

Chapter 6

Partnerships for Development

Coming out of the World Bank's renewal since 1997, partnership has become a way of doing business for the Bank. The Bank is investing considerably in collaborative efforts, albeit with greater selectivity over the past year. Such investment has meant intensified relationships with client governments and shareholders—the Bank's foremost partners—as well as with the Bank's main institutional partners, and broad efforts to improve collaboration with other actors in development, such as civil society and the business sector.

At the country level, collaboration with high-level government, parliaments, the private sector, civil society, and multilateral and bilateral donors has intensified and broadened. The principles underlying the Comprehensive Development Framework (CDF)—a holistic approach to development, stronger country ownership, more strategic partnerships, greater accountability, and focus on development results—are guiding the preparation process of the Poverty Reduction Strategy Paper (PRSP) in low-income countries. Partnership is key: among internal partners to build national consensus—crucial for sustainability—and among external partners to align support around the country's strategy. Alignment is aimed at reducing wasteful competition and overlap among donors and at promoting learning, selectivity, transparency, and accountability.

The Bank is also entering into global partnership initiatives to address issues at the transnational level. Provision of global public goods requires the joining of mandates and capabilities of many organizations. For example, United Nations (U.N.) agencies have a mandate in several key global public goods areas, such as communicable disease control, while partnership with the IMF is central to the Bank's role in public goods related to global economic governance, trade, and financial stability. Partnership with other institutions, multilateral and bilateral donors, foundations, nongovernmental organizations (NGOs), and the private sector is also crucial. The Bank's Strategic Framework for poverty reduction, articulated in fiscal 2001, emphasizes five areas for Bank support at the global level: communicable diseases,

environmental commons, trade and integration, international financial architecture, and the information and knowledge revolution.

INSTITUTIONAL PARTNERS

International Monetary Fund. Collaboration with the IMF has assumed new vigor. Intense partnership through a Joint Implementation Committee resulted in substantial progress on debt relief and PRSPs in fiscal 2001; the two Boards approved debt relief for 16 countries under the Heavily Indebted Poor Countries (HIPC) Initiative and discussed Full or Interim PRSPs of 32 countries. A first-time joint visit by the heads of the two institutions to Africa, where the majority of HIPC-PRSP work has been concentrated, signaled the same high degree of partnership. In another area of momentum, 23 countries participated in the joint Financial Sector Assessment Program, which flags vulnerabilities in countries' financial sectors (see also page 57). In line with the division of labor between the IMF and the Bank—and with a view to taking better advantage of the complementarity between the two institutions—each institution concentrates on its primary areas of responsibility and competence. The IMF leads the dialogue with country authorities on macroeconomic issues, and the Bank, the dialogue on social and structural issues.

United Nations. Bank cooperation with the U.N., focused on poverty reduction and investment in people, dates back to the inception of the two institutions. The international development goals agreed on at U.N. global conferences in the 1990s as a frame of reference for that institution's mission underscore the all-encompassing nature of the Bank-U.N. partnership. In fiscal 2001 the Bank helped prepare the General Assembly Special Session on HIV/AIDS, and the International Conference on Financing for Development, a major event scheduled for early 2002. Operational collaboration is also significant, for example on HIV/AIDS projects with the Joint United Nations Programme on HIV/AIDS

(UNAIDS), food security projects with the Food and Agriculture Organization, and support for PRSP preparation with other agencies. A U.N. agency internal learning group meets regularly with the Bank on the CDF. In the past year Mr. Wolfensohn has also participated in high-level U.N. meetings.

Multilateral development banks (MDBs). Also stronger in recent years has been partnership across MDBs—the World Bank and the four regional development banks, namely, the African Development Bank (AfDB), the Asian Development Bank (ADB), the Inter-American Development Bank (IADB), and the European Bank for Reconstruction and Development. Intensified coordination at all levels includes regular meetings of MDB presidents, who in February 2001 agreed on poverty reduction as a joint objective and on common development principles echoing those of the CDF. A particular challenge for MDBs—often the most important external partners for poorer countries—is the harmonizing of policies and procedures. Several technical working groups have been established to work on harmonization and convergence in the way MDBs work. To avoid duplication and enhance effectiveness, the Bank has signed Memoranda of Understanding with AfDB and IADB, respectively, while one with ADB is under preparation. A protocol on supporting countries preparing PRSPs was agreed on among MDBs and the IMF.

The European Union (EU). Also strong is the Bank's partnership with the EU, which accounts for 60 percent of total official development assistance. The EU is a major political player, trading partner, and source of foreign investment for the developing world. Cooperation covers support to Central and East European countries (EU accession); the Commonwealth of Independent States; Bosnia and Herzegovina (successfully raising funds for its \$5.1 billion economic recovery program); and Kosovo, the Federal Republic of Yugoslavia, and Balkan reconstruction through a Joint European Commission (EC)–World Bank Office for South East Europe in Brussels. The Bank Group has developed in detail, and expects to sign shortly, a Framework Agreement with the EC on cofinancing and trust funds, aimed at streamlining administrative arrangements for a broad range of financial partnerships in the future. The EC also supports

the HIPC Initiative and PRSP Programs, and has committed to cofinance the new Poverty Reduction Support Credits and contribute to a new Bank-managed multidonor trust fund on public expenditure management. Collaboration on global-level issues extends to the CDF, the Global Environmental Facility, the Asia-Europe Meeting Trust Fund, governance, anticorruption, and climate change.

Organisation for Economic Co-operation and Development (OECD). Partnership with the OECD has strengthened considerably in recent years. Collaboration with the organization's Development Assistance Committee (DAC) has been especially important: DAC provides a forum for OECD members to achieve, as bilateral donors, greater coherence and convergence in their development programs. DAC members—which together contributed over \$53 billion in bilateral aid in 2000—have significantly strengthened their poverty focus over the past year (by adopting the DAC Guidelines on Poverty Reduction). In addition, they have expressed an intention to align aid programs within the PRSP framework and to untie their aid to least-developed countries. Beyond low-income countries, the Bank collaborates with OECD on a broad agenda including trade, environment, corporate governance, anti-corruption, and the digital divide. Objectives are to minimize duplication of effort, maximize synergies, and learn from each other.

THEMATIC PARTNERSHIPS

Communicable diseases. With three million people a year lost to AIDS, two million to tuberculosis, and over a million to malaria, partnerships to control the mounting threat to development from communicable diseases have assumed a heightened urgency. As HIV/AIDS continues to spread, global collaboration becomes imperative (box 6.1). The Bank has also been partnering with affected countries, the World Health Organization (WHO), bilateral donors, and NGOs through the Stop Tuberculosis Initiative, to mobilize over \$125 million toward research for new drugs and vaccines and expanded access to existing drugs. Another important initiative is Roll Back Malaria, an African-led initiative launched by the Bank, WHO, the United Nations Children's Fund (UNICEF), and the United Nations Development Programme (UNDP) in 1998 to help mobilize

resources for the fight against malaria. An important public-private partnership is the Global Alliance for Vaccines and Immunization, already improving access to existing childhood vaccines while accelerating the development of new ones.

Child labor. The International Labour Organisation, UNICEF, and the World Bank have recently launched a Cooperative Research Program in the campaign against child labor. Under this effort the Developing New Strategies for Understanding Children's Work and Its Impact Project aims to improve child labor data collection and analysis and to help developing countries design appropriate interventions. This project allows the three agencies to collaborate at the technical level to address issues of common concern and to exploit each agency's comparative advantage in order to provide sound advice to countries in the area of child labor.

Trade. Particularly with globalization, partnerships to help developing countries create—and take advantage of—new trade opportunities are becoming crucial. The Bank has been working with many multilateral and bilateral agencies (the World Trade Organization, IMF, the International Trade Center, UNDP, and the U.N. Conference on Trade and Development) under the Integrated Framework (IF) Program created in 1996 to enhance trade-related technical assistance to developing countries. The IF has recently been redefined to ensure better integration of trade with national development strategies. In addition, the Bank engages in a regular dialogue with the International Confederation of Federal Trade Unions on a wide range of issues, including Bank economic and social policies, core labor standards, and country-level experience with development programs.

Environment. Partners are vital to helping the Bank meet its environmental goals and commitments to global objectives such as reducing hunger (box 6.2). In fiscal 2001 the Bank teamed up with Conservation International and the Global Environment Facility to launch a Critical Ecosystems Partnership Fund. The fund will protect highly threatened “biodiversity hot-spots,” also helping poor people whose survival depends on the biodiversity. Also in fiscal 2001, the World Commission on Dams, initiated by the Bank and the

Box 6.1 Partnership against HIV/AIDS

Only with concerted effort can the world hope to win the fight against HIV/AIDS. Significant as the outstanding agenda is, there is reason for hope:

- More governments than ever before have confronted HIV/AIDS publicly over the past year, displaying leadership and commitment, followed by action.
- Global support has grown, with front-page coverage in periodicals, targeted campaigns, more resources, and U.N. General Assembly and Security Council resolutions on HIV/AIDS.
- A U.N. General Assembly Special Session held in June 2001 renewed global commitment to cooperation amid a heightened awareness that funding from all sources needs to increase substantially for the spread of HIV/AIDS to be halted by 2015—a goal agreed on at the session, to be incorporated into the Millennium Development Goals.
- Following negotiations with UNAIDS cosponsors—including the Bank—under the Accelerating Access Initiative, manufacturers of HIV/AIDS drugs have reduced their prices by 90 percent.
- The Bank is a founding member and supporter, through the Development Grant Facility, of the International AIDS Vaccine Initiative (IAVI). IAVI is promoting the development of HIV/AIDS vaccines for developing countries.
- The Bank has worked with UNAIDS and the International Partnership Against AIDS in Africa to help several African countries prepare projects under the \$500 million Multi-Country HIV/AIDS Program (seven of these projects were approved in fiscal 2001). Similar support to Caribbean nations is benefiting from collaboration with UNAIDS, the Pan American Health Organization, WHO, and other regional partners. The Bank has also worked closely with the IMF and UNAIDS to help countries integrate HIV/AIDS support into HIPC and PRSP Programs.
- The International AIDS Economic Network—a partnership of the Bank, UNAIDS, the U.S. Agency for International Development, and the EU—provides data, tools, and analysis for compassionate, cost-effective responses to the epidemic to thousands of researchers and practitioners worldwide.

Box 6.2 Consultative Group on International Agricultural Research (CGIAR)

Since 1971, the Bank has provided strong support for the CGIAR—a network of 16 international agricultural research centers that mobilize cutting-edge science to reduce hunger and poverty in developing countries, improve health, and protect the environment.

In fiscal 2001 CGIAR developed high-protein, miracle corn to help prevent malnutrition—winning the Millennium World Food Prize—and a vaccine for East Coast Fever, with spillover benefits for malaria and cancer research.

World Conservation Union, launched its landmark report—*Dams and Development: A New Framework for Decision-Making* the Bank is now working with its clients to see how the report's findings can be used to improve performance. Other collaborative efforts in recent years are helping countries save forests, better prepare for natural disasters, and address climate change (see page 21 on the Prototype Carbon Fund).

Governance. The Bank has, since the mid-1990s, given high priority to issues of corruption and governance, which hurt poor people the most. Collaboration with MDBs takes place through a Working Group on Governance and Anticorruption. Partnership with UNDP complements Bank contributions; close collaboration is promoting efficient use of resources and reducing unnecessary duplication. The Bank has also been active in promoting corporate governance, particularly since the 1997–98 Asian crisis when weak disclosure practices and shareholder rights hurt investors. A Global Corporate Governance Forum in March 2001, established jointly with the OECD, aims to address countries' corporate governance weaknesses, and thereby improve their investment climate.

Private sector. The Bank works closely with public and private partners on programs supporting private sector investment and infrastructure. Resources contributed by partners are approaching \$200 million annually. Programs aim to promote an enabling environment for private sector development and to empower poor people through improved delivery of services, for example, in the area of microfinance (see box 6.3). In one example, the Digital Opportunity Task Force—a Group of Eight initiative—aims at bridging the digital divide. Governments, international organizations, the private sector, and nonprofit organizations are working together to improve regulatory and network readiness; connectivity and access; and human capacity. The Cities Alliance offers another example of joint commitment; the Alliance's target of improving the living conditions of at least 100 million slum-dwellers by 2020 was incorporated in the recently adopted U.N. Millennium Declaration. Diverse issues have attracted a coalition of dynamic partners around the Clean Air Initiative. The effort in Latin America has come to be seen as a model in mobiliz-

ing sustainable resources from the private sector, public sector, and local leadership, with plans for replication in African, East European, and Asian cities. Another area of public-private partnership relates to the World Bank Institute's (WBI's) efforts to develop capacity-building programs linked to lending operations on HIV/AIDS, where companies are helping to inventory best practices and programs toward establishing a platform for knowledge sharing.

Knowledge and information. Combined with information and communications technologies, knowledge is a critical engine for development and for empowering poor people. Low rates of physical connectivity, inadequate skills, and weak policies sharply constrain access by poor countries, however. The Bank is working with a variety of partners to help countries develop appropriate legal and regulatory environments; support education through programs that explicitly focus on global knowledge linkages (see box 6.4); encourage investment in information infrastructure; and support a network of global knowledge centers, such as the CGIAR. The Bank's development research work increasingly involves partners, for example through extensive worldwide consultations in preparation of the *World Development Report (WDR) 2000/2001* and the *World Development Indicators*. An important knowledge partnership that in fiscal 2001 became an independent organization is the Global Development Network (GDN), which links research institutes around the world; now with a self-governing body including representatives from all regions as well as the Bank and UNDP, GDN is helping to foster world-class local knowledge for world-class local solutions. The WBI also helps further the Bank's knowledge agenda, working with many partners to develop and deliver learning material, and build knowledge networks. Reliance on local partners is an important feature of the Bank's learning and research efforts.

PARTNERSHIP WITH CIVIL SOCIETY

The Bank deepened its commitment to partnerships with civil society organizations (CSOs) in fiscal 2001. In particular, the Bank placed an emphasis on working with a wider spectrum of CSOs, including international development NGOs, foundations, community groups, professional associations, trade

unions, and faith-based organizations. Whether to protect forests and promote new vaccines through global partnerships or to help deliver basic social services through specific regional, country, or local initiatives, CSOs have become critical allies in designing innovative operations, implementing solutions, and monitoring results.







The Bank has been consulting widely with CSOs for many years. In fiscal 2001, through face-to-face consultations in each of the Bank's six operational Regions as well as via the Internet, the Bank sought the perspectives of CSOs on a forthcoming environment strategy and on revisions to its information disclosure policy. The NGO-Bank Committee agreed in December 2000 to create a new Bank–Civil Society Global Forum, which would bring together a cross-section of CSOs seeking dialogue and partnership with the Bank on urgent thematic issues. The proposed forum would recognize the growing role and expertise of civil society in development and the need to engage a more diverse set of actors.

Box 6.3 The Consultative Group to Assist the Poorest (CGAP)

CGAP is a partnership of the Bank and 27 other donors and practitioners to help build a robust microfinance industry serving the world's poor. CGAP builds badly needed institutional capacity by providing technical tools, research, training, and advisory services to microfinance institutions, donor agencies, and governments. CGAP also invests in microfinance organizations.

In fiscal 2001 CGAP stepped up its poverty focus—in part by researching microfinance innovations that serve the needs of the poorest clients—and considerably expanded the scope of its training hubs in Africa, Asia, and Europe. It also continued to build its Microfinance Gateway, an Internet-based platform now offering interactive online services (such as contracting with auditors) to thousands of stakeholders worldwide.

Box 6.4 Selected World Bank Knowledge Partnerships

- **Information for Development Program** provides seed grants for innovative Information Technology applications to development challenges <http://www.infodev.org> 
- **Global Development Learning Network** is an interactive network of multiple partners using distance-learning centers to help countries share knowledge and build capacity <http://www.gdln.org> 
- **World Links for Development** supports connectivity and helps teachers in developing countries with the use of technology in education <http://www.worldbank.org/worldlinks> 
- **Africa Virtual University** is a “university without walls” using new information and communication technologies to offer degree and nondegree interactive learning opportunities <http://www.avu.org> 
- **Development Gateway** is an online information portal helping communities, organizations, and individuals work together to reduce poverty <http://www.developmentgateway.org> 
- **Global Knowledge Partnership** brings together public, private, and nonprofit resources to promote broad access to knowledge and information <http://www.globalknowledge.org> 
- **Development Forum** promotes online discussions, worldwide, about development and poverty reduction <http://www.worldbank.org/devforum> 