGA's Adjaristsqali Georgia LLC; and IFC investment services' CEI HPP approved in FY2014 and FY2015, respectively.

[4] Sources are: "New World, New World Bank Group: (I) Post Crisis Directions' (and an accompanying 'New World, New World Bank Group (II): The Internal Reform Agenda')." April 20, 2010. The strategy viewed the World Bank Group as a cooperative helping foster a "new multilateralism."

[5] R2012-0130 [IDA/R2012-0161]. "Proposed Adoption and Application of World Bank Performance Standards for Private Sector Projects Supported by IBRD-IDA." June 26, 2012. Also Operational Policy (OP) and Bank Procedure (BP) 4.03—Performance Standards for Private Sector Activities. May 2013.

[6] Sources are: (i) Project Appraisal Document on a Proposed Loan to Transportadora Brasileira Gasoduto Bolivia-Brasil S.A. for a Gas Sector Development Project—Bolivia-Brazil Gas Pipeline. November 26, 1997. (ii) Report and Recommendation of the President on a Partial Credit Guarantee Operation for Notes to be Issued by Transportadora Brasileira Gasoduto Bolivia-Brasil S.A. for the Gas Sector Development Project—Bolivia Brazil Gas Pipeline. November 28, 2000. (iii) IEG Project Performance Assessment Report for the Gas Sector Development Project, December 1, 2003.

[7] Different perceptions can cause friction or disagreement among the joint project team members or the institutions involved but may not necessarily qualify as conflict of interest in its strict legal definition. The World Bank Group created in January 2012, a conflicts management function with a conflicts of interest office in each of the IFC, MIGA, and World Bank to facilitate the identification and management of inter-institutional conflicts of interest. Since their 2012 inception, the conflicts of interest offices have assisted management and staff in over 100 cases; in all but one case, conflicts of interest issues were successfully managed, paving the way for each institution to pursue its projects. Nevertheless, feedback from joint project teams identified such inter-institutional disagreements and differing mindsets as barriers to increased World Bank Group "jointness."

[8] A situation that emerges when IFC (or other IFIs) is a senior secured lender and MIGA is the equity insurer in projects where both are involved. This situation is known as the pledge of shares and arbitral award issue or subrogation—an accepted term in insurance law that provides the assignment of shares of the equity investor insured to the insurer (MIGA, in this case). In the event of a claim, the equity insurer (MIGA) acquires the same rights to the project assets as the senior lenders. Therefore, if there is a claim event (or a guarantee is called) in a project where IFC is a lender and MIGA is the equity insurer, IFC's senior lender status is diminished as MIGA, acting as subrogee of the equity holder, can recover the assets (in the event of an arbitral award) before the lenders—which effectively dilutes IFC's ability to recover its loan.

[9] Joint World Bank-IFC Implementation Completion and Results Report, Pamir Private Power Project, June 28, 2011.

[10] IEG Implementation Completion and Results Report Review (ICRR) of the 3a-West African Gas Pipeline Project, April 13, 2015.

[11] The World Bank will apply its newly-approved Environmental and Social Framework after January 1, 2018. The Framework sets out the performance standards requirements for World Bank borrowers relating to the identification and assessment of environmental and social risks and impacts associated with projects supported by the World Bank through its Investment Project Financing.

[12] An example is when IFC's client considers project information sensitive and requests that the information is kept confidential. Another example is a situation where MIGA has already insured the guarantee holder or foreign project sponsor and IFC is still negotiating a claims cooperation agreement with its client in a joint project. In this stage of joint project negotiations, IFC and MIGA can have opposing business interests.

[13] IEG ICRR for the 3a-West Africa Gas Pipeline, April 13, 2015.

4. World Bank Group Jointness and Project Outcomes

This chapter offers an IEG review of the intensity of interaction within World Bank Group joint project teams, using project examples. The purpose was to understand the extent of World Bank Group staff interaction in joint projects—from project origination to monitoring and evaluation—and explore the hypothesis in the theory of change that collaboration by the constituent parts of the World Bank Group resulted in better outcomes and more value-added to clients. The remainder of the chapter reveals some outcomes from evaluated joint intra-World Bank Group projects.

Intensity of Interactions in Joint World Bank Group Projects

The intensity of World Bank Group interactions varied in joint projects. IEG has defined "intensity of interaction" as the extent of mutual engagement within World Bank Group joint project teams during the entire project cycle, from upstream to downstream project phase. The intensity of interactions follows a continuum, from high to low intensity, in both upstream and downstream phases of the project cycle.

High-intensity interactions in joint projects during the upstream phase comprise joint due diligence taking the form of joint scoping or appraisal missions. High-intensity interaction also emerges in collaborating to prepare and submit joint project appraisal documents for board approval, and in preparing project concept documents for World Bank ASA and IFC Advisory Services joint projects. IEG has examples of World Bank and IFC undertaking in joint project design. In the downstream project phase, intensity of interaction appears in various joint implementation arrangements, including cross-support, direct funding, joint monitoring and supervisory visits and reporting, and in regular exchange of project information (see appendix A for the intensity of joint project team interactions in the 35 evaluated joint projects). The difference between high and low-intensity interaction lies in the continuity of engagement maintained in the downstream phase. At the extreme end of the continuum lie various joint projects—for which the only indication of jointness seems to be a sentence or notation in project approval documents, usually stating that another World Bank Group institution will provide some financing to the project.

High-intensity interactions in joint projects can arise from the project design itself and occur typically at the early stages of the project cycle. Joint projects with a mix of World Bank investment project financing, development policy operation, or ASA support or IFC advisory, and aimed at public sector entity clients, usually have high-intensity interactions. This results from IFC advisory involvement in implementing a World Bank project component. Cross-support, budget resources sharing, joint team meetings, project documents sharing, joint supervision, and reporting tend to be the norm in joint projects with this combination of World Bank Group instruments. The IFC advisory team implements a component of the World Bank lending program. It receives World Bank funding for this implementation. In a few cases, IFC contributed financing from its own funds for its advisory support. Scoping missions by joint project teams with World Bank non ASA and IFC advisory support happen often. A high intensity of joint project team interactions throughout the entire project cycle characterized the Afghanistan Financial Sector Strengthening, Cambodia Trade Facilitation-Cambodian Investment Board Capacity Building, Côte d'Ivoire small and medium enterprise investment climate, Mali Growth Support, South Sudan investment climate, and the Ukraine DPL 2 and 3-Enabling Environment joint projects. Interactions started with joint scoping missions or, in the case of the Cambodia Trade Facilitation-CIB Capacity Building project, the IDA and IFC advisory teams formulated project design together (box 4.1).

Box 4.1. Intense Interaction by Design in Projects with World Bank ASA and IFC Advisory Support

Lighting Africa Kenya: The partnership rested on a clear division of labor that focused on the respective strengths of IFC and World Bank teams to implement an innovative experiment intended to develop the market for solar lamps for consumers without access to electricity. The World Bank focused on the policy and reform agenda while IFC tackled the development of a commercially sustainable market for the solar lamps by building capacity for market players and absorbing the initial risks of market development. IEG's evaluation noted that the "overall program became truly World Bank Group collaboration with strong efforts to divide activities based on each institution's core competencies in the design and having regular communication between the teams involved."

South Sudan Private Sector Development – Removing Barriers to Investments:[1] The project is a prime example of a high-risk, high-return World Bank Group operation, with the risk-reward trade-offs highly appropriate to the country context. The World Bank Group intervention was part of a rapid response to address the investment needs of a new country formed from decades of conflict. Central to the realization of sustainable peace and development in South Sudan was promoting private sector development, which required substantial policy and program efforts especially in trade and investments.

Source: Project documents.

Joint lending-investment projects have followed a different mode of intra-World Bank Group interactions. Much depends on the projects' risk intensity. For certain types of project, more intense interactions occurred in response to need. Large-sized Category A and transnational investment projects showed a higher intensity of interaction among World Bank Group project teams focused on due diligence and supervision. As warranted in complicated, controversial projects, the interactions among the collaborating World Bank Group partners became closer. Joint supervision visits became more common. Information exchange and team communication arose more frequently, from project appraisal to supervision.

In complex joint projects, accountability mechanisms and reputational risks concerns also motivated intense interactions among project teams. Coordination became more frequent. So did exchange of project-related updates between project team leaders and among other financiers. The World Bank Group's reputation plays a role in these high profile projects, which in several instances generated complaints investigated by the IFC-MIGA Compliance Advisor Ombudsman and/or the World Bank Inspection Panel. The Bujagali Electric Limited project, supported by three World Bank Group institutions, spawned eight Inspection Panel complaints in addition to seven other complaints filed with the Compliance Advisor Ombudsman. In another complex manufacturing project, complaints reached the International Court of Justice, the Inter-American Commission for Human Rights, and the IFC-MIGA Compliance Advisor Ombudsman. Boards for the respective World Bank Group institutions also required regular updates about high profile joint projects (box 4.2).

Box 4.2. Long-Standing Commitment to the Bujagali Project Overcame Intense Opposition

Bujagali Electricity Limited: Without the World Bank Group's unwavering support and intense involvement in this project, it would have been difficult to get this hydropower project contributing to stabilize power supply and increase electricity access rates in Uganda. The intense coordination within the World Bank Group—from the project team to Management of the World Bank Group institutions as well as board members—was unprecedented. A multitude of problems and the intense scrutiny by the affected population, local and foreign nongovernmental organizations, the government of Uganda, and other IFIs added enormous pressure on the World Bank Group partners to collaborate closely, communicate, and exchange information on a regular basis.

At the staff level, teams from IDA, IFC, and MIGA conducted joint appraisal missions, prepared a joint project appraisal document, and undertook joint supervision missions on a regular basis, especially IDA and IFC, with MIGA participating during the early stage of construction. Senior management and board members of these institutions coordinated closely, including joint supervision missions during the construction phase, to ensure problems were resolved and stakeholder concerns were addressed without additional adverse reputational risk to the World Bank Group. While the World Bank Group's role in the project remains controversial, the electricity supplied by the hydropower plant had temporarily eased an electricity shortage in Uganda and allowed Umeme Limited (the electricity distributor) to accelerate connections and ensure reliable electricity flow.

Source: Project documents.

In other joint investment projects, the intensity of interactions required reflected exogenous factors including natural disasters. The intense interactions between the IDA and MIGA team leaders in the Umeme Limited project came as a consequence of a prolonged drought occurring a year after the IDA and MIGA guarantees became effective (box 4.3). In the Pamir Private Power project, IDA and IFC teams worked jointly "under extreme conditions (including 18-hour trips on bad roads, 16-hour workdays, subfreezing temperatures at 10,000 feet altitude and no space heating, one meal a day, and other privations) in March 2007."[2] They brought much of Pamir's capacity back on line following a catastrophic accident caused by severe floods.

At the other end of the continuum, low-intensity interactions seem the norm among many joint investment-type projects. In these cases, one of the World Bank Group institutions enters the transaction late in the internal approval process. Typically, some coordination, communication between teams, or document sharing occurs during appraisal. But the interaction stops there, not continuing once the respective Board of Directors approves the project. In some cases, IEG found no mention or acknowledgment about a partner institution in project documentation, either in appraisal, supervision, or completion and self-evaluation documents.

Box 4.3. Close Intra-World Bank Group Interaction Can Overcome Crisis Events

Umeme Limited: When sector conditions drastically changed due to a prolonged drought a year after the effectiveness of the IDA and MIGA guarantees, joint efforts by IDA and MIGA teams helped the investors and the government renegotiate new concession terms, ensuring a more equitable distribution of risks. The IDA and MIGA team leaders also helped develop an emergency plan that would ensure continued electricity supply to Umeme to prevent outages and start fixing Uganda's electricity distribution system. IFC investment came three years later when the company needed financing to accelerate the electricity connections and prepare for its initial public offering through cross-listing in the Kampala and Nairobi Stock Exchanges. Additional IFC investment came in 2013 and in 2014 to finance the capital cost of lowering electricity losses. Today, Umeme Limited continues to be one of the few financially viable power distribution company in Sub-Saharan Africa.

Source: Project documents.

Sometimes the low-intensity of interactions seems appropriate—as in lowered transaction costs, for example. But detached mutual engagement has had negative consequences. Low-intensity intra-World Bank Group engagement occurred in a project financing and providing guarantee coverage for a PPP toll road project. For this project, IFC and MIGA staff conducted parallel due diligence and appraisals. They prepared separate board documents but arranged for a joint meeting of their respective boards to win approval and concurrence. Thereafter, coordination effectively ceased following board approval. No coordination occurred despite a whistleblower's notice of violation of World Bank Group policy on Involuntary Settlement. Two separate appraisals failed to trigger the Involuntary Resettlement safeguard policy, both relying on sponsor representation. IFC eventually provided a supplemental loan to rectify resettlement shortcomings but some negative effects remained. A portion of involuntarily resettled families remained negatively affected at the time of IEG's evaluation. In other projects, however, low-intensity intra-World Bank Group interaction (regarding client value-added or achieving greater project effectiveness) made no apparent difference at all.

Among the three World Bank Group institutions, MIGA's small size and business model limit its capacity for greater engagement after board approval. While modest post-board approval involvement is mostly adequate, several instances reveal how an active tracking of project issues could have been helpful both to the client and to compliance with environmental and social requirements. In an agribusiness project supported by IFC and MIGA, project effectiveness could have risen if MIGA had held its guarantee holder (that is, the same IFC client) to similar contractual obligations pertaining to environmental and resettlement requirements. A lesson from an evaluation of the cross-border gas pipeline project urged MIGA to take a more proactive approach to portfolio management of large, complex projects, especially in key countries. The point is, earlier detection of project implementation problems.

Overall, a more proactive role by MIGA in World Bank Group joint projects will generate benefits, both in client value-added and even in future business development. MIGA has shown it can contribute to project supervision under certain situations. In the West African Gas Pipeline joint project with IDA, for example, MIGA mobilized funding to help support the implementation of a comprehensive Management Action Plan. This came in response to an Inspection Panel's recommendations. Clarity over MIGA's monitoring and supervision role is also needed in joint projects where the World Bank or IFC support has closed or been completed while MIGA's guarantee coverage remains active.

The lack of intra-World Bank Group interaction shows most obviously in the evaluation phase. The One World Bank Group perspective is absent, even among projects having joint project appraisal documents presented to the board and/or joint board meetings. Among 35 evaluated joint projects, only the Pamir Private Power Project's World Bank and IFC teams produced a joint ICR. However, IEG validated the IDA support only because the IFC investment was still active, which also highlights IEG's treatment of joint projects. Of the 35 evaluated joint projects reviewed by IEG, only the Chad-Cameroon Oil Pipeline operation had a comprehensive and combined review of the World Bank Group-wide involvement. For all other (that is, 34) cofinanced joint World Bank Group projects, single World Bank Group entity project teams conducted their own evaluations. At present, no other holistic, integrated or harmonized One World Bank Group evaluation framework/methodology exists to weigh a joint project's effectiveness, efficiency, outcomes, and value-addition to public and private sector clients.

Development Results of World Bank Group Joint Projects

No observed pattern of association exists between (i) the intensity of interaction in joint World Bank Group projects, and (ii) their development outcomes. Even allowing (i) for the 35 sample of evaluated cofinanced joint projects, and (ii) for the complexity of determining a causal relationship between any given factor and development outcomes, IEG's tracking is inconclusive. Contradictory examples abound (see figure 4.1). There are:

- High-intensity intra-World Bank Group engagement and satisfactory and better development outcomes;
- High-intensity intra-World Bank Group engagement but less satisfactory development outcomes;
- Low-intensity intra-World Bank Group engagement but satisfactory and better development outcomes; and,
- Low-intensity intra-World Bank Group engagement and less satisfactory development outcomes.

All factors influencing success or otherwise in projects supported by only one World Bank Group institution appear in joint projects. If two or more institutions work together, this may enhance development effectiveness. Or it may not. The higher cofinancing joint project risk profile can just as easily introduce an additional layer of complexity; which greater interinstitutional engagement can ameliorate—or not.

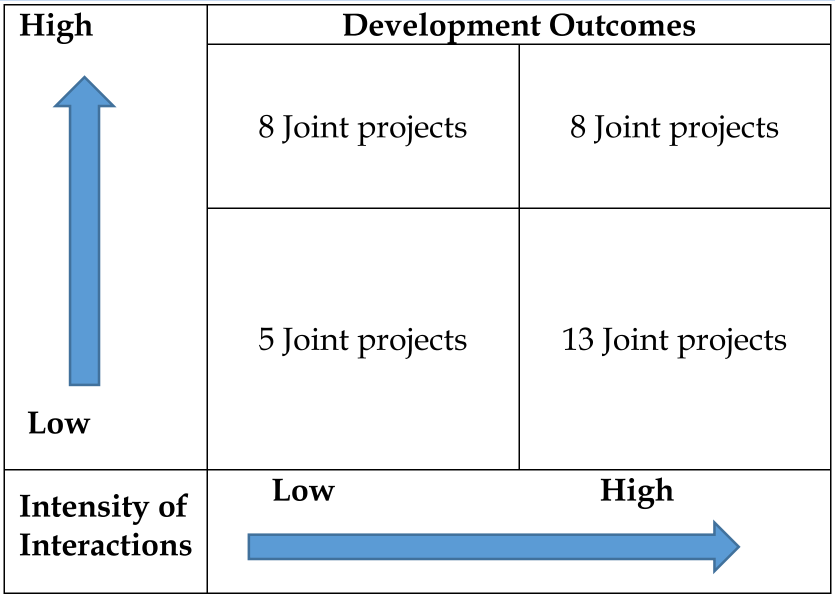
Successful development outcomes in all World Bank Group projects reflect a range of factors, which include pervasive exogenous factors (for example, the regional and global economic environment) and external factors like natural disasters or political upheaval. There are also work quality factors over which the World Bank Group has direct control, such as prior analytical work, partnerships with committed and capable stakeholders, project design, ambitious objectives, inadequate resources for supervision, and frequent changes in project team leaders.[3] All affect joint project outcomes.

So-called jointness cannot substitute for solid work quality, a committed sponsor, sufficient resources, or a myriad of other factors enabling positive development outcomes. Nor is jointness an end in itself. The nature and intensity of joint relationships differ from one joint project to another. In some instances, the project requires a high degree of joint engagement. The following, ultimately successful projects, provide useful examples:

- In the IFC-MIGA engagement in support of a complex manufacturing project, the institutions worked closely with a private sector client. This managed reputational risk by carrying out an intensive, joint due diligence in environmental and social risk, and also, by engaging in deep consultation with stakeholders, and promoting information and communications campaigns.
- In the IFC-World Bank support experience with Pamir Private Power, the institutions adopted a broadly holistic approach. This involved, among other things, several joint preparatory reviews and studies and cooperative work on due diligence matters, including extensive local consultations. Both mounted joint supervision missions. World Bank and IFC teams worked tirelessly to keep the power plant operating after heavy damage inflicted by flooding and then to restructure the project in the face of financial losses.

In other instances, for example, strong IFC Advisory Services-World Bank collaborative support for Bangladesh Private Sector Development, or for Cambodia Trade Facilitation, robust interinstitutional interaction failed to compensate for other negative factors. IEG found similar challenges, even in projects where IFC Advisory Services received funding from the World Bank to implement a component of a specific investment loan or a DPL, and had joint scoping and supervision missions. Specific examples are the IDA grant and IFC advisory work to improve South Sudan's investment climate and another IDA grant and IFC advisory combined support to strengthen Afghanistan's financial sector. To complete the picture, some joint projects proved successful despite low-intensity levels of intra-World Bank Group coordination (figure 4.1). For example, World Bank and MIGA supported Bolivia-Brazil Trans Gas Pipeline, a complex project with many partners and tight schedules. MIGA insurance enabled an added layer of risk mitigation, a significant project contribution, but this required very little intra-World Bank Group interaction.

Figure 4.1. Association between the Intensity of Joint Project Team Interaction and Project Development Outcomes



Note: Joint projects in the high development outcome quadrants were rated as moderately satisfactory to highly satisfactory for World Bank projects; moderately successful to highly successful for IFC investment projects; and satisfactory to excellent for MIGA. The figure excludes one evaluated project that was rated "no opinion possible" for development outcome.

The variable success of joint World Bank Group projects, regardless of the intensity of interaction, suggests that jointness per se does not act as a dominant driver of successful outcomes. This is not to suggest that jointness is unimportant. Further analysis must occur using more and other types of joint projects. Still, in this exploration of cofinanced (Type 1) joint projects, IEG identified good collaborative practices—regardless of being unable to determine links between intensity of World Bank Group interaction and successful project outcomes. Reviewing such practices led IEG to conclude the benefit from World Bank Group joint projects ultimately rests on the value-added provided to clients rather than in any inherently beneficial nature of joint projects, per se.

---

[1] IEG Implementation Completion and Results Report Review (ICRR) for the IDA project, "MDTF South Sudan Private Sector Development," February 3, 2014.
[2] Sources are Joint World Bank-IFC Implementation Completion and Results Report and IEG ICRR for Pamir Private Power Project.
[3] IEG explored the factors associated with the performance of World Bank and IFC project performance in the annual *Results and Performance of the World Bank Group* (RAP) series. RAP FY14 (World Bank 2014b) identified a strong statistical correlation between factors that are within management's control during project preparation and implementation and the project's ultimate development outcome—Quality at Entry and Quality of Supervision for Bank-financed projects, and broadly defined Work Quality for IFC supported investment projects (Screening, Appraisal, and Structuring, Supervision and Administration, and IFC Roles and Contribution).

5. What Lessons for Future Joint Projects?

This chapter summarizes IEG's learning from this stocktaking of intra-World Bank Group engagement in World Bank Group joint projects. This chapter organizes some interim lessons according to the analytical framework adopted for this learning note (presented in appendix B)—namely, context and enabling environment, purpose, process and structure, resources, and team dynamics. These lessons came from the desk review of the 35 evaluated projects and from IEG's engagement with World Bank Group staff who have worked on joint projects. The final section below describes some implications for the "One World Bank Group" aspiration.

Lessons Related to Context and Enabling Environment

Joint projects have strong utility in specific contexts with high relevance. Cofinanced joint projects facilitated investments or initiatives in high-risk countries. They have helped establish pioneering projects, and supported complex transnational investments. They have enhanced Category A projects in infrastructure and extractive industries, and have supported first-time foreign direct investors. In the financial sector specifically, Type 1 joint projects funded risk sharing and on-lending facilities, while targeting micro, small, and medium enterprises and financing of affordable housing for low-income households. Joint projects also helped improve the business climate in several FCS countries.

Staff's previous experience and track record in joint projects have motivated replication. In general, collaboration has led to more collaboration. Previous experience in joint projects has provided two advantages: (i) the ability to navigate internal World Bank Group processes and external coordination requirements, and (ii) skills and confidence to be involved in other World Bank Group joint projects. The learning dividend from repeat experience partly explains the preponderance of World Bank Group joint projects in the power sector and support for repeat clients. Successful investments in the power sector had solid demonstration effects generating repeat transactions. Likewise, joint projects involving investment climate, institutional reforms or strengthening built on earlier bodies of work. IEG also observed that among the different team leaders of the 112 World Bank Group joint projects, more than 30 had been involved in joint projects more than once. IEG noted that several joint project team leaders have also worked in another World Bank Group institution. Staff cross-over from one World Bank Group institution to another may have encouraged collaborative work because of familiarity with colleagues, products, and processes of other World Bank Group institutions.

Joint projects need support both from external stakeholders and from the internal World Bank Group entities. Although client commitment is essential, strong signals and support from World Bank Group senior management act as a positive motivator for joint projects. Strong support by Management of the World Bank Group institutions buttressed jointness in the Bujagali Electricity Limited endeavor, in the controversial Chad-Cameroon Oil Pipeline, and in the Orion-Botnia, and the West African Gas Pipeline projects. Strong internal support for joint projects also withstood intense external opposition from some civil society organizations, as in the case of Bujagali Electricity Limited, as well as criticism from other governments, as in the pulp mill joint project. However, support for jointness by Management of the World Bank Group institutions can wane over time—as in the Chad-Cameroon Oil Pipeline Project.

Lesson Related to Purpose

A clear business case as rationale for jointness plus a shared vision of objectives and final outcomes are essential to sustaining jointness. The clearer the reasons for jointness, especially the business case, to the project team and clients, the higher the likely intensity of interaction. Having a shared vision of the business rationale and intended project results (beyond the pro forma project results framework and project-level indicators) helped joint project teams solve problems and overcome challenges, especially in complex joint projects. In projects with a high intensity of joint team interaction, team members more readily grasped the business rationale for cofinancing with another World Bank Group institution, the contribution from each World Bank Group institution, and for what ultimate purpose. IEG also noted how joint teams having high-intensity interaction developed clearer ideas about the joint project's end-goals—and the World Bank Group's contribution in achieving them.

Good understanding by the joint project team members of each World Bank Group institutions' mandates, products, strengths, and limitations eased more and better collaboration. World Bank Group staff wishing to become involved in joint World Bank Group projects need this deep institutional knowledge. Comprehending the World Bank Group's different institutional mandates, their products, their strengths and their constraints, forms the indispensable foundation for understanding the World Bank Group's complementarity and comparative advantage.

Lessons Related to Resources

Joint projects required sufficient budgets for the additional administrative, preparation and (especially) the implementation, supervision, coordination costs of having more "jointness." Regardless of the extent of World Bank Group intervention, joint projects required adequate, assured financial resources. Without these, appraising, implementing, and supervising or monitoring these projects become a daunting task—not to mention allocating funds for the intensive documentation of project experience, including client feedback and beneficiary impact assessment at evaluation. World Bank Group cofinanced joint projects have a higher risk profile, needing more internal coordination; accordingly, the resource needs tend to be higher than in single World Bank Group institution projects.

Joint projects required sufficient time to achieve project objectives, build trust, and World Bank Group team synergy. Developing trust takes time. In turn, sufficient time implies the need for repeated interactions that build knowledge, commitment, and personal relations necessary for the joint teams to be responsive and effective.

Having the right combination of staff skills enabled the solving of multilayered joint project risks. Lacking the right skill mix for joint projects have had detrimental consequences that ultimately affected project beneficiaries.

Lessons Related to Process and Structure

Clear roles, division of labor, and responsibilities throughout project life enabled teams to accomplish tasks, reduce transaction costs, and increase effectiveness. Joint project teams with higher intensity interactions understood their own and their World Bank Group partners' competencies, responsibilities, and roles in the joint project. Clearly defined roles in particular, and a clear division of labor, helped maximize development benefits, reduce transaction cost, and enhance the World Bank Group's contribution.

Ownership of both process and outcomes of the joint project by the respective project teams and the respective Management of the World Bank Group institutions helped maximize value-added and effectiveness. Members of the respective World Bank Group institutions have a stake and stood accountable for decisions and outcomes. In joint projects with high-intensity interactions, a strong team commitment emerged, subordinating parochial institutional considerations.

Adaptability and flexibility during implementation figured as key factors in joint projects, especially those sited in conflict-affected countries or places with low institutional and human capacity. In an IFC Advisory Services and World Bank ASA joint project in South Sudan, the project team showed adaptability and flexibility by shifting resources from activities with less local ownership or readiness, to activities showing more success. In other joint projects where IFC advisory implemented a World

Bank project component, the rigidity of World Bank procurement rules often attracted criticism as a principal factor leading to less successful project outcomes.

Continuity of task team leaders is vital. This built trust, strong personal links and commitment to joint project success. Although frequent staff rotation has advantages, avoidable changes in joint project leadership affected both cohesion and responsiveness among the team members, especially as each World Bank Group institution has its own team within a joint project. Lack of continuity also weakened relationships with stakeholders and reduced knowledge exchange. Frequent changes in team leaders also affected project effectiveness.

Lessons Related to Leadership, Joint Team Formation, and Dynamics

Skilled leadership plus the "right" personality mattered a lot in joint projects. While top-down policies had a major role in facilitating joint projects, an inclusive, open-minded personality[1] and leadership skills also became critical factors. Team leaders having solid knowledge of subject areas, as well as of process and collaborative skills, showed themselves better equipped to handle the additional coordination needed in joint projects. While these traits are not unique to joint projects, a collaborative personality have engendered joint team harmony, enabled a united World Bank Group stance in often demanding project environments, and avoided confusing clients.

And while subject area knowledge remained indispensable, **personality had a dimension of its own for joint team formation, interactions, and effectiveness**. Personality traits—such as keeping an open mind, keeping other members informed, or being adaptive and flexible—formed key attributes enabling joint World Bank Group teams to stay focused on the project (and not on personality conflicts). There are also natural collaborators and the internal entrepreneurs (also known as intrapreneurs),[2] who tend to push the envelope within existing parameters. World Bank Group staff who worked on joint projects, especially those who worked on joint projects before the current improved enabling environment, may share some of these entrepreneurial traits.

Implications for Management of the World Bank Group Institutions

ON EXPECTATIONS ABOUT INCREASING THE NUMBER OF WORLD BANK GROUP JOINT PROJECTS

Despite Management's continuing efforts to stimulate World Bank Group joint projects, joint projects still represented a very small share of the World Bank Group project portfolio. IEG's review of World Bank Group cofinanced projects shows strong joint project relevance to high risk and specific contexts but also find that joint projects add cost and risk, including reputational risk. Moreover, cofinanced joint projects must have clients willing to procure these blended World Bank Group products and services. Given these needs and limitations, Type 1 joint projects will continue to occupy a niche segment within the World Bank Group's array of products and services, albeit an important one on occasion. **Knowing and understanding the "sweet spot" for joint projects require realism about expectations and opportunities for increasing the number of World Bank Group joint projects in the future**.

ON DEVELOPMENT EFFECTIVENESS OF JOINT PROJECTS

As explained in the previous chapter, in and of itself **jointness could not ensure successful project outcomes.** But joint projects on occasion became powerful tools, effective when conditions require a creative integration or blending of World Bank Group institutional approach. World Bank Group joint support offers no substitute for solid work quality or sufficient resources; having a committed sponsor also matters to joint success and positive development outcomes.

ON ENSURING SUFFICIENT RESOURCES

Joint projects require additional resources and time regardless of World Bank Group commitment amounts because of the intense coordination required internally and with external stakeholders. This implies:

- greater realism from Management of the World Bank Group institutions regarding time, ensuring stability and adequacy of financial and staff resources required in joint projects, regardless of the amount of World Bank Group commitment;
- ex-ante discussion among the participating World Bank Group institutions regarding the expected intensity of collaboration;
- for IFC and MIGA, realistic assessment of its cost recovery considering the additional appraisal cost and extra monitoring, especially of complicated or controversial projects;
- revisiting project supervision budget formulas and upfront client processing cost and fees, and exploring internal cost-sharing and cost recovery methods to cope with additional tasks;
- allocating funding for the intensive documentation of project experience, including getting client feedback and beneficiary assessment; and
- ensuring that joint projects team leaders have both the hard and soft skills to manage the additional coordination role required.

ON PROCESS AND STRUCTURES

Joint projects require clear and sensible systems for managing, facilitating decision-making, and operationalizing joint projects. Weak processes and structures affected project success, increased transaction costs, and hindered World Bank Group effectiveness in joint projects. It helps to have:

- **Clarity**. Whether formal or via other agreements, clarity about respective roles and responsibilities as well as expected intensity of collaboration, for each World Bank Group institution in joint projects must abide during the entire project cycle.
- **Management guidance.** Needed for resolving information exchange and knowledge-sharing issues within the same joint project team;
- **Flexibility.** Needed for procurement, disbursements, and for allocating resources mid-stream. Rigid rules prevent creative solutions and outcome achievement.
- **Alignment of supporting structures.** Needed for minimizing transaction and coordination costs, and increasing World Bank Group competitiveness. Separate budgets, procurement, and IT systems stymie efficiency and effectiveness.

ON STAFF INCENTIVES

Recognition, promotion, and other tangible staff incentives can go a long way in sending the right signal to World Bank Group staff. Current staff incentives, including promotions, hardly recognize and reward World Bank Group staff for working collaboratively on joint projects. As indicated in the previous chapters, cofinanced projects are innovative but risky and resource-intensive. Different human resources systems, especially the IFC and the World Bank, also create disincentives for working on joint projects. Within the World Bank, applying its standard project performance and portfolio tracking metrics to joint projects (especially blended finance with PBGs) send contrasting and discouraging signal to staff who want to work on such projects.

More important, **the meaning of "joint projects" has not been well defined and has been interpreted differently by staff.** Sometimes staff sought a kind of verbal jointness without any substantive and real collaboration. Greater clarity is needed about what is meant by World Bank Group jointness and expectations for World Bank Group joint projects or programs need clarification. A common, shared understanding of what jointness means can help inform expectations and staff incentives for substantive collaborative work. As mentioned in chapter 1, identifying joint projects from existing IFC and World Bank project portfolio databases was challenging because of the different interpretation of what are truly joint projects.

On Evaluating and Generating Knowledge about Joint World Bank Group Projects

Generating knowledge about joint World Bank Group projects begins with the systematic and consistent tagging and tracking of joint projects in the three World Bank Group institutions' systems.

Harmonizing and testing of a single evaluation framework or methodology for World Bank Group joint projects would enable deeper understanding of their effectiveness and outcomes. Evaluative evidence, and lessons about how to work as a "One World Bank Group," remain scarce. Due to different business models, project timelines, and evaluation/sampling methodologies, evaluation remains focused on each World Bank Group institution. Knowledge about the effectiveness, efficiency, relevance, outcomes and results of Type 1 joint projects, especially as seen from a One World Bank Group perspective, needs dissemination and prioritization. Inventive approaches, mechanisms, and methodologies to effect this reorientation need to be devised, explored, and tested: It's the best way to jumpstart World Bank Group awareness of, and effectiveness as, a "Solutions World Bank Group."

Value-proposition to clients of World Bank Group joint projects is not fully known. Information relating to clients' motivation for seeking World Bank Group joint support could not be confirmed. Project documents usually highlight each World Bank Group institution's contribution to the project and occasionally as One World Bank Group, albeit from the perspective of World Bank Group staff. Documenting client ex ante and ex post feedback on the value-added of (including reasons for seeking) World Bank Group joint support in projects would go a long way in understanding the true market test and value of World Bank Group jointness.

---

[1] Personality was also identified as a driver or inhibitor of Bank Group cooperation in the IEG Evaluation Working Paper titled "IFC Cooperation with the World Bank in Middle Income Countries, 1996–2006."
[2] Term coined by James E. Austin, author of *The Collaboration Challenge*, for internal entrepreneurs in referring to collaboration champions.

Appendix A. Intensity of Interaction in World Bank Group Joint Projects (Evaluated Projects Only)

Table A.1. Intensity of Interaction in World Bank Group Joint Projects (Evaluated Projects Only)

		Upstream				Downstream					
Joint Project Name and World Bank Group Products	Sector	*Joint Design*	*Joint Scoping, Appraisal*	*Joint PAD*[a]	*Joint Board or Concept Note Meeting*	*Joint Supervision Missions*	*Information Sharing during Implementation*	*Regular Consultations*	*Cross-Support during Implementation*	*Joint Self-Evaluation*	*IEG Validation as One World Bank Group*
Afghanistan Financial Sector Strengthening-Public Registry and Secured Lending	Financial	—		—	—					—	—
Afghanistan Investment Guarantee Facility[b]	Multisector		—						—	—	—
Areeba Afghanistan LLC/ MTN Afghanistan	Telecom	—		—	—	—			—	—	—
Asia Power (Private) Limited	Power	—	—	—	—	—	—	—	—	—	—
Baku Coca-Cola Bottlers Limited	Manu-facturing	—	—	—	—	—	—	—	—	—	—
Bihar DPL 1-Investment Climate Reform Phase 2	Investment Climate; Trade and Competitive-ness	—		—	—	—	—	—	—	—	—
Bolivia-Brazil Gas Transmission	Oil and Gas	—	—	—	—	—	—	—	—	—	—

Appendix A
Intensity of Interaction in World Bank Group Joint Projects (Evaluated Projects Only)

Joint Project Name and World Bank Group Products	Sector	Upstream				Downstream					
		Joint Design	*Joint Scoping, Appraisal*	*Joint PAD*[a]	*Joint Board or Concept Note Meeting*	*Joint Supervision Missions*	*Information Sharing during Implementation*	*Regular Consultations*	*Cross-Support during Implementation*	*Joint Self-Evaluation*	*IEG Validation as One World Bank Group*
Bujagali Electricity Limited	Power	—							—	—	—
Cambodia Trade Facilitation-Investment Climate[c]	Investment Climate; Trade and Competitive-ness			—	—					—	—
Cambodia Trade Facilitation and Strategy Implementation[c]	Investment Climate; Trade and Competitive-ness		—	—	—					—	—
Chad-Cameroon Oil Pipeline	Oil and Gas	—							—	—	
Chukotka Mining and Geological Company (Kupol Mine)	Mining	—		—	—			—	—	—	—
Côte d'Ivoire SME Revitalization and Business Regulation	Financial	—		—	—					—	—
Grain Bulk Handlers Limited	Ports	—		—	—	—	—	—	—	—	—
Himal Power Limited (Khimti Khola)	Power	—	—	—	—	—	—		—	—	—
Jubilee FPSO	Oil and Gas	—				n.a.	n.a.	n.a.	n.a.	—	—
Kasese Cobalt Company Limited	Mining	—	—	—	—	—	—	—	—	—	—

Joint Project Name and World Bank Group Products	Sector	Upstream				Downstream					
		Joint Design	*Joint Scoping, Appraisal*	*Joint PAD*[a]	*Joint Board or Concept Note Meeting*	*Joint Supervision Missions*	*Information Sharing during Implementation*	*Regular Consultations*	*Cross-Support during Implementation*	*Joint Self-Evaluation*	*IEG Validation as One World Bank Group*
Khulna Power Company Limited	Power	—		—	—	—	—	—	—	—	—
Lighting Africa Kenya; Lighting Web Portal	Power			n.a.	n.a.					—	—
Mali Growth Support-Investment Climate Reform	Investment Climate; Trade and Competitive-ness	—		—	—				—	—	—
Manila North Tollways Corporation	Transport—Toll Road	—	—	—		—	—	—	—	—	—
Mexico Private Housing Finance/HF Cajas Mexico	Financial	—		n.a.	n.a.	—	—	—	—	—	—
Mozambique Aluminum Smelter (MOZAL)	Manu-facturing	—				—	—	—	—	—	—
Orion Pulp Mill/Botnia South America S.A.	Manu-facturing	—							—	—	—
Orzunil I S.A.	Power	—		—		—	—	—	—	—	—
Pamir Private Power Limited	Power	—							—		—
Romania Efes Brewery S.A.	Manu-facturing	—	—	—	—	—	—	—	—	—	—
Senegal Electricity Enhancement-Kounoune IPP	Power	—							—	—	—
Sociétè Burkinabè de	Tourism	—		—	—	—	—	—	—	—	—

Appendix A
Intensity of Interaction in World Bank Group Joint Projects (Evaluated Projects Only)

Joint Project Name and World Bank Group Products	Sector	Upstream: *Joint Design*	Upstream: *Joint Scoping, Appraisal*	Upstream: *Joint PAD*[a]	Upstream: *Joint Board or Concept Note Meeting*	Downstream: *Joint Supervision Missions*	Downstream: *Information Sharing during Implementation*	Downstream: *Regular Consultations*	Downstream: *Cross-Support during Implementation*	Downstream: *Joint Self-Evaluation*	Downstream: *IEG Validation as One World Bank Group*
Promotion Hôtelière											
South Sudan PSD-Removing Barriers to Investments	Investment Climate	—		—	—				—	—	—
Tilda Uganda Limited	Agribusiness	—		—	—		—	—	—	—	—
Ukraine DPL 2 and 3-PEP Business	Investment Climate; Trade and Competitiveness	—		—	—				—	—	—
Umeme Limited	Power	—		—	—				—	—	—
Union Fenosa Moldova / RED Chişinău SA, RED Centru SA, RED Sud SA	Power	—		—	—	—	—	—	—	—	—
WAEMU Capital Markets Development	Financial	—	—						—	—	—
West African Gas Pipeline	Oil and Gas	—							—	—	—

Note: DPL = development policy loan; FPSO = floating production storage and offloading; IPP = independent power producers; n.a. = not available; PAD = project appraisal document; PSD = private sector development; PSD = private sector development; RED = Retelele Electrice Distributie; SA = Société Anonyme; and WAEMU = West African Economic and Monetary Union.

a. For analytic and advisory activities and Advisory Services and Analytics projects, the is the corresponding approval document.
b. The project supported several MIGA-originated projects, including MIGA's guarantee coverage of the Areeba Afghanistan/MTN Afghanistan project.
c. Counted as one mutually exclusive joint project but with two subcomponents evaluated separately.

Dark shading means intense interaction Light shading represents less intense interaction in this project milestone. An unshaded area with a dash (—) means no indication of interaction between the World Bank, IFC, or MIGA staff involved in the joint project.

Appendix B. Framework Used in Reviewing Bank Group Joint Projects

Table B.1. Framework Used in Reviewing Bank Group Joint Projects

Categories and Subcategories	Description	IEG Data Source
Context and enabling environment		
• History of collaboration or cooperation	Leads or other team members have history of cooperation or collaboration.	World Bank Group Portfolios—TTLs/Project Leads; Project Documents
• Collaborative group seen as legitimate leader	Team members perceived as competent and reliable within their area of expertise.	Project Evaluations; Project Documents and Communications; Practitioners Workshop-Discussion
• Favorable political and social climate	Support from Management of the World Bank Group institutions, government, World Bank Group clients, and other donors.	Project Evaluations; Project Documents and Communications
Team dynamics		
• Mutual respect, understanding and trust	Shared understanding and respect for each other and their respective organization, namely how they operate, their limitations, and their expectations.	Project Evaluations; Project Documents and Communications; Practitioners Workshop-Discussion
• Appropriate representation or cross-section of members	Representation, to the extent possible, from part of World Bank Group that will be affected by the project.	Project Evaluations; Project Documents and Communications.
• Members see collaboration as in their self-interest	Belief that they will benefit from their involvement and that the advantages will offset costs.	Project Evaluations; Project Documents and Communications; Practitioners Workshop-Discussion
• Ability to compromise	Willingness and ability to compromise.	Project Evaluations; Project Documents and Communications; Practitioners Workshop-Discussion
Process and structure		
• Members share a stake in both process and outcome	Ownership of both the way the group works and the results of the work.	Project Evaluations; Project Documents and Communications; Practitioners Workshop-Discussion
• Broad participation at every level	Every level, including management, within each World Bank Group institution have at least some representation and ongoing involvement.	Project Evaluations; Project Documents and Communications; Practitioners Workshop-Discussion
• Flexibility	Openness to various ways of organizing and accomplishing work	Project Evaluations; Project Documents and Communications; Practitioners Workshop-Discussion
• Clear roles and policy guidelines	Clear understanding by members of their roles, responsibilities and an understanding of how to carry out these responsibilities.	Project Evaluations; Project Documents and Communications; Practitioners Workshop-Discussion
• Adaptability	Ability of the team to sustain itself amid major changes to cope with changing conditions.	Project Evaluations; Project Documents and Communications; Practitioners Workshop-Discussion

APPENDIX B
FRAMEWORK USED IN REVIEWING BANK GROUP JOINT PROJECTS

Categories and Subcategories	Description	IEG Data Source
• Appropriate pace of development	Structure, resources and activities change over project cycle to meet needs of the team without overwhelming capacity.	Project Evaluations; Project Documents and Communications.
• Incentive system	Formal or informal incentive system to sustain team.	Project Documents and Communications; Practitioners Workshop-Discussion
Communication		
• Open and frequent communication	Team members interact often, update each other, discuss issues openly and convey all necessary information to each other and where appropriate, to relevant people outside the team.	Project Evaluations; Project Documents and Communication;
• Established informal relationships and communication links	Team members establish personal connections, in addition to formal communications, resulting to more informed and cohesive group working on the project.	Project Documents and Communications; Practitioners Workshop-Discussion
Purpose		
• Need, opportunity or crisis as motivation	Underlying reason for the joint or collaborative effort.	Project Evaluations; Project Documents and Communications.
• Concrete, attainable goals and objectives	Goals and objectives of the team are clear to all members and can be realistically attained.	Project Evaluations; Project Documents and Communications.
• Shared vision	Members have the same vision, with clearly agreed-on objectives, strategy. Shared vision may exist at the start or developed over the course of working together in the project.	Project Evaluations; Project Documents and Communications; Practitioners Workshop-Discussion.
• Unique purpose	Goals and approach of the team differ in part from the goals and approach of their respective organization. Synergy and complementarity vs. competition.	Project Evaluations; Project Documents and Communications; Practitioners Workshop-Discussion.
Resources		
• Sufficient funds, staff, materials and time	Adequate, consistent financial base and staff and materials needed to support the project. Allows for sufficient time to achieve goals as well as time to nurture the collaborative effort.	Project Evaluations; Project Documents and Communications.
• Skilled leadership	Leader has organizing and interpersonal skills and carries out the role with fairness. Because of these (plus other) characteristics, the leader is respected and given 'legitimacy' by the members.	Project Evaluations; Project Documents and Communications; Practitioners Workshop-Discussion.

Source: Adapted from Mattessich et.al. 2001.

Bibliography

Austin, James E. 2000. *The Collaboration Challenge: How Nonprofits and Businesses Succeed Through Strategic Alliances.* New York: Jossey-Bass.

Dlamini, Khetsiwe. 2013. "The Power of Group Think: Making the World Bank Group Vision a Reality." IFC Smart Lessons, International Finance Corporation, Washington, DC.

Frey, Bruce W., Jill H. Lohmeier, Stephen W. Lee, and Nona Tollefson. 2006. "Measuring Collaboration among Grant Partners." *American Journal of Evaluation* 27 (3): 383–392.

Gajda, Rebecca. 2004. "Utilizing Collaboration Theory to Evaluate Strategic Alliances." *American Journal of Evaluation* 25 (1): 65–77.

Gajda, Rebecca, and Christopher Koliba. 2007. "Evaluating the Imperative of Intraorganizational Collaboration: A School Improvement Perspective." *American Journal of Evaluation* 28 (1): 26–44.

Gittinger, J. Price. 1984. *Economic Analysis of Agricultural Projects.* Washington, DC: World Bank.

IDA-IFC Secretariat. 2009. *World Bank-International Finance Corporation Collaboration in IDA Countries: A Progress Report.* Washington, DC: World Bank Group.

———. 2010. "World Bank-International Finance Corporation Collaboration in IDA Countries: Second Progress Report." Washington, DC: World Bank.

James Bell Associates. 2011. *Evaluation Brief: Evaluating Inter-Organizational Collaboration.* Arlington, VA: James Bell Associates.

Klimkeit, Dirk. 2013. "Organizational Context and Collaboration on International Projects: The Case of a Professional Service Firm." *International Journal of Project Management* 31: 366–377.

Mankin, Don, Susan Cohen, and Stephen P. Fitzgerald. 2015. "Developing Complex Collaborations: Basic Principles to Guide Design and Implementation." In *Complex Collaboration: Building the Capabilities for Working across Boundaries*, edited by Michael Beyerlein, 1–26. Bingley, UK: Emerald Insights.

Marek, Lydia I., Donna-Jean P. Brock, and Jyoti Savia. 2014. "Evaluating Collaboration for Effectiveness: Conceptualization and Measurement." *American Journal of Evaluation* 36 (1): 67–85.

Mattessich, Paul W., Marta Murray-Close, Barbara R. Monsey, and the Wilder Research Center. 2001. *Collaboration: What Makes It Work?* 2nd ed. St. Paul, MN: Amherst H. Wilder Foundation.

Sadrozinski, Renate. 2006. "Evaluative Framework for International Collaboration." Final Report prepared for the National Science Foundation, Center for Innovation and Research in Graduate Education, University of Washington. http://www.education.uw.edu/cirge/evaluative-framework-for-international-collaboration/

Thomson, Anne Marie, James L. Perry, and Theodore K. Miller. 2009. "Conceptualizing and Measuring Collaboration." *Journal of Public Administration Research and Theory* 19: 23–56.

Woodland, Rebecca H., and Michael S. Hutton. 2012. "Evaluating Organizational Collaborations: Suggested Entry Points and Strategies." *American Journal of Evaluation* 33 (3): 366–383.

World Bank. 2003. *Extractive Industries and Sustainable Development: An Evaluation of World Bank Group Experience.* Washington, DC: World Bank.

———. 2004. *Strengthening the Private Sector in IDA Countries: World Bank Group's Collaboration with External Partners.* IDA 14. Washington, DC: World Bank.

———. 2009a. *Models of Collaboration: Working across the World Bank Group Boundaries.* Washington, DC: World Bank.

———. 2009b. *The World Bank Group Guarantee Instruments, 1990–2007.* Washington, DC: World Bank.

———. 2010a. "World Bank Group Cooperation: Evidence and Lessons from IEG Evaluations." Evaluation Brief 11, World Bank, Washington, DC.

———. 2010b. "New World, New World Bank Group: (I) Post Crisis Directions." Report No. DC2010–0003, Washington, DC, World Bank.

———. 2011a. *The Africa Action Plan: An IEG Evaluation.* Washington, DC: World Bank.

———. 2011b. *Africa – Partnering for Africa's Regional Integration: Progress Report on the Regional Integration Assistance Strategy for Sub-Saharan Africa*. Washington, DC: World Bank.

———. 2012. *Results and Performance of the World Bank Group 2012.* Washington, DC: World Bank.

———. 2013a. "A Common Vision for the World Bank Group." Development Committee Paper. Background Annex, Spring 2013, World Bank, Washington, DC.

———. 2013b. *Results and Performance of the World Bank Group 2013*. Washington, DC: World Bank.

———. 2013c. *World Bank Group Strategy: October 2013.* Washington, DC: World Bank.

———. 2014a. *The Big Business of Small Enterprises: Evaluation of the World Bank Group Experience with Targeted Support to SMEs 2006–2012.* Washington, DC: World Bank.

———. 2014b. *Results and Performance of the World Bank Group 2015*. Washington, DC: World Bank.

———. 2014c. *World Bank Group Support for Innovation and Entrepreneurship: An Independent Evaluation.* Washington, DC: World Bank.

———. 2014d. *World Bank Group Support to Public-Private Partnerships: Lessons from Experience in Client Countries, FY02-FY12.* Washington, DC: World Bank.

———. 2015a. *Past and Future – World Bank-IFC Cooperation at the Country Strategy Level.* Washington, DC: World Bank.

———. 2015b. *World Bank Group Support to Electricity Access FY2000-FY2014.* Washington, DC: World Bank.

———. 2016a. *Concept Note: Lessons from Joint WBG Projects*. Washington, DC: World Bank Group.

———. 2016b. *Financial Inclusion: A Foothold on the Ladder toward Prosperity?* Washington, DC: World Bank.