



INDEPENDENT EVALUATION GROUP

A CALL FOR MORE CROSS-BORDER SOLUTIONS TO DEVELOPMENT CHALLENGES

World Bank's Independent Evaluation Group releases first assessment of multi-country programs

London, March 22, 2007. Cross-border development programs have a huge, yet under-exploited potential to advance economic growth and reduce poverty, according to a study released today by the World Bank's Independent Evaluation Group. These programs, which involve multiple countries, can deliver strong results, such as providing reliable energy, managing shared water resources and combating the spread of communicable diseases. The opportunities for collaboration on issues of environmental protection are also enormous. Existing programs have done well, but overall support for regional cooperation remains limited and the programs have often lacked sufficient planning to make them sustainable. Furthermore, during the past decade, only about 3 percent of all international development aid went to regional programs.

"Regional development programs are well-suited to tackling cross-border dimensions of health, infrastructure, trade and the environment," said Vinod Thomas, Director-General of IEG, "By providing stronger support for regional programs, the international community could help countries find joint solutions to their common challenges."

The IEG report, "The Development Potential of Regional Programs", is the most comprehensive assessment of the effectiveness of regional programs conducted to date. The findings are based on evaluations of 19 regional programs and a review of the World Bank's total portfolio of some 100 regional operations.

Over the past 15 years, regional programs have emerged as an instrument to tackle problems that are faced by neighboring countries. Regionally coordinated investments in roads and rail, for example, are helping some of the world's 31 landlocked countries to connect to wider markets. Regional programs are beginning to integrate the supply and distribution of electricity so that small countries can get access to reliable, lower cost energy. Cooperation across borders is also increasingly helping to control the spread of

communicable diseases such as malaria and HIV/AIDS, and managing the 60 percent of the world's fresh water that derives from shared river systems.

The multi-country nature of regional programs, however, makes them complex to design and implement. They require considerable trust among participating countries and consensus on the distribution of program benefits and costs. Thus the IEG study also finds that regional programs often lack sufficient planning for the sustainability of program outcomes. "Some projects have generated the revenues needed to sustain national and regional activities after external funding ends", said Catherine Gwin, lead author of the report, "For example, a telecommunications project in the Eastern Caribbean established a regional regulatory authority financed by revenues from licensing fees. But in many other cases, countries have not determined how the costs of national and regional level activities will be covered over the long term."

The evaluation identifies key components that need to be in place to make regional programs more successful.

Each participating country needs to be committed to the regional effort. When planning a regional program, it is vital to understand and manage the relations, including any tensions, among the countries. Eight countries in Eastern Europe cooperated to upgrade successfully and harmonize customs procedures to reduce truck transport costs and advance their larger objective of economic integration. On the other hand, an unsuccessful program to restore the waters of the Aral Sea in Central Asia failed to recognize that the countries had competing needs for water.

Regional programs also need to have a clear division of responsibilities between the national and regional institutions. "What generally works best is for national institutions to execute and implement activities at the country level, while regional institutions need to coordinate and support those activities", said Catherine Gwin, "In the Lake Victoria environment program, national institutions conducted scientific studies and pilot activities to revive fisheries and control the spread of weeds suffocating the Lake, while a small regional secretariat coordinated information sharing and interactions with donors."

Governance arrangements need to give the participating countries a voice. This is complex to arrange. In the West Africa HIV/AIDS and transport program, which provided long distance truckers with information and services to help prevent and treat HIV/AIDS, it took a full two years for countries to agree on the institutional structures for managing the program. But it resulted in an effective governance structure with country voice and high-level government participation.

"Regional programs offer great opportunities for tackling some of the tough, emerging problems in development," said Vinod Thomas, "To reap the full benefits of these possibilities, the countries and the international community would want to apply the lessons from past experience and scale up the efforts."

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To view World Bank Senior Management's response to the evaluation: Please visit

<http://www.worldbank.org/ieg/regionalprograms/response.html>

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