



# OED REACH

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## Global Programs: Linking Global Concerns with Country Needs

- Global programs have become an important line of business that complements the Bank's country assistance activities. They respond to new and emerging challenges such as environmental degradation, the spread of communicable diseases, financial contagion, international insecurity, and the digital divide.
- The initial "let a thousand flowers bloom" approach has fostered innovation. Recently, Bank management has established a clearer, more transparent policy and institutional framework for managing global programs. In particular, the DGF has made substantial improvements in information, monitoring, and evaluation systems.
- Yet, global programs are still under-managed. To increase development effectiveness, the Bank needs to refine and improve the application of quality criteria for selectivity and risk management, clarify management responsibilities and accountabilities, and strengthen the linkages between its global and country programs.

Out of more than 200 global and regional partnerships, OED has reviewed the portfolio of 70 programs meeting the definition of a global program (see box). In fiscal 2001, the Bank spent about \$30 million of its administrative budget on the activities of global programs, provided an additional \$120 million in grants from the Development Grant Facility (DGF), and disbursed another \$500 million from Bank-administered trust funds. Among international organizations, the Bank has become the largest manager of trust funds for global programs.

Thirty global programs are managed inside the Bank and 40 elsewhere. Of the 30 Bank-managed programs, 13 have their own secretariats headed by a program manager. Of the 40 managed externally, 20 are housed in other multilateral organizations (mostly UN organizations and the OECD), 7 in independent organizations incorporated as legal entities, 4 in northern NGOs, 1 in a southern NGO, 5 in northern universities, 1 in a southern research organization, and 2 in developing country govern-

### Global Programs Defined

They are partnerships whose benefits cut across more than one region of the world and whose partners:

- Reach explicit agreements on objectives
- Agree to establish a new (formal or informal) organization
- Generate new products or services
- Contribute dedicated resources to the program.

They differ from regional programs and open-ended institutional partnerships.

ments. This diversity of program management arrangements poses a challenge for portfolio management.

A few programs—CGIAR, the Special Program for Research and Training in Tropical Diseases, and the Global Environment Facility among them—have provided genuine global public goods such as new knowledge, products, technologies, or methods. Twenty-one programs are providing global and

country-level investments, 55 programs are providing country-level technical assistance.

## Major Findings

1. Surprisingly few global programs are involved in global public policy formulation and standard setting even though some global policies and standards adversely affect the Bank's ability of fulfill its poverty reduction mandate.
2. Sixty-three out of 70 global programs are engaged in exchanging knowledge on best practices that could be regarded as global public goods. But the relevance of the information, effectiveness of the exchange, and extent to which the exchange is building developing country capacity to access new knowledge is mixed.
3. Task managers of global programs say their programs meet global public goods and corporate advocacy priorities and Development Committee criteria because "information and knowledge" and "empowerment, security, and social inclusion" are broad categories that encompass virtually any development activity.
4. As currently defined, corporate priorities are too broad to be effective as screening devices for global programs. Activities are not always clearly related to objectives and expected results. While management established six approval criteria in April 2000 for engaging in global and regional partnerships, they are not rigorously applied and need refinement.
5. Oversight and management arrangements have been shaped by the requirements of different sources of funding, and hence are fragmented and lack coherence, and the organizational structure has not kept up with the growth of global activities or the demanding authorizing environment.
6. Global programs involve numerous partners, but their distinctive accountabilities and reciprocal obligations are not always clearly spelled out. In some cases, the Bank bears a disproportionate share of the responsibility. Quality staff resources and the independent oversight needed for effective leadership are not always available, thus creating reputational risks.
7. Linkages between global programs and developing countries are inadequate. Developing countries are largely implementers rather than partners and have little voice in the design, gov-

ernance, and management of global programs. They do not always have the capacity to connect effectively to global programs or access their benefits.

## Recommendations

**Organization:** While maintaining a decentralized approach to global program implementation, Management should strengthen strategic planning and oversight of global programs and partnerships. OED recommends allocating Bank-wide responsibilities for improving quality assurance and overseeing partner relations at the global level to a single Vice-Presidential Unit (VPU) or Managing Director.

**Strategy:** Articulate a results-based strategy for Bank involvement in global programs that sets forth overarching objectives (including its role in global public policy setting), oversight responsibilities, and the Bank's comparative advantage and quality management standards.

**Selectivity:** The central unit selected to oversee global activities should establish and monitor standards being followed by Networks for their global work, including the extent of verifiable objectives, dedicated Bank resources, and appropriate organizational and funding arrangements, cost-benefit and/or cost effectiveness criteria for Bank-wide prioritization, quality assurance, appraisal and Board approval of programs above a certain size.

**Program Implementation:** Given the visibility and development potential of global programs they deserve the same management attention as Regional programs. Management should clarify responsibilities and accountabilities of the Board, Regions, Networks, and task managers and provide each with the resources to meet the Bank's commitments with its partners.

## Scope of the Review

Phase 1 of the evaluation, prepared in time for the fiscal 2003 budget process, focuses on strategic and programmatic management of the Bank's global programs. It is based on extensive interviews inside and outside the Bank, a review of the literature and Bank documents, and surveys of Bank task managers. Phase 2 is evaluating governance, management, financing and impacts of 28 global programs. The Advisory Committee for the review consists of Rolf Luders, Wolfgang Reinicke, Nafis Sadik, and Adele Simons.