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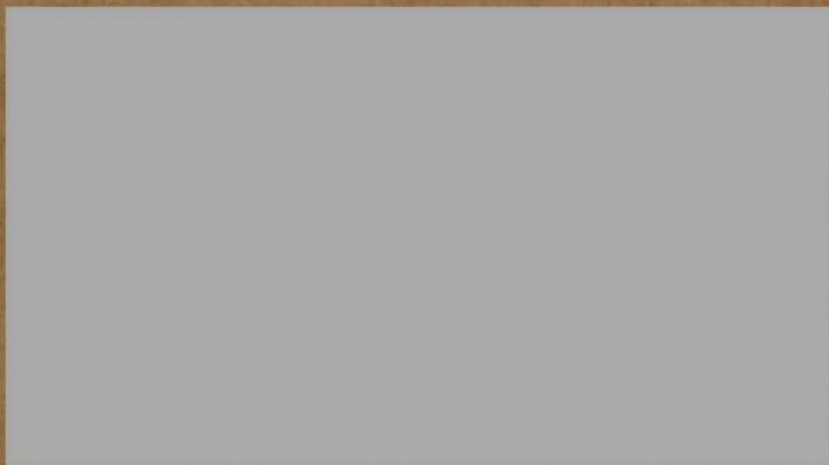
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Policy & Research Unit - PHN
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Policy and Research Unit - 12.0 Interagency Coordination

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7 December 1981

To : Dr. M. Porter (ADB)

From : J. J. Warford
World Bank

Subject : Inter-Agency Health Sector Reconnaissance Mission,
Philippines

Your participation in the Philippines health sector reconnaissance mission November 30-December 14 is intended to complement the part played by staff of other agencies, namely, World Bank, WHO and USAID.

Since this is an initial health sector mission to the Philippines for World Bank and ADB, it is necessary at this stage to obtain an idea of the highlights of health status and underlying causes of major health problems, government targets for improvement in health status and the main obstacles to achievement of those targets. This Mission should aim at obtaining some notion of the potential roles of the various agencies in helping the government of the Philippines to address these issues and to agree on the timing and scope of the proposed PHN sector mission to be conducted by the World Bank in collaboration with the other agencies.

Your particular role in the present mission is to survey available data on health status, to determine main health problems, consider government priorities and the ways in which the government plans to address them. Inadequacies of health data and possible means of overcoming them should be noted; if possible, data collection that could be requested of the MOH to assist in preparation of the forthcoming sector mission should also be identified.

You are requested to prepare a brief report which will become part of the World Bank Mission's back to office report to be submitted to the Director, PHN Department by N. Khan. It would be appreciated if this could be made available for discussion by the inter-agency mission prior to the World Bank team's departure on December 14. At that time, in cooperation with USAID, WHO and MOH staff, we will attempt to agree upon the timing of the proposed sector mission, the key areas to be considered in that mission and the contribution that the various agencies might make to it.

cc: Mr. N. Khan, World Bank
Dr. Sinding, USAID
Dr. Kim, WHO

OFFICE MEMORANDUM

TO: Mr. Jeremy J. Warford, PHNPR

FROM: John D. North, Assistant Director, PHNDR

SUBJECT: PHILIPPINES: Sector Reconnaissance mission

DATE: November 19, 1981

1. You will join the Philippines Health Sector Reconnaissance mission in Manila during November 30 through December 14. The purpose of your visit will be to:

- (a) help the mission in its discussions with Government and participating agencies regarding the scope, design and timetable of the sector review;
- (b) meet with ADB, USAID, WHO and UNICEF to discuss their perception of sectoral issues, priorities and requirements, and work out arrangement for their participation in the sector review;
- (c) help in initiating preparatory activities.

Particularly, you will focus on financial aspects, budgetting, accounting, sectoral investment plans, and sectoral priorities and policies. You will identify the data needed for an indepth study of health sector financing and agree with GOP and other agencies on arrangements for collecting and processing it.

Cleared with & cc: Ms. Husain, PHND2
Mr. Khan, PHND2
Ms. Long, AEA
cc: Mr. Sinclair, PHND2
Dr. Park, PHND2
Ms. Fogle, PHND2

NIKhan:snu
PHILIPPINES: Health Sector

12.0
January 19, 1981

Dr. Hiroshi Nakajima
Regional Director
World Health Organization
Regional Office for the Western Pacific
P.O. Box 2932
Manila, Philippines

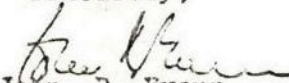
Dear Dr. Nakajima:

I understand that Jeremy Warford met with you and Dr. Han during his visit to Manila last October, and that the discussion included possible areas of cooperation between WPRO and the Bank. As Mr. Warford indicated to you then, our concern is that our lending program be based on analyses of countries' total health systems. The project identification and sector work required may, in some cases, be more than our current staffing levels permit and thus provide an opportunity to work with you and your staff in these areas.

At present, the only health sector review being considered in the Western Pacific region would be in the Philippines, where the Government indicated some interest in such a review to the Bank's Population Project Supervision Mission in the field last November. However, the proposed scope and timing remain unclear and will require further discussion. When we reach a point of greater clarification and are able to prepare terms of reference for this review, we will be in touch with you again to discuss in greater detail a cooperative role for WPRO and the Bank in this effort.

We look forward to seeing you here on February 9. With best wishes for the New Year and regards,

Sincerely,



John R. Evans

Director

Population, Health and Nutrition
Department

Cleared with & cc: ✓ Mr. Warford, PHN
cc: Mr. North, PHN
Ms. Husain, PHND2
Mr. Khan, PHND2
Ms. Fogle, PHND2
Division Files

CFOGLE:chb
PHILIPPINES /SECTOR/PHN
Div. File

OFFICE MEMORANDUM

DATE April 23, 1984
TO Distribution
FROM S. Shahid Husain, Vice President, Operations Policy
EXTENSION 72283
SUBJECT Report on Collaboration on Operational Matters
between the World Bank and the U.N. Agencies

Attached for your information is a Report on Collaboration on Operational Matters between the World Bank and the U.N. Agencies.

Questions on the report should be addressed to Mr. Raphaeli, Ext. 76957.

Distribution

- OVPs
- Operational Directors and Division Chiefs
- Field Offices

cc: Messrs S.J. Burki IRD
 M. Burney IRD
 V. Riley IRD

NRaphaeli:vcc

POS-01
Warford, Jeremy J.
N 452
0191

REPORT ON COLLABORATION ON OPERATIONAL MATTERS
BETWEEN THE WORLD BANK AND THE UN AGENCIES*

Operations Policy Staff
April 20, 1984

* The report was prepared in consultation with the International Relations Department.

Key to Agencies Listed in the Report

FAO	Food and Agriculture Organization
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
OPE	Office of Projects Execution (UNDP)
UNCHS	United Nations Centre for Human Settlements
UNDP	United Nations Development Programme
UNDTCD	United Nations Department of Technical Cooperation for Development
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Fund for Population Activities
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
WHO	World Health Organization

SUMMARY AND CONCLUSION

1. The purpose of the report is twofold: (a) to focus attention on the areas of collaboration between the Operations complex of the Bank and the UN agencies; and (b) to identify new areas of collaboration. This is not a comprehensive and complete review of relations with UN agencies; rather it is a synopsis of recent activities and future concerns. The report shows that there is a wide range of operational activities that link the Bank with UN agencies in general and with the UNDP in particular. Some of the successful activities with which the Bank is associated involve UNDP funding and/or the participation of other UN agencies: for example, feasibility studies and other technical assistance (TA) activities financed by UNDP, agricultural projects prepared by FAO/CP, the Energy Sector Assessment Program, the Onchocerciasis Control Program, handpumps and water sanitation programs, and the evolution of the lending program in the education sector.

A. Collaboration with UNDP

2. Until very recently, UNDP was the major source of multilateral funding for technical assistance. The rapidly growing demands for TA, particularly in sub-Saharan Africa and the declining resources of UNDP, have prompted the Bank to rely on its own resources to finance a growing range of TA activities, especially of the non-engineering variety. Thus, between FY73 and FY83 the share of UNDP-financed, Bank-executed projects as a percentage of total TA activities financed by the Bank has declined sharply in the last decade. During the same period the financing of TA by the Bank increased from \$93 million to \$1.4 billion (including PPF activities).

3. The declining resources of UNDP were accompanied by pressures from the major donors for "a pause in the growth of the budgets" (of UN agencies), and for greater efforts "to achieve an increasingly rational utilization of the financial resources at their disposal."^{1/} At the same time, the General Assembly passed a resolution on December 20, 1982, which

"Invites the Administrator of the United Nations Development Programme and the President of the World Bank to examine the possibilities of further co-operation between the Programme and the World Bank regarding the utilization of facilities available to the two organizations, and requests the Administrator to report thereon to the Governing Council of the United Nations Development Programme."^{2/}

4. The decline of UNDP resources on the one hand, and the ascendancy of the Bank as the prime source of funding for TA on the other hand, have

^{1/} The Consultative Committee on Administrative Questions, June 1981.

^{2/} Similarly, the 38th regular session of the General Assembly of the UN (December 1983) invited the Bank, UNDP and the regional development banks to explore increasing cooperation among their respective technical assistance programs.

prompted the UNDP to seek closer collaboration with the Bank. The meeting which took place on December 10, 1982, between Messrs. Clausen/Stern of the Bank and Messrs. Morse/Brown of UNDP focused on identifying new areas for possible collaboration between the two institutions. A high-level joint task force was appointed with Mr. Shahid Husain (Vice President, Operations Policy) and Mr. Andrew Joseph (UNDP Assistant Administrator for Asia) serving as co-chairmen. The task force met three times in 1983 and agreed to focus initially on three principal areas of collaboration:

- a. assistance to Bank borrowers by UNDP in the implementation of TA projects;
- b. joint Bank/UNDP TA assessment missions;
- c. co-financing.

a. Assistance to Bank Borrowers by UNDP

5. The tremendous increase in TA financing by the Bank has not been followed by a corresponding growth of the delivery system within the institution. Although TA Units were created in the Regions in 1981, most of them are not yet fully equipped to handle rising demands for TA. Experience with TA projects in the Bank suggests that they are far more staff-intensive than most Bank-financed projects. To be implemented effectively, these projects, particularly those in the areas of institutional development and training, require a considerable amount of administrative support, follow-up and supervision.

6. The private consultant industry has had little experience in dealing with this type of TA and it is not well-equipped to provide administrative support (e.g., housing, customs clearance, etc.) to individually-recruited experts in many of the poorest countries. The UN system has both the administrative infrastructure and the experience necessary to provide these services, although it is for the borrower to choose among available alternatives, including private firms, UN agencies and other sources. The UNDP, through its Office of Projects Execution (OPE), has offered to assist Bank borrowers in the implementation of TA projects. Specifically, OPE could perform the following services:^{3/}

- (i) recruitment of experts and administration of their contracts;
- (ii) contracting for in-country training and administration of fellowships;
- (iii) procurement of equipment and supplies; and
- (iv) a variety of other services to be agreed upon (e.g., sector or feasibility studies or supervision of certain activities).

^{3/} Similar services can be provided by a host of other UN agencies which are likely to be sector-oriented, e.g., FAO, UNESCO, etc.

OPE is assisting in the implementation of two SAL-related TA projects in Jamaica and Panama. While the experience with OPE is satisfactory, the agency's ability to respond to potential demands by Bank borrowers has yet to be tested in sub-Saharan Africa. Similarly, OPE's ability to handle a large number of projects simultaneously has to be proven. Hence, caution and close monitoring of OPE's performance by the Bank are necessary.

b. Joint Bank/UNDP TA Assessment Missions

7. While UNDP goes through a country programming exercise to determine TA priorities for individual countries, Bank lending for TA is by and large an extension of the lending program. The bulk of Bank-financed TA is project-related and the needs identified in the course of project preparation and appraisal normally relate fairly narrowly to the project, the implementing agency or, in rare cases, the sector. The increasing number of "free-standing" TA projects cover a wide range of non-engineering activities and they are similar, in many respects, to UNDP-funded activities.

8. As the major multilateral organization in the TA field for many years, the UNDP has vast experience in identifying TA needs and in designing TA projects. It has also accumulated considerable country-specific knowledge in these areas. If this experience could be combined with the macroeconomic, sector and project expertise of the Bank, assessment of TA needs could be improved with beneficial results to both recipients and donors, including Bank and the UNDP. For this reason, the Bank and UNDP believe that it would be useful to undertake, on a pilot basis, joint TA assessment studies, initially in two small African countries, for the purpose of establishing:

- (a) the level and effectiveness of all ongoing TA being provided by multi-lateral and bilateral donors to a particular country; and
- (b) the TA requirements for the next 3 to 5 years.

Discussions with UNDP are underway for identifying the two countries and preparing the missions. The experiment will be evaluated to determine its application on a larger scale.

c. Co-financing

9. Co-financing, or cost-sharing, with UNDP is a promising area of collaboration. The Bank and UNDP are stressing the need to expand this area by utilizing the various channels of UNDP funding. On the other hand, a pattern is emerging whereby proceeds from Bank/IDA loans/credits will co-finance UNDP projects.

B. Collaboration with Other UN Agencies

10. The Bank has entered into cooperative programs with four UN Specialized Agencies--FAO, UNESCO, WHO and UNIDO. The first of these two programs are currently being reviewed and a separate report on the outcome of

the reviews will be produced in due course. The cooperative program with WHO is being phased out, and the one with UNIDO has been drastically reduced. Outside the cooperative programs, particularly in the case of WHO, there are numerous other programs and activities in which the Bank and the agencies cooperate. They include, in addition to those mentioned in para. 1 above, the Special Program with WHO for Research and Training in Tropical Diseases, Special Public Works Program with ILO, and the Cooperating Agreement with IFAD.

11. After the December 1982 meeting between Messrs. Clausen and Morse, some of the large UN agencies were concerned that the collaboration of the two largest international funding agencies for TA might leave no room for them in the TA area. It was thus important for the Bank to assure them that its expanded collaboration with UNDP was aimed at improving multilateral cooperation in TA in general. Assurances were also given to many agency heads or their senior staff about Bank's continued commitment to expand operational links with them.

C. Appointment of an Adviser

12. In order to provide an institutional locus in the operations complex, a new position of "Adviser, UN/UNDP Program and Project Operations" was created in PPD in November 1983. The Adviser will provide support and advice to the operations staff and will seek advice from them on matters related to operational collaboration between the Bank and the UN agencies.

13. The principal conclusion of this report is that it will take time, careful planning and a lot of effort on the part of many within the Bank and the UN system to strengthen the institutional relationship between the Bank and the individual agencies and to ensure that consistent and sustainable results will ensue.

I. COOPERATION WITH UNDP

1.1 Cooperation between the Bank and UNDP has been ongoing since the creation in 1959 of the UN Special Fund (one of UNDP's predecessor organizations). Until very recently, the UNDP was a major source of funding for a variety of technical assistance (TA) activities, notably feasibility and sector studies, project implementation, institutional development and training. As of June 30, 1983, the Bank had executed for UNDP 341 projects for a total amount of \$224.4 million dollars. In addition, the Bank was still executing 127 projects for another \$160.4 million. It is estimated that investment commitments by the Bank related to UNDP projects have totalled some \$8.5 billion. The execution by the Bank of UNDP-financed projects remains the cornerstone of cooperation between the two agencies.

1.2 From the standpoint of UNDP, the underlying motivation for greater cooperation with the Bank is the rapidly changing scene of technical assistance, particularly with regard to the declining weight of UNDP-financed TA activities in Bank overall operations and the ascendancy of the Bank as the prime source of funds (loans and credits) for technical assistance. Some figures will provide a useful background.

1.3 The share of UNDP-financed projects executed by the Bank as a percentage of total technical assistance activities financed by the Bank has diminished sharply in the last decade. The size of UNDP-financed, Bank-executed projects represented 14.1% in FY73, 4.31% in FY78, and 2.49% in FY83 of the Bank's total TA financing. Between FY73 and FY83, the total Bank lending for TA increased from \$91.3 million to \$1,361 million (including PPF). During the same period, the cost of UNDP-financed projects reached a peak of about \$700 million in 1979 and have since stagnated, although some upward movement has recently been indicated.

1.4 The tremendous increase in TA financing by the Bank in the last decade has not triggered a careful examination of the delivery system within the institution. The question of capacity is not uniquely a Bank problem. Technical assistance causes both donor and recipients many problems that transcend the characteristic difficulties associated with Bank-financed projects. Yet it may well have been the borrowers' inadequate institutional, managerial and staff capability which created the demand for TA in the first place. In such circumstances, a technical assistance project which was meant to alleviate management or administrative problems may become an added burden on an already weak government machinery.

1.5 Experience with TA projects in the Bank suggests that they are far more staff intensive than most Bank-financed projects. To be implemented effectively, TA projects, particularly those in the broad areas of management, administration, and training, require a considerable amount of administrative backing, logistical support, follow-up and supervision. Among the elements of logistical support are staffing, training, reviewing consultants' product and administration of contracts.

1.6 There is unfolding, therefore, a situation ripe for collaboration between the UNDP and the Bank due to the former's declining resources and undercapacity in the Bank due to rapid expansion of lending in TA without corresponding build-up in the delivery system. A working arrangement would be for UNDP to assist Bank borrowers in implementing Bank-financed projects in technical assistance. Especially in the areas such as macroeconomic management, institutional development and administration of fellowships, Bank borrowers are offered a choice among private consulting firms, the UN agencies and other arrangements.

Project Implementation by UNDP

1.7 UNDP operates primarily through executing agencies, such as the Bank, for the implementation of its projects. Linked to UNDP, however, is the Office of Projects Execution (OPE) which functions as an implementing mechanism for projects. OPE works through consulting firms or individual consultants and it charges overhead costs according to services rendered. While the experience with OPE in Jamaica and Panama has been satisfactory, it is too early to judge OPE's capacity to undertake a much larger workload or its ability to respond to potential demands by borrowers in sub-Saharan Africa.

1.8 OPE has offered to perform the following functions:

- (i) recruiting local staff (both long- and short-term, including, if necessary, local consultants);
- (ii) administering contracts with individual experts and firms, including payment of salaries and benefits;
- (iii) contracting in-country training program;
- (iv) procuring equipment and supplies;
- (v) providing additional administrative support, as needed;
and
- (vi) administering fellowships overseas.

In short, OPE would provide the type of services that are presently available at the Bank for certain types of UNDP-financed, Bank-executed projects, but not for Bank-financed projects. Since these services are primarily administrative rather than substantive, they are unlikely to interfere either with the Bank's monitoring and supervision responsibilities as a lender, or with the borrower's ultimate responsibility for the implementation of a project. In the event borrowers might seek a broader role for OPE in project implementation and/or supervision, the boundaries of such a role will have to be determined on a case-by-case basis, although they will not be allowed to decrease Bank's supervision responsibility.

Constraints on Cooperation with UNDP/OPE

1.9 The demands for OPE's services could be constrained unless solutions are found to the following problems:

- i. OPE currently intends to recruit experts using a special service agreement which provides for a monthly fee but no benefits. This may raise equity issues between TA personnel hired by OPE and those hired by the Bank as executing agency;
- ii. subcontracts with firms financed by the Bank (once government has reviewed proposals and selected a firm) would have to be submitted to OPE's contract board for approval. The board's rules differ from the Bank's guidelines in that price is a major consideration. However, we have notified UNDP that henceforth Bank guidelines should apply where Bank financing is involved.
- iii. supervision of OPE's performance by the Bank: OPE would perform tasks similar to those of a consulting firm, but its status as a UN agency may complicate the review of the adequacy of its performance.

OPE and the Specialized Agencies

1.10 The evolving role of OPE in the implementation of Bank-financed projects has become a source of concern among major Specialized Agencies, in particular FAO, ILO, UNESCO and UNDTCD (Department of Technical Cooperation and Development). The principal argument being raised is that OPE, and indeed UNDP, do not have a "mandate" to engage themselves in the delivery of technical assistance services. In fact, the agencies' self-interest dictates that posture; the agencies fear that too close a cooperation between the two largest funding agencies in technical assistance within the UN family, i.e., the Bank and UNDP, could be detrimental to the Specialized Agencies' interests in the long run.

1.11 The Bank position on this issue comprises of two elements: one formal and one practical. On the formal level, the Bank points out that the government bears the ultimate responsibility for project implementation and hence has the right to select an implementing agent, whether a consulting firm or a UN agency. The Bank has repeatedly stressed to the agencies that it will not apply any pressure on a borrower to select an international agency over a private consulting firm. However, we should be prepared to collaborate when a borrower proposes to contract with a UN agency for services that are needed, provided such a contract does not compromise in any way the existing relationship between the Bank and its borrowers. No departure is foreseen from the fundamental principle that it is the borrower who has the primary responsibility for implementing the project and for selecting the means to do so. The services of the UN system (including UNDP), thus represent one of the options available to borrowers. In this connection, the Bank's position is that a borrower can use UNDP's or other UN agency's services if:

- these services are appropriate for the work to be done;
- they are of a cost and quality equal to, or better than, those available from other sources; and
- the services are provided in a timely and efficient manner.

Conversely, the Bank maintains that if arrangements with a UN agency would be disadvantageous on one or more of the points above, there is good reason to look elsewhere.

1.12 On the practical level, the Bank's position is as follows:

- a. "Free standing" and SAL-related TA projects, which are the categories most likely to be contracted to OPE, represent a small fraction (6-8%) of total Bank lending in TA. There remains considerable TA lending by the Bank for which the agencies can compete. Moreover, the category of projects which are likely to be contracted by the borrowers to OPE are multi-sectoral and multi-programmed and, hence, do not fall neatly into the "mandate" of any particular specialized agency.
- b. Should the workload of OPE expand, two things are likely to happen: first, there will be, of necessity, a spillover of work from OPE to the agencies; and second, Bank staff will become gradually accustomed to work comfortably within the UN system, which could only benefit the agencies.

Other Major Areas of Cooperation with UNDP

1.13 In addition to "country projects" for which the Bank functions as executing agency, there are other areas (both ongoing and new) where cooperation with UNDP seems most promising. They are:

- a. Global and Interregional Projects (e.g., energy and water)
 - b. Co-financing
 - c. Joint Bank/UNDP TA Assessment Missions
 - d. Round Tables
 - e. EDI
- a. Global and Interregional Projects

1.14 The Bank serves as an executing agency for global and interregional projects financed by UNDP. Global projects are essentially research-oriented and address significant scientific and technological subjects and, hence, can

yield results beneficial to a wide spectrum of developing countries, and thus have a global impact. Interregional projects are activities primarily of an applied nature which require joint international action on a broad scale for effective planning and implementation; they often are tied closely to UNDP-supported activities at the regional and country level. The most significant activities which fall under the global and interregional projects are those in the energy and water sectors. UNDP also is an active participant in, and financial supporter of, CGIAR. In the energy sector, activities have been of two principal categories: (i) the energy sector assessment program, and (ii) the energy sector management assistance program.

(i) The Energy Sector Assessment Program

1.15 The World Bank and UNDP in November 1980 jointly launched an Energy Sector Assessment Program designed to provide a rapid diagnosis of the major energy problems faced by 70 developing countries and an evaluation of the options for solving these problems. These assessments analyze the scope for changes in pricing, institutional and other policies for encouraging greater production from indigenous energy sources and greater efficiency in the use of energy; they assess the investment priorities in the energy sector; and they provide a framework for multilateral and bilateral technical assistance in the sector. The reports aim at helping decision-makers in developing countries address the more pressing energy problems confronting them in a systematic and realistic way. Furthermore, this contribution towards more effective decision-making in a highly capital-intensive sector will help lead to improved investment returns and less risk of errors in judgment and bad investments that can be so costly to the developing countries and the entire international community.

1.16 The Energy Sector Assessment Program has progressed satisfactorily and is on schedule. As Table 1 shows the program has already completed or initiated work on 48 countries. The remaining 22 countries will be covered before December 1985. About half the funds for the program are provided by UNDP and various bilateral donors; the other half comes from the Bank's administrative budget.

Table 1

Participation in the Joint UNDP/World Bank
Energy Sector Assessment Programme

Assessments Completed (29)	Assessments in Progress (19)	Assessments which could be undertaken before Dec. 1985 (22)
Bangladesh	Benin	Argentina
Bolivia	Botswana	Burma
Burundi	Cape Verde	Cameroon
Costa Rica	Guinea-Bissau	Colombia
Ethiopia	Ivory Coast	Comoros
Fiji	Jamaica	Congo
The Gambia	Liberia	Dominican Republic
Haiti	Mauritania	Ecuador
Indonesia	Paraguay	Ghana
Kenya	Portugal	Guinea
Lesotho	St. Lucia	Madagascar
Malawi	St. Vincent	Mali
Mauritius	Tanzania	Mexico
Morocco	Thailand	Sierra Leone
Nepal	Togo	Somalia
Niger	Tonga	Swaziland
Nigeria	Vanuatu	Tunisia
Papua New Guinea	Western Samoa	Upper Volta
Peru	Yemen Arab Republic	Zaire
Rwanda		plus three other countries
Senegal		
Seychelles		
Solomon Islands		
Sri Lanka		
Sudan		
Turkey		
Uganda		
Zambia		
Zimbabwe		

(ii) The Energy Sector Management Assistance Program (ESMAP)

1.17 Started in April 1983, ESMAP assists countries in implementing the main investment and policy recommendations of the Energy Sector Assessment Reports by formulating and justifying priority preinvestment and investment projects and by providing management, institutional and policy support. The reports produced under this program provide governments, donors and potential investors with the information needed to speed up project preparation and implementation. So far, as shown in Table 2, 26 specific activities have been completed or are in progress in 13 countries under the ESMAP. These can be classified broadly into three groups:

- Energy Assessment Status Reports: these evaluate achievements in the year following issuance of the original assessment report and point out where urgent action is still needed;
- Project Formulation and Justification: work designed to accelerate the preparation and implementation of investment projects; and
- Institutional and Policy Support: this work also frequently leads to the identification of technical assistance packages.

1.18 As with the Energy Sector Assessment Program, the ESMAP has some unique features:

- there is continuity of staff involved in the assessment and the ESMAP;
- the program acts as a catalyst and aims at filling gaps rather than providing assistance across the board;
- activities are all relatively inexpensive (about \$50,000) but are aimed at priority areas and have high returns;
- the reports are distributed for review and evaluation by potential donors and investors.

1.19 The initial impact of this work has been extremely encouraging, particularly in the area of project formulation and justification where nearly all of the projects generated by the ESMAP reports so far have been, or are being, taken up by donor agencies.

Table 2

Energy Sector Management Assistance Programme Activities

Energy Assessment Status Reports	Project Formulation and Justification	Institutional and Policy Support, including Preparation of Technical Assistance Packages
Bangladesh Burundi Kenya Malawi Mauritius Papua New Guinea Rwanda Sri Lanka Zimbabwe	Kenya Malawi Panama Sri Lanka Sudan Zimbabwe	Bangladesh Burundi (3 activities) Kenya Malawi Papua New Guinea (2 activities) Sudan Uganda Zambia/Zimbabwe (joint study)

Water and Related Areas

1.20 In connection with UNDP Water Decade Technical Assistance Program, the Bank (WUD) is responsible for executing global and interregional projects in five general areas: low-cost sanitation, rural water supply handpumps, resource recovery, preparation of water and sanitation investment projects, and an information and training program in low-cost water supply and sanitation. The core funding for these projects is provided by UNDP through 12 separate UNDP projects with current budgets of \$15.7 million, of which \$12.9 million is UNDP funds and \$2.8 million has been contributed (generally through UNDP) by bilateral sources. In addition to these funds over which the Bank has direct control, bilaterals are making substantial contributions in kind.

1.21 Achievement of the Program. UNDP support for water sector research and demonstration programs was secured by the Bank in 1978, when the predecessor to the present low-cost sanitation program was funded. Since that time, the program has grown steadily to its present levels: activities are underway in some 40 countries and the program is supporting investment projects valued at over \$500 million. While we can anticipate only a modest increase in investment funds for the Water Decade projects, our objective is to influence the design of these investments and to demonstrate that low-cost solutions are available and can permit reaching large numbers of the rural and urban poor who do not presently have adequate water and sanitation. This is already happening in countries such as India and will have a major influence on the Water Decade as a whole. Table 3 provides a summary of UNDP water supply and sanitation projects executed by the Bank and the list of countries where such projects have either been completed, are underway or pending.

Table 3

SUMMARY OF UNDP WATER SUPPLY AND SANITATION PROJECTS EXECUTED BY THE WORLD BANK THROUGH THE WATER SUPPLY AND URBAN DEVELOPMENT DEPARTMENT
January 1984

	UNDP INT/81/026 Handpumps Testing	UNDP INT/81/047 Low-cost Sanitation	UNDP INT/82/002 Information and Training	UNDP GLO/80/004 Resource Recovery	TOTAL
Total Expenditures through CY83	\$ 3,412,956	\$ 5,560,789	\$ 447,164	\$ 1,587,874	\$11,008,783
Secured Funding CY84 through CY87	\$ 8,026,242	\$ 7,511,172	\$ 146,311	\$ 668,126	\$16,351,851
Pending Funding CY84 onward	\$ 310,000 (through CY87)	\$ 3,915,000 (through CY87)	\$ 3,565,000 (through CY86)	\$ 2,202,000 (through CY86)	\$ 9,992,000
Countries of Activity	Bangladesh (CIDA) Bolivia People's Republic of China (GTZ) Dominican Republic Ethiopia Ghana (KfW, CIDA) India (UNICEF) Ivory Coast (IBRD) Kenya (SIDA) Malawi (DANIDA, ODA, UNICEF, CSC) Mali (Switzerland, pending) Niger (GTZ) Nigeria Papua New Guinea Philippines (IBRD) Sri Lanka (GTZ, UNICEF, CIDA) Sudan (UNICEF) Tanzania (FINNIDA) Thailand Upper Volta (Netherlands)	Bangladesh (Switzerland, pending*) Benin (GTZ, pending) Botswana (BOT/79/003) Brazil (Government; Government, pending*) India (IND/81/014 and IND/83/033) Indonesia (INS/81/002) Kenya (KfW; NORAD, pending*) Lesotho (LES/82/007) Malawi (IDA, pending) Mozambique (Switzerland, pending) Nepal Nigeria (UNICEF) Somalia (Italy, pending) Tanzania (GTZ, pending*) Zambia (NORAD) Zimbabwe (NORAD)	Field testing of information and training materials in: Indonesia Kenya Pakistan Philippines Thailand	People's Republic of China (GTZ) Cameroon (Switzerland, pending) Cyprus Ethiopia (Italy) Ghana (GTZ, pending) Indonesia (GTZ, pending*) Ivory Coast (CIDA, pending) Mexico (Italy) Nepal (GTZ) Peru (GTZ) Philippines Sri Lanka (Switzerland, pending) Sudan (Italy) Thailand (GTZ)	
Notes:	Donors listed in parentheses are providing support to project activities, either through a contribution of funds managed by the project or indirectly. The value of indirect contributions has not been included in the funding totals listed above.				
	*Denotes countries in which activities are underway with core UNDP or other donor support as listed, or both, but in which a request for additional funds is pending from the donor listed. Where a donor and "pending" is listed without an asterisk no activities are currently underway.				

1.22 Bank Support to the Program. While recognizing the Bank's commitment to the program, the UNDP has on occasion questioned whether the Bank is contributing its share of support to the joint programs. In the past, we have pointed to the Bank's legitimate primary role as the single major supplier of investment funds for water projects, and we have noted that the 11% overhead that the Bank collects as executing agency does not cover the Bank's costs of executing a UNDP project. We have also encouraged UNDP to view its contributions as seed money. For example, the low-cost sanitation program has projected a three-year budget (1984-87) assuming core funding from UNDP of some \$3.0 million. This amount is expected to lead to an \$11.0 million technical assistance program, with the additional funding from bilaterals, UNDP country budgets, and the Bank.

1.23 The question of direct Bank support, however, remains. In the meantime, WUD will allocate the equivalent of one staff-year for each of the next three fiscal years (FY84-86) and a total of 200 staff-weeks of consultant time during the same period. This extra manpower will enable the Bank to forge stronger links between UNDP program and the Bank's regions and lending program and to undertake a much-needed expansion of the headquarters support available to our field staff and field activities.

1.24 There are two issues related to the Water Decade, one of a policy nature and the other strictly administrative. The policy issue. When the Decade was conceived in the 1970s, its objective of 100% service coverage by 1990 was overly ambitious; the objectives have become even less realistic in view of the worldwide economic constraints of the 1980s. The Bank's initial thinking with respect to the decade is that the objectives need to be reformulated towards increasing the institutional and financial capability of governments and sector agencies, and towards improving the efficiency with which sector activities--especially investments--are conducted. These objectives are intended to assist governments in expanding water and sanitation services throughout the 1980s and into the 1990s. They will also require a more strategic approach to the sector, improved sector work, and closer links between projects and programs. This view was expressed by the Bank representative at the November 1983 meeting of the Steering Committee for Cooperative Action in the Decade, attended by all the major international agencies. Thus the Bank is now providing some leadership towards a more realistic view of the decade. The Bank, supported by UNDP, proposed the creation of working groups within the Steering Committee on technical issues in the sector, such as financial requirements of operations and maintenance, improving sector assessments, and sharing of information on unit costs, as part of an effort to orient the Steering Committee towards a more substantive focus rather than simply reporting of agency programs. This initiative was subsequently supported by WHO and UNICEF. Efforts are underway to shape the agenda for the next Steering Committee, scheduled for May-June 1984, in this direction. To reinforce this approach, WUD staff are participating in various task forces established by the Steering Committee, such as those on Public Information, Training, and the Role of Women in the Water Supply and Sanitation Sectors. This is being coordinated so that realistic, country-focused objectives received greatest emphasis.

b. Co-financing

1.25 Co-financing (cost-sharing in UNDP nomenclature) refers to a method of financing where non-UNDP funds may be added to a UNDP project to enable that project to be carried out. One variant of such cost-sharing is the arrangement between UNDP and the Bank, whereby borrowers may channel Bank loan proceeds intended for technical assistance into UNDP projects. Under these arrangements, disbursements to UNDP from proceeds of Bank loans and credits have been about \$5 million for each of the last two years. Another variant is UNDP co-financing Bank loans and credits. Thus, from FY74 through FY83, UNDP co-financed 95 projects for a total of \$113.0 million.

1.26 The Bank should continue to encourage borrowers to finance advisers (especially long-term) through UNDP grants, but it may, increasingly, have to complement UNDP's resources (for equipment, training, or even more technical assistance personnel). The issue of cost-sharing using the proceeds of a Bank loan or an IDA credit when the Bank is executing agency for the UNDP-financed component can raise delicate conflict-of-responsibility issues which need to be addressed.

c. Joint Bank-UNDP Technical Assistance Assessment Missions

1.27 As pointed out earlier there has been an enormous growth in TA financing by the Bank in the last decade. Conceptually, most TA can be divided into two categories--project-related and "free standing" (including SAL-related TA). The latter category addresses deficiencies in management and planning in the least developed countries. However, some of the TA projects which are meant to redress the institutional and managerial deficiencies are "fire fighting" activities--ad hoc response to a crisis or even intractable problems. Quite often a number of donors, in addition to the Bank and/or UNDP, are engaged in similar or even competing activities. In some instances, however, TA needs remain unmet for lack of a sponsor. As the premier multi-lateral organization in the TA field for many years, the UNDP has considerable experience in identifying TA needs and in designing TA projects and has accumulated country-specific knowledge in these areas. If this experience could be combined with the analytical strength and the macroeconomic, sector and project knowledge of the Bank in assessments of TA needs the results could be beneficial both to the recipients and the donor community, including the two institutions. For this reason, the Bank and UNDP believe that it would be useful to undertake a joint TA assessment studies with the objective of establishing:

- (a) the level and effectiveness of all ongoing TA being provided by multi-lateral and bilateral donors to a particular country. Elements to be considered would be strengths and weaknesses of the delivery system (donor's and recipient government's), absorptive capacity, relationship to national plan objectives, etc.; and

- (b) future TA needs within a time horizon of 3-5 years. Consideration would be given to TA needs in relation to development plan objectives, advice on modalities of TA, potential sources of funding, and the role and potential resources of the principal funders of TA (UNDP and Bank).

The proposal was discussed with a number of program departments and the response has been quite favorable. However, such exercise will need to be carefully planned and executed, the support of the government ensured in advance and that it should initially be limited to two countries only, preferably small and in Africa.

d. Round Tables

1.28 Round Tables are arranged by UNDP to provide a forum for reviewing a country's priorities and financial needs. UNDP has become aware of the limited benefits derived from these meetings because the background documents for Round Tables are limited to generalities on the economy of the country concerned and to a list of projects, and do not take a sufficient account of the government's overall economic policy and sectoral policies. Attendance is too large for effective business to be conducted and most of those in attendance are not contributors to the aid flow. Mr. Damiba, the Assistant Administrator for Africa at UNDP, has recently suggested that the Bank would be in a much better position to prepare the Round Tables, drawing to a large extent on existing Bank documents. The Bank will be the executing agency on behalf of UNDP which will defray the cost associated with the task. Mr. Damiba was, however, conscious of the fact that since the Bank cannot be the executing agency for all the Round Tables, this might cause some resentment from the countries which do not benefit from the Bank assistance in preparing their Round Table. The Bank and UNDP have scheduled further discussions on the subject. The outcome of these discussions will be reported to management in due course.

e. EDI

1.29 EDI has made important contributions toward cementing the relationships between the Bank and UNDP by offering a series of seminars beginning April 1981 for UNDP Resident Representatives and their deputies. At UNDP's request, these seminars will continue to be given in the future. Some changes in the curriculum will be made to reflect the theme of "cooperation" between the Bank and UNDP, and to place greater emphasis on TA.

1.30 As EDI moves from retail into wholesale training, including training of trainers and assisting national and regional training institutes, the scope for cooperation with UNDP is bound to grow since many of the regional institutes and a few of the national institutes are supported by UNDP. EDI intends to assess available institutional potential and then tailor programs--qualitative as well as quantitative, to match the institutional capacity with the most urgent training needs. Collaboration on specific programs outlined in EDI's new five-year plan are being discussed with UNDP.

1.31 As executing agency for UNDP, EDI is offering several courses either fully or partly financed by UNDP. Some of these courses are in the area of energy assessment and planning for high-level government officials, development banking in Asia for associations of development financing institutions and economic management and project planning in China. EDI and UNDP are also considering courses on national economic management for the South Pacific Islands. EDI offers joint seminars with UNITAR for Third World country diplomats stationed with the UN in New York.

Other Topics of Cooperation

1.32 At the meeting between Messrs. Clausen and Morse referred to earlier, two other topics were mentioned. These were:

- a. UNDP Access to Bank Reports. There is a standing agreement for the distribution of a wide range of Bank documents to the UN system, including UNDP. These documents include economic reports, sector studies and gray cover Staff Appraisal Reports.
- b. Flow of Information between Bank Missions and UNDP Field Offices. UNDP has been concerned for a long time that Bank missions do not always keep UNDP field offices informed or briefed. As the number of Bank resident missions increased, the frequency of contacts between Bank visiting missions and the UNDP field offices has tended to decrease because Bank visiting missions no longer required UNDP's logistical support (e.g., office space, cars, communications facilities, etc.). However, it remains the obligation of the Bank's Representative to keep the UNDP field office informed of Bank missions to the country.

1.33 As our cooperation with UNDP expands, particularly in the area of project execution, we must be alert to concerns among UNDP Resident Representatives who fear their co-optation into the Bank programs. Such sentiments were recently expressed by UNDP Resident Representatives who attended an EDI seminar. While every effort was made to reassure the participants of our commitment to the idea of cooperation, not co-optation, we should not dismiss such concerns lightly. It is important to bear in mind that the tremendous growth of Bank-financed technical assistance may have, in some countries, overshadowed the traditional UNDP's country programs. It is important therefore that Bank managers should encourage their staff on missions to keep UNDP field offices informed, directly or through Bank resident missions, about the objectives and findings of the missions.

II. RELATIONS WITH THE AGENCIES

2.1 The relationships between the Bank and the UN agencies, at the operational level, are extensive and varied although they are neither always visible nor issue-free. The centerpiece of these relationships are the Cooperative Programs (CPs) which the Bank has established with the Food and Agriculture Organisation (FAO); the United Nations Educational, Scientific and Cultural Organisation (UNESCO); the World Health Organisation (WHO); and the United Nations Industrial Development Organisation (UNIDO). The CPs are intended primarily to assist governments in increasing the number, and improving the quality of proposals for Bank financing in agriculture, education, water supply and sewerage, and industry. Each CP is financed 75% by the Bank and 25% by the agency which also bears overhead costs. The Bank and the partner agency work together, through a unit housed in the partner agency. These Cooperative Programs have had a checkered history, and the ones with FAO and UNESCO are being reviewed by the Bank and the partner agencies. Upon the completion of the reviews a separate report will be prepared. In addition to reviewing briefly the CPs with WHO and UNIDO this chapter will review the Bank's operational activities with other international agencies: the International Labour Organisation (ILO), United Nations Children's Fund (UNICEF), United Nations Fund for Population Activities (UNFPA), United Nations Centre for Human Development (UNCHS), United Nations Environment Programme (UNEP), International Fund for Agricultural Development (IFAD), the United Nations Development for Technical Cooperation and Development, and the United Nations High Commission for Refugees (UNHCR).

A. WHO

2.2 The Cooperative Program with WHO was established in 1971 to provide three interconnected activities, viz., sector studies, preinvestment studies and project preparation related to water supply, wastes disposal and storm drainage. Also WHO staff was to participate in Bank missions, including appraisal and supervision. The Bank's 75% share in FY83 was \$834,000 and in FY84, \$225,000. The CP is based in, and managed by, the Environmental Health Engineering Division of WHO. Methodological and practical problems plagued the program from the outset.

2.3 Preinvestment studies and actual projects prepared by the CP were very few in number. The modus operandi of WHO is not wholly compatible with the Bank's project preparation criteria. Because WHO's major contact in countries is not the central planning agencies but the ministry of health (in many cases they are not strong ministries), WHO does not have much leverage in the selection of projects. This weakness is underlined in the relative failure of the CP to identify or generate sources of local funds for project preparation. These impediments hampered the CP's efforts to engender institutional improvement in the water and sewerage agencies.

2.4 Throughout the CP tenure the WHO staff strove to retain their identity and understandably resisted being designated as Bank staff. Repeated attempts to find common ground through meetings in Geneva and Washington availed little. As a result, planning and programming suffered. WHO and Bank opinions differed in the selection and assignment of CP staff, and their utilization was affected. Another serious problem was the

difficulty in rescheduling CP missions to accommodate changes in country priorities or Bank mission timing.

2.5 After Bankwide assessment of cooperative programs made in FY82 for budgetary reasons, it was decided to phase out gradually the WHO/Bank CP and end it by July 1, 1984. The Program has been reduced through joint planning and mutually-agreed work programs between the Bank's Regional Division Chiefs and WHO. During FY83, the Program was reduced to 7.1 s/y; WHO and the Bank agreed to reduce the Program to 3 positions in FY84. The Bank has tried to help place surplus professionals in suitable positions.

2.6 Probably the most significant influence in modifying the CP has been WHO's continuing emphasis on software and its concentration on health-related activities. This movement away from preinvestment planning has been reflected in increased activity which is not project related. In fact, outside the framework of the CP the cooperation between the Bank and WHO spans not only distinct organizational levels and functional areas, but also a wide range of modalities of interaction from co-sponsorship of special programs to a multitude of regular operational contacts. The participation of the Bank in WHO-sponsored working groups and activities are particularly significant in the following areas:

i. Health Resource Group (HRG)

2.7 Intended as a vehicle to identify needs and mobilize resources in support of "Health for All" objectives, the Health Resource Group has had only limited success to date. The principal outputs of HRG--a series of Country Resource Utilization Reports--have lacked sufficient in-depth analysis of the economics and financing of health requisite for strengthening national decision-making and resource mobilization. Nevertheless, the recent change in the management of the Group may provide the Bank an opportunity to help reorient HRG to fulfill its original objectives. In this regard, sharing the Bank's growing number of studies on the economics and financing of national health systems may provide preferred models for action.

ii. Onchocerciasis Control Program (OCP)

2.8 Since the formal launching of the river blindness program in 1974, the World Bank as one of the four sponsoring agencies (with WHO, UNDP and FAO) has assumed the lead financial management role, guiding not only fund raising but also budget preparation and accounting.

2.9 As program success looms on the horizon, with the disease now controlled in 80% of the original OCP area, and close to zero point predicted for 1987-88 (several years earlier than expected), attention increasingly is being given to securing the considerable achievement to date, while at the same time, exploring promising new directions. Fears of an emerging false sense of security are rooted in findings that blackflies can travel up to 500 kilometers with wind assistance in the rainy season. Sustaining surveillance activities is critical, therefore, to contain the constant threat of reinvasion and disease resurgence. Pressure is also mounting to extend the OCP to heretofore unserved areas where the disease still exists to the south and west of the original OCP sites. Further concerns involve potential vector resistance to insecticides over extended period of exposure. While

this has not been a major problem to date, it underlies wide consensus on the desirability of developing concurrently a new drug suitable for mass application. In fact, such efforts are underway in cooperation with the Tropical Disease Research Program (see below). Beyond these technical considerations, the program increasingly will have to resolve issues surrounding the proper place and direction of devolution of program management responsibilities to beneficiary countries, as the disease is contained, high technology operational needs end, and relatedly, international funding terminates.

iii. Program for the Control of Diarrheal Diseases (CDD)

2.10 The Bank is a member of the Management Review Committee of WHO/CDD. During recent discussions with WHO priority was assigned over the immediate term to strengthening our operational linkages via two principal mechanisms: (a) expanding WHO participation in the development, implementation and evaluation of projects, as appropriate, at the country level, and (b) the conduct of operational research within Bank-supported projects on key CDD program issues. While the potential for collaboration is great, actual success of joint programming will be dependent not only on member country support, but also mutually enhancing staff awareness of the relative strengths of each organization in diarrheal research and project development. While WHO/CDD has considerable technical expertise in specific areas which form an integral part of Bank project design, we could play an unquestionably valuable role for the WHO/CDD Program in assessing the cost-effectiveness of alternative approaches, and thereby gaining member country acceptance of appropriate, viable diarrheal disease control measures. So far, 11 countries have been identified for potential collaboration between the Bank and WHO/CDP staff in the areas of program design, training, monitoring, and evaluation. These include: Philippines, India, Bangladesh, Niger, Mali, Cameroon, Zimbabwe, Peru, Tunisia, Morocco and PDRY.

iv. Special Programme of Research Development and Research Training in Human Reproduction (HRP)

2.11 HRP, the main instrument within WHO for promoting and coordinating international research relating to family planning, has developed a laudable track record during its initial decade of activities. A comprehensive evaluation of HRP by 13 international experts in 1982, chaired by a Bank staff member, concluded that it had made significant scientific and programmatic contributions internationally and that it constituted a strong organizational base for the continued promotion and coordination of research, development and training in human reproduction, including contraceptive technology, through the 1980s. However, the evaluation also identified certain policy and management issues, including the need for a clearer understanding among donors and participating scientists on HRP's future research priorities and also the need to strengthen HRP's management. Action is already underway with respect to the latter and a special committee has recently been set up to recommend ways and means of more effectively addressing HRP policy and operational concerns.

2.12 The Bank has, to date, no formal role in HRP, although PHN has remained in close touch through the personal involvement of its staff;

nor has the Bank provided any financial support. However, given the priority the Bank assigns to population and our contributions to other special programs, the Director-General, WHO, has asked the Bank to consider a more active involvement both through direct contributions and assistance in additional resource mobilization.

v. Special Programme for Research and Training in Tropical Diseases (TDR)

2.13 The Programme was founded in 1977 by WHO to attract funds and scientific effort to the solution of outstanding problems in the control of the six major tropical diseases: malaria, schistosomiasis, leishmaniasis, filariasis, trypanosomiasis and leprosy. There is a particular focus on the problems of sub-Saharan Africa. The ultimate objective is to produce effective and acceptable tools to control these diseases and to do so by two lines of action: by direct support of fundamental and applied research and by strengthening research capability in endemic countries through institution building and training. Each disease constitutes a public health problem for which there is no control technology currently available to the tropical developing countries which is simple and cheap enough in application. Research on these diseases had been largely neglected by the scientific community and the pharmaceutical industry, but the scientific techniques in immunology and molecular biology developed to combat the diseases of the industrialized countries are potentially powerful new tools in the battle against these developing country scourges.

2.14 The Bank became a contributing sponsor (with WHO and UNDP) of TDR in 1977 (Bank contribution in FY84 is \$3.2 million, or 12% of total contribution). Apart from establishing the confidence of the donor community through its support of TDR, the Bank's role has been as a sponsor (and member of the Joint Coordinating Board) to influence the management of the Program using its experience in the operation and management of development activities. The Bank, as an executing agency of UNDP-financed projects funding the program, has provided financial management for a fund through which many of the donors prefer to channel their TDR contributions. Although initially the Bank did not itself contribute funds to TDR, in 1981 it recognized that its role would be enhanced if it did so and it decided in that year to contribute US\$2.48 million, which was 10% of the total contributions expected in that calendar year. The figure of 10% was based on the level of Bank participation in CGIAR and the Onchocerciasis Control Programme. The Bank has made a contribution annually (the amount for FY84 was approximately \$3.2 million).

2.15 TDR has invested heavily in applying new techniques in cellular biology and social science to fundamental problems of parasite, vector and host. This investment is now paying off, and the past year has seen a sharp increase in the publication of research findings, each making some advance towards disease control. The most striking advances are in immunology, leading to the possibility of vaccines, parasite metabolism leading to new drugs, and vector biology leading to possibilities of new control mechanisms. The number of leads now available are more than the Program can follow, and therein lies its main immediate problem of obtaining enough funds to sustain its momentum.

Future Challenges for TDR

2.16 While the broad objective remains the identification of solutions to the six chosen diseases, the immediate challenges are:

1. to focus research support on the most promising leads;
2. to set up and fund expensive large-scale field trials for vaccines and drugs;
3. to consolidate research capability in endemic countries and to transfer responsibility to national governments;
4. to transfer new technologies to national health services;
5. to strengthen cooperation with other institutions and funding agencies and with industry (already there are cooperative programs with 41 industries in 10 states); and
6. to attract increased financial contributions.

2.17 Overall, the mutual benefits to be derived from Bank-WHO collaboration are evident. WHO can offer a substantial body of technical expertise in diverse areas of Bank sector involvement which can valuably complement Bank staff skills. Similarly, the Bank's comparative strength in sector analysis and economic appraisal and management of policy, research and operations fill an important need for both WHO and countries in which both organizations work.

2.18 Strengthening coordination, however, has its costs as well. The significant fragmentation and compartmentalization of responsibilities resulting not uncommonly in duplication of work, and dispersion of primary care activities across diverse divisions within Headquarters, and over numerous organizational layers, e.g., Geneva, Regional Offices and Country Representatives, necessitates time-consuming repetition of contacts at numerous points to ensure all concerned parties are fully informed of Bank operations and included, as appropriate, in collaborative efforts.

2.19 On balance, the advantages of maintaining close ties exceed these disadvantages and particularly as our lending program expands significantly over the next few years, continuing close collaboration is desired and is being pursued.

B. UNIDO

2.20 The CP, which was set up formally in 1973, is the smallest of the CPs. It was charged with carrying out five activities:

- (i) industrial sector studies (which may be a part of broader economic mission), studies of specific branches of manufacturing industry and assistance to governments in formulating industrial policies and plans;

- (ii) assistance to governments in commissioning and supervising project feasibility studies;
- (iii) identification, preparation and appraisal of projects under consideration for financing by the IBRD;
- (iv) provision of technical advice in connection with projects financed by the IBRD, including projects of development finance companies; and
- (v) other related activities as agreed upon between the IBRD and UNIDO, including activities of primary interest to the IFC.

2.21 Throughout its existence the CP was so small that it has never developed the critical mass for providing effective operational support. A joint Bank/UNIDO Review Steering Group which examined the CP reported in October 1981 that past approaches to cooperative operations by the CP have not led to satisfaction on either side:

The World Bank has tended to use the expertise available in the CP as a "body shop" providing staff with particular specialized skills to support World Bank missions; UNIDO appears to have taken little interest in cooperative activities as they were originally conceived, and has allowed the CP unit to change from the discrete unit, which the CP agreement requires, into anonymity. The staff of the CP, by adopting highly operational activities in line with the Memorandum of Understanding, coupled with long absences from Vienna, has had little time available either to make UNIDO aware of the Bank's activities in the industrial sector or to draw the World Bank's attention to UNIDO's capacity for technical assistance in the industry of developing countries.^{4/}

2.22 The Steering Group recommended a change of focus of the CP from a set of joint operational activities to a liaison and coordinating function. Presently, the CP consists of two individuals--a Director and a Deputy Director. These two individuals to whose salaries the Bank will be making a contribution of \$175,000 in FY84, will perform a liaison function. The Director of the CP carries out other managerial functions for the organization.

2.23 EDI has collaborated with UNIDO since 1980 in the training of Asian professionals in development banking. The initiative for the project was taken by the Association of Development Finance Institutions in Asia and the Pacific. A proposal to extend this program beyond 1985 is now under consideration. With UNIDO support, EDI also undertook a study in 1983 of the training needs of member institutions of the Association of African

^{4/} The World Bank/UNIDO Cooperative Program; A Review (Report of the Joint Task Force to the Joint Steering Committee). October, 1981, para. 1.2.

Development Finance Institutions. Discussions are under way with other support agencies to formulate a training program in which UNIDO is expected to play a major role. In the meantime, EDI uses in its courses UNIDO's manuals and guidelines on the preparation of industrial feasibility studies and cost analysis.

C. ILO

2.24 There is no cooperative program with ILO. However, the level of cooperation between the two organizations is considerable and cordial, reflecting a decision by ILO's Director General to bring about closer cooperation between the ILO and the Bank.

2.25 One of the major fields of cooperation is in the preparation of projects with vocational, technical and management training components. Western Africa Region has made the best use of ILO's expertise in this area, although other Regions have made occasional use as well. Normally, the Bank covers the cost of ILO staff involved in project preparation. There are other areas of cooperation which include: (i) ILO participation in EDI seminars in such fields as urban and rural training for middle and high level government officials; (ii) mounting seminars in subjects of ILO responsibility; (iii) preparing background papers for the World Development Report (on management, 1983, and on population, 1984); and (iv) assistance to borrowers in procurement.

2.26 Our most significant present and future effort relates to the review of the UNDP/ILO Special Public Works Program and of Bank lending for rural public works with the view to identifying possible areas of increased collaboration. Concern on whether excessively equipment-intensive technologies were being used for civil construction in capital-scarce labor-abundant economies prompted the Bank in 1971 to launch a research and demonstration project on the substitution of labor for capital in the construction of roads, irrigation canals, and other civil works. For this purpose, the Bank organized and managed a trust Fund, which was subscribed by the Bank and nine industrialized countries: Canada, Denmark, Finland, Germany, Japan, Norway, Sweden, UK and US. The results of research and practical application work carried out in Honduras, India, Indonesia, Kenya and other countries, indicated that labor-intensive methods can be technically and economically feasible for a wide range of construction activities and can generally produce an acceptable quality of project, by comparison with equipment-intensive methods.

2.27 Together with ILO and UNDP the Bank is reviewing the practical cases of application of labor-intensive technology with particular attention, inter alia, to the following aspects:

- project selection principles adopted, and extent to which projects selected could or should pass Bank economic evaluation if they were to be included in a Bank-assisted project;
- adequacy of construction standards in terms of durability and maintainability;

- suitability of works for construction by labor-intensive techniques, the efficiency with which these techniques were being applied, and conclusions as to whether the works were therefore being carried out at lowest financial or economic cost necessary to reach appropriate standards;
- adequacy of technical assistance and staff training components in UNDP/ILO-assisted projects, to build up local capability for the planning and efficient execution of larger follow-on schemes of similar type; and
- evidence of complementary government and private sector action or investments to enlarge gradually the scope of UNDP/ILO-supported SPWPs to produce more tangible socio-economic impact.

2.28 The above efforts refer to ILO's Special Public Works Programs, which are handled by the Emergency Employment Branch. However, the Bank has collaborated over a period in excess of ten years with another ILO office, the Technology and Employment Branch, in the development and implementation of labor-intensive construction methods. Examples of collaborative efforts are the Bank-assisted Rural Access Roads Program in Kenya and pilot projects in Botswana and Malawi, all of which are currently under way. Closer and more fruitful collaboration would be possible if ILO could consolidate the efforts of the above two branches.

2.29 The ILO offers procurement services essentially for educational and vocational training institutions. The work is handled by the Technical Cooperation Equipment and Subcontracting Branch "EQUIPRO" established in 1972-73. The unit handles all procurement for ILO projects as well as for projects funded by development banks, bilateral donors and governments on a fee basis. The turnover in 1983 was US\$25 million. Currently EQUIPRO is handling procurement for four IDA projects totaling approximately US\$15 million. The services include preparation of equipment lists, specifications, procurement and transportation arrangements. Training in procurement is also provided to selected client personnel. In the case of IDA projects, the Bank procurement guidelines are strictly followed. For these services EQUIPRO enters into service agreements with borrower governments at negotiated fees. Due to ILO's established expertise in the field and the use of computers for bid tabulation and comparison and production of purchase contracts, EQUIPRO is able to perform an extraordinarily efficient and satisfactory service.

2.30 Social Insurance Schemes. The Bank has had an exploratory meeting with ILO to ascertain the extent of current data and potential for ILO's provision of consultant support to the Bank on the design of viable social insurance schemes for health care.

2.31 For the future, ILO will be interested in two additional areas of activities: (a) contribution to the formulation of policy in industrial development, particularly in the area of employment, and (b) providing TA

under SAL loans (the first ILO association with a SAL loan will be in Mauritius).

D. UNICEF

2.32 UNICEF is highly decentralized organization and country and regional offices have virtual total autonomy in decision-making regarding the implementation of country programs. For this reason, cooperation with UNICEF would be heavily dependent upon Bank staff's close consultation with UNICEF's country and regional offices.

2.33 The Bank has played an important role in the evolution of the current UNICEF child survival strategy emphasizing the application of four low-cost existing technologies--growth monitoring, oral rehydration therapy, breastfeeding promotion and immunization, the "GOBI" approach. The approach benefitted from preliminary evaluation, shared with UNICEF of the Bank-financed Tamil Nadu project which provided strong evidence of the cost effectiveness and positive nutritional impact of this package of interventions.

2.34 The Bank maintains systematic contact with UNICEF via bi-annual management meetings and regularly at the working level on an individual country basis. Principal areas of collaboration include:

- a. Sector work--The Bank shares all country sector work with UNICEF to ensure that it has a sound analytical basis for program design. Joint sector work has been conducted in several countries to date with future activities planned for Somalia, Sudan and Kenya.
- b. Monitoring and evaluation--The Bank is providing assistance in strengthening UNICEF's monitoring and evaluation capacity.
- c. Parallel or co-financing of projects--There is ongoing discussion with UNICEF on co-financing opportunities and on nutrition support program which is one of the principal GOBI activities. In fact, GOBI interventions have been incorporated with the vast majority of programs supported by Bank-financed projects since FY80.

E. UNFPA

2.35 UNFPA's budget is roughly \$130 million. It derives its fund principally from the major bilateral donors (US, Canada, European countries and Japan) who pledge their contributions annually. It operates in some 127 countries in every region of the world. UNFPA is an appealing source of

funds; it exacts no political or policy concessions and is a politically acceptable source of funding to all countries. It is flexible in what it will fund and provides its funding as grants. It can assist in a variety of population-related fields, information and education programs, demography and census-taking, policy development and family planning. It devotes about two-thirds of its resources to fifty or so priority countries, based primarily on need but not necessarily related to population pressure.

2.36 The relationships between the Bank and UNFPA are reasonably good, but they are essentially ad hoc. UNFPA's flexibility and the Bank's more structured approach are not easy to combine in a formal association. Nevertheless, we need to develop common strategies for major countries. Current discussions at staff level with UNFPA's regional staff have been useful, but more systematic joint review of operations periodically could help.

2.37 - A UNFPA/Bank meeting held at the Bank in November 1983, recognized mutual benefits to be derived from strengthened operational linkages in member countries, agreed that (i) immediate priority would be assigned to coordinating sector work cum project identification activities, e.g., Bank sector work/UNFPA needs assessments, with planned reviews in Senegal and Liberia identified as ideal candidates for such cooperation; (ii) mutual staff working level contacts would be initiated routinely upon return of all missions; (iii) bi-annual joint reviews of progress, and prospects for future cooperation, would be instituted; and (iv) the Bank would explore the possibility of picking up in its loans UNFPA-initiated activities where funding shortages occurred. Still to be resolved are (a) to what extent a common core of information can be identified for joint missions which will satisfy at least the majority of each organization's sectoral study requirements; and (b) the compatibility of UNFPA project/components in need of Bank financial support with Bank sectoral priorities in given countries.

F. UNCHS

2.38 The Centre for Human Settlements is primarily concerned with housing and human settlement. After a somewhat difficult initial period, UNCHS has begun to focus its program, define its mandate, and build its staff. Increasingly consistent and firm positions by donors and international agencies with regard to UNCHS have helped create a more stable environment for the agency and is beginning to lead to specific areas of cooperation. Collaboration with UNCHS has focused on the following activities:

- Substantive contribution by Bank staff to UNCHS expert group meetings covering areas such as water supply, construction industry, financing of urban infrastructure, land issues and cadastral surveys. Despite staff limitation Bank is prepared to continue

to contribute to these meetings if they remain technically-oriented.

- Developing training needs assessment by EDI. EDI courses, jointly financed by EDI and UNCHS have been offered in Africa and elsewhere.
- UNCHS, together with Bank/UNDP water and sanitation exercises (the Water Decade), made a grant of \$100,000 to the Canadian Film Board for producing a film on the dissemination of the Water Decade results.
- Discussions between UNCHS and WUD are underway for promoting a computer software program for municipal financial management and training.

2.39 In order to improve collaboration on policy, sector work, and projects, it is proposed to second an experienced Bank-staff member to UNCHS on a cost-sharing basis for FY85-86. This proposal would help overcome earlier problems and strengthen Habitat, while allowing the Bank to provide some inputs to Habitat's evolving program.

2.40 On the other hand, collaboration on urban policy, project preparation and pilot projects has remained at low ebb after several disappointing experiences in the Regions involving UNCHS performance. The Bank, however, will welcome recent indications of a shift of emphasis from pilot projects toward country housing strategies.

G. UNEP

2.41 UNEP has its origins in the first UN Conference on the Human Environment which was held in Stockholm in June 1972. UNEP was sanctioned a few months later by a resolution of the General Assembly of the UN. The Bank maintains close collaborative relationships with UNEP, including the Regional Seas Impact Assessment and Environmental Guidelines and Training, among many others. The Bank continues its leadership role in the work of the Committee on International Development Institutions on the Environment, through which the Bank assists the member institutions in strengthening their capacity for handling the environmental dimension of development.

H. IFAD

2.42 Relations with IFAD are governed by an official Cooperating Agreement approved by the Bank's Board of Governors in 1978. In addition to regular consultations on matters of mutual interest, arrangements for co-financing and cooperation in identification and preparation of development projects suitable for financial assistance from both organizations are ongoing. In particular, Bank staff appraise projects on behalf of IFAD with a view to their financing by the Fund. Appraisals are conducted on the basis of Terms of Reference agreed upon by the two organizations in accordance with the lending policies and criteria of the Fund, and the methods, standards and procedures applied by the Bank in the appraisal of its own funded comparable projects. As a rule the loan administration of such projects appraised by Bank staff is entrusted by IFAD to the Bank.

2.43 IFAD Lending Action. Since it opened its doors for business in late 1977 IFAD has financed 142 projects totalling SDR 1.586 billion. Of these, the Bank appraised 26 projects on behalf of IFAD for a total value of SDR 500 million. Co-financing was arranged for 48 projects for a total IFAD commitment of about SDR 540 million. The 1984 work program for cooperation includes the appraisal of over ten IFAD projects and several co-financing activities.

2.44 Since its inception IFAD has been a major donor to CGIAR, and despite its present severe financial constraints it will ask its Board to approve a \$9.2 million grant as its 1984 contribution.

2.45 At the request of IFAD, EDI is helping to design a four-year training program for managers of rural development projects in Africa. Should funding of the \$8 million program be approved by the IFAD Board in March, EDI is expected to be a major partner in implementing the training activities.

I. DTCD

2.46 The Department of Technical Cooperation for Development was created in 1978 through a merger of the Office of Technical Cooperation, some of the UN's major substantive divisions of economic and social affairs, and various pre-existing administrative support services.

2.47 DTCD is essentially a multi-disciplinary international advisory and technical assistance agency which claims a "mandate" over any development activity not specifically assigned to one of the Specialized Agencies. DTCD's areas of expertise are in natural resources and energy, development planning, public administration, demography statistics, and rural development. As a conglomerate agency DTCD has both efficient and inefficient divisions and programs.

2.48 In the past, the Bank has had a number of disagreements with DTCD over the designation of the Bank as executing agency for UNDP-financed projects in areas over which DTCD claims a "mandate." DTCD was also in the forefront against the agreement between UNDP and the Bank that encourages Bank borrowers to seek assistance for project implementation from the Office of Project Implementation.

2.49 There has been recently a noticeable improvement in the relationships with DTCD following a meeting between the Vice President for Operations Policy and the Assistant Secretary General in charge of DTCD, followed by a meeting with the senior staff of DTCD in New York. The Department is in the process of signing agreements with two Bank borrowers to implement TA projects in Mali and Benin. There are prospects for a variety of other activities involving DTCD and Bank projects. The Bank has also invited the Chief of the Development Advisory Services of DTCD to deliver a lecture to the TA staff of the Bank. We believe there is a scope for cooperation both in the areas of mineral explorations and public administration.

2.50 In the discussions between the Bank and DTCD it was strongly stressed that DTCD should spare no effort to ensure careful selection of

technical staff for Bank-financed projects. The quality of staff selected and the efficiency of services provided will be major factors in establishing the level of cooperation between the Bank and DTCD.

J. UNHCR

2.51 The Office of the United Nations High Commissioner for Refugees has a primary responsibility within the UN system for refugee assistance. The political turmoil in Afghanistan, accentuated by the Russian intervention of December 1979, led to large scale movement of the Afghan population to Pakistan. The refugee influx started in April 1978 and by December 1982, 2.9 million Afghans had taken refuge in Pakistan; they are accompanied by an estimated three million head of cattle, sheep, goats and camels. The refugees are living in tents and mud houses in about 340 temporary villages located mainly in North West Frontier (NWF) and Baluchistan provinces, with a small number in the Punjab. This refugee presence, with their number increasing each month with fresh arrivals, has caused tremendous damage to Pakistan's ecology, and the physical infrastructure has deteriorated considerably.

2.52 A UNHCR mission to Pakistan in April-May 1981 highlighted the need for income generating activities for Afghan refugees to afford them opportunities to work and earn an income, and at the same time contribute to the economic progress of the area in which they are living. Subsequent to this mission, UNHCR requested the World Bank to identify, prepare, appraise and supervise a project which would generate income opportunities for the refugees while contributing to Pakistan's economic development, particularly in areas adversely affected by the influx of refugees and their livestock. Following a Bank identification mission in April 1982, UNHCR concluded a Memorandum of Understanding with the Bank and entered into a formal exchange of letters with GOP providing for the future processing of such a project; the project to be financed by donor contributions and administered by the Bank.

2.53 The main objectives of the project are: (a) to create employment/income opportunities for Afghan refugees; and (b) to restore damage done to Pakistan's ecology due to refugee presence. The total cost of the project is US\$20.0 million and its components include labor-intensive subprojects of reforestation and watershed management, rehabilitation and upgrading of canal roads, flood protection and road construction in the NWF and Baluchistan provinces in areas where the refugee population is concentrated. The project stipulates that at least 50 percent of the labor employed on subprojects are Afghan refugees, for which a special procedure has been established so as to monitor this aspect of the project.

2.54 A Trust Fund Account has been established with GOP, and some components of the project are already under implementation, although the project is due to become fully effective from the end of February 1984 and it is too early to evaluate the Bank's experience in this area.

2.55 The Bank has no Memorandum of Understanding with UNHCR on refugee-related development projects. The Bank has recently been approached for assistance by members of the Steering Committee for the Second

International Conference on Assistance for Refugees in Africa (ICARA II).^{5/}
In a meeting at the Bank on March 16, 1984, the Steering Committee asked whether the Bank could let it be known, perhaps at ICARA II, that it was willing to consider refugee-related development projects and to assist in the project preparation work, if so requested by governments. The Bank is aware of the seriousness and complexity of the refugee problem with its human, financial, developmental and political dimensions and has indicated that its representatives at ICARA II will further articulate Bank position in this area.

^{5/} ICARA I was held in Geneva in 1981. At that time donor countries and agencies pledged some \$560 million of which, it was subsequently revealed, less than \$30 million was new money.

UNITED NATIONS
FUND FOR POPULATION ACTIVITIES



200 3/17/84
FONDS DES NATIONS UNIES
POUR LES ACTIVITES EN MATIERE DE POPULATION

220 EAST 42nd STREET
NEW YORK, N.Y. 10017

TELEPHONE: 734-1234

CABLE ADDRESS: UNDEVPRO * NEW YORK

REFERENCE:

7 March 1984

Dear Ishrat,

.....
Enclosed please find an outline of steps to be taken to increase collaboration between the Bank and UNFPA. The outline reflects the discussions held between our two organizations in November 1983 and February 1984. Perhaps you could obtain comments from PHN staff. Once comments from the respective organizations have been taken into account, the arrangements for collaboration could be formalized through an exchange of letters between Mr. North and Dr. Sadik. When you come here on March 14th for the Indonesia briefing, we could resolve any outstanding issues.

Many thanks for arranging my appointments during my visit to the Bank last week. The meetings with various officers were most useful.

With warm regards.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'C. Pierce', written over the typed name.

Catherine S. Pierce
Special Assistant to the
Assistant Executive Director

Ms. Ishrat Z. Husain
Chief, Division II
Population, Health and
Nutrition Department
The World Bank
1818 "H" Street
Washington, D.C. 20433

ATTACHMENT ONE

Collaboration between UNFPA and The World Bank

Nature and Purpose: to exchange information on a regular basis throughout the programme/project development cycle in order to increase the potential benefits accruing to countries from the activities of the respective organizations.

Levels of Collaboration

- On-going** - HQ - informal exchanges between programme officers and project officers; more formal briefing/debriefing meetings as needed.
- Field - Bank missions meet with DRSAPs;
Where Bank has resident population representatives, DRSAP should liaise with loan officers handling matters dealing with Population, Health and Nutrition Department.
- Semi-Annual** - High level HQ meetings to review status of collaboration
Bank: Division Chiefs; Department Director
UNFPA: Branch Chiefs; Division Chief; AED

Activities

- 1. Strategy discussions** - to assure that the government is not getting conflicting messages from donors. Should be held following the NA and Sector missions.
- 2. Participation in Missions-** BNAs, Sector Work, ACRs.
- 3. Co-ordination of Inputs** - done at field level (e.g. discussions between Governments, DRSAPs and Supervision Missions).
- 4. Exchange of Documents** - Recommendations of NAMs (on the return of the mission); preliminary Sector Reports; Evaluation Reports; and, other information if relevant -- e.g. UNFPA technical comments re. a project.

Steps in Programme/Project Development

UNFPA

Needs Assessment

Programme Development

Project Formulation

Project Progress Reviews

Tripartite Reviews

Annual Country Reviews

Mid-Term Reviews

Evaluation

- built-in

- in-depth-independent

IBRD

Sector Missions

Identification Missions

(sometimes several preparatory missions)

Project Appraisal

(sometimes there are pre and post appraisal missions)

Supervisory Missions (Semi-Annual)

External Review Missions (mid-term assessment comprised of external consultants; paid for out of project funds)

Evaluation of each component is built-in

Project Completion Report

- reviews whole experience of the project; distributes to Government and to Operations and Evaluation Department of the Bank

do file
January 27, 1984

Mr. Steve Denning, Chief, PHND3 and Acting Director, PHN
Mr. Alan Berg, Senior Nutrition Advisor, PHN
Karen L. Hall, Acting Chief, PHNPR

61580

Inter-American Development Bank Lending Expansion in Health
and Nutrition Sectors

1. As follow up to initial meetings with PHN's Policy and Research Unit in May of 1983, Ms. Alicia Pfund of the Office of Review and Evaluation of the Inter-American Development Bank (IDB) phoned to provide an update on the ongoing evaluation of their health lending program. The Office is now in the process of preparing a health policy paper for presentation to their Board of Directors. In capsule, it will recommend a significant reorientation and expansion of their support to our sectors, with particular attention to introducing nutrition as a discrete area of lending. On the health side, their program review emphasized the need to shift lending away from its traditional hospital construction focus to development of primary care delivery systems including physical and managerial infrastructure support. IDB further plans to strengthen its work on the economics and financing of health care with special reference to study of social security systems in Latin America.

2. Within the context of this proposed new policy, IDB reportedly is interested in collaborating more directly with the World Bank. A letter to this effect is enroute to John North. Staff of their Office of Review and Evaluation, therefore, would like to meet directly with you to discuss potential areas for cooperation. Ms. Pfund will be calling PHN within the next few days in this regard. She can be reached at 634-8060.

cc: Messrs. J. North and J. Warford, PHN (o/r)
Mr. S.J. Burki, IRDDR

KLEall:icj

12.0

Mr. Herman G. van der Tak, Director, OPS

August 12, 1982

John D. North, Assistant Director, PHN

Status of Policy Coordination with Regional Banks

Asian Development Bank

Frequent contact between ADB and the Bank has been maintained. In each country in which both Banks have population or health interests, exchange of reports is almost routine. ADB and the Bank have arranged for missions to coincide (Pakistan, November 1981 and May 1982), and have conducted one joint PHN Sector Mission (Philippines 1982). Bank staff visiting the region frequently visit ADB, and ADB staff concerned with population and health have visited the Bank on two occasions this year.

A number of draft guidelines in the Department (e.g. Appraisal Handbook for Health Projects: Health Sector Issues) have been sent to ADB for information and comments.

African Development Bank

Bank preparation missions to Malawi and Mali liaised with ADB missions to these countries. Bank staff visited ADB headquarters to discuss possible co-financing of Senegal Rural Health Project.

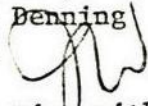
Inter-American Development Bank

Frequent contact with IDB has also been maintained, with exchange of reports on operational matters being common.

cc: Dr. Evans
Dr. Kanagaratnam
Mr. Berg
Mr. Warford
Mr. Messenger
Ms. Husain
Mr. Denning

JJWarford:veo

OFFICE MEMORANDUM

TO: Dr. Kanagaratnam; Ms. Husain;
Messrs. Berg, Messenger, Penning
FROM: Jeremy J. Warford, PHNPR 
SUBJECT: Status of Policy Coordination with Regional Banks

DATE: July 22, 1982

Reference Mr. van der Tak's memo attached, could you please let me have details of relevant contacts your staff may have made with Regional Banks over the last year. I would be grateful if your responses could be in by August 11.

Attachment

cc: Dr. Evans
Mr. North

JJWarford:lkt

J.W.

My contact only with ADB, Panda -
w/ connection with Health/Pop Sector Review.

Tak

27 July 82

OFFICE MEMORANDUM

*Mr. Evans**JDN for ref.*

DATE: July 20, 1982

*JW - please
take resp.*

TO: OPS/ENI Directors

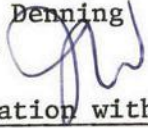
FROM: Herman G. van der Tak, Director, OPS

SUBJECT: Status of Policy Coordination with Regional Banks

I should appreciate a brief update/progress report on efforts in your sector to coordinate Bank policies and practices, or any general policy discussions, with the Regional Banks (and other IFIs). Could you please send me a note, with a copy to Mr. Rajagopalan, by August 18?

cc: Mr. Rajagopalan o/r

OFFICE MEMORANDUM

TO: Dr. Kanagaratnam; Ms. Husain;
Messrs. Berg, Messenger, Denning
FROM: Jeremy J. Warford, PHNPR 
SUBJECT: Status of Policy Coordination with Regional Banks

DATE: July 22, 1982

Reference Mr. van der Tak's memo attached, could you please let me have details of relevant contacts your staff may have made with Regional Banks over the last year. I would be grateful if your responses could be in by August 11.

Attachment

cc: Dr. Evans
Mr. North

JJWarford:lkt

OFFICE MEMORANDUM

Mr. Evans

JDN for info

JW - please take resp.

TO: OPS/ENI Directors
FROM: Herman G. van der Tak, Director, OPS
SUBJECT: Status of Policy Coordination with Regional Banks

DATE: July 20, 1982

I should appreciate a brief update/progress report on efforts in your sector to coordinate Bank policies and practices, or any general policy discussions, with the Regional Banks (and other IFIs). Could you please send me a note, with a copy to Mr. Rajagopalan, by August 18?

cc: Mr. Rajagopalan o/r

December 17, 1981

Dr. S. T. Han
Director, Programme Management
World Health Organization
United Nations Avenue
Manila
Philippines

Dear Dr. Han,

Re: Joint Agency Health Sector
Reconnaissance Mission

This is just a brief note to thank you for the help so generously given to us by Dr. Y. S. Kim on our recent mission to the Philippines.

I regret that I was unable to contact you on my last day in Manila, but hope that Dr. Kim has conveyed to you our general impression regarding the success of our cooperative effort.

Our back-to-office report is being finalized, and will be sent to you as soon as it is completed.

With best personal regards.

Sincerely,

Jeremy J. Warford
Chief, Policy & Research Unit
Population, Health & Nutrition Department

JJWarford:veo

cc: Ms. Husain
Mr. Khan

**WORLD HEALTH
ORGANIZATION**

**Regional Office
for the Western Pacific**

United Nations Avenue

P.O. Box 2932

MANILA, Philippines

Telegr. : UNISANTE, Manila



Tel. 59 20 41

**ORGANISATION MONDIALE
DE LA SANTÉ**

**Bureau Régional
du Pacifique occidental**

United Nations Avenue

B.P. 2932

MANILLE, Philippines

Telex : 3260

With the compliments

of the

Director, Programme Management

(For your information)

Mr J. Warford
Policy Unit Chief
Population, Health and Nutrition Department
World Bank
Washington, D.C. 20433

STH/tcb

DPM, WPRO

INTBAFRAD
WASHINGTON

Telex 440098

11 November 1981

(WP)DPM/N61/61/15

4731 FOR WARFORD PHN POLICY UNIT REOUR TELECON MEETING WITH HEALTH
MINISTER, WPC AND YOURSELF ARRANGED 30 NOVEMBER 1000 AM

HAN UNISANTE

(Sgd) Dr. S. T. Han
Director, Programme Management

Mr J. Warford, Policy Unit Chief, Population, Health and Nutrition
Department, World Bank, Washington, D.C. 20433 (confirmation copy)
WPC/Manila
COR

International Bank for Reconstruction and Development

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12.0

Jan-file

Jan's
File - Policy

SecM80-34

FROM: The Vice President and Secretary

January 14, 1980

Elizabeth G. Coode

COOPERATION BETWEEN THE WORLD BANK AND
OTHER ORGANIZATIONS IN THE EDUCATION SECTOR

As requested at the Executive Directors' meeting held October 23, 1979, attached for information is a technical note entitled "Cooperation Between the World Bank and Other Organizations in the Education Sector" prepared in the Education Department.

Distribution:

- Executive Directors and Alternates
- President
- Senior Vice President
- President's Council
- Vice Presidents, IFC
- Directors and Department Heads, Bank and IFC

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MAY 07 2012
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AUG 03 2021

COOPERATION BETWEEN THE WORLD BANK
AND OTHER ORGANIZATIONS IN THE EDUCATION SECTOR

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1. The Bank's involvement in the education sector over the past sixteen years has resulted in the development of approximately 200 projects in more than 80 countries and in a variety of policy-related activities. In both its operational and policy-related work the Bank has collaborated extensively with multilateral, bilateral and private organizations.

Unesco Cooperative Program

2. The Bank has been collaborating in the generation of educational projects with Unesco by means of a Cooperative Program (CP). This program was started in 1964 to facilitate the financing of education projects in developing countries that are members of both organizations. The CP gave Unesco a major role in the identification and preparation of educational projects. In addition, Unesco was expected to provide expert assistance to various aspects of the project cycle. In the early years the CP performed identification and preparation tasks as agreed, with the Bank undertaking subsequent steps in the project cycle. As the Bank developed its own capability and found it advantageous to be involved in all parts of the project process, it began sending its own missions to identify and assist in the preparation of projects. To accommodate these shifts in operating approaches, a joint Unesco/Bank Task Force was formed in 1975 to examine the CP operations and make necessary recommendations. The Task Force proposed that Unesco concentrate on sector work (50-60% of CP staff years) and leave identification per se for the Bank. Unesco would also continue to provide assistance to countries in project preparation (20-30%) and participate in Bank missions (10%). These recommendations have been well implemented, and the major portion of available Unesco CP resources is utilized for sector work and project preparation assistance. In FY78, for instance, 52% of CP staff time was devoted to sector work and 27% to project preparation, and in FY79 47% and 28% respectively. This shift in CP work is consistent with the present Bank policy for lending to education which places a strong emphasis on sector work as a basis for policy discussions with borrowers and the formulation of priorities in lending for education to individual countries.

3. During the life of the Cooperative Program, Unesco has significantly contributed to the Bank's lending program. To June 1979, the CP staff undertook or participated substantially in 622 missions, and was involved in the identification and/or preparation of more than two-thirds of the education projects financed by the Bank. The professional staff of the CP has increased from 12 in 1964 to 29 at present, and the cost of the program to the Bank (75% of direct cost and about 50% of total costs if office space and the use of various other services and facilities are considered) has risen from \$645,000 in FY70 to \$1,763,000 in FY79. In qualitative terms Unesco has been a contributing factor to the broadening of Bank lending in education. A study by CP staff in 1976 of over 600 project items proposed by the CP indicated that one-third were "new" items not previously existing in the countries concerned, and that many of them

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were accepted for Bank financing. Some of the proposed items were in categories which the Bank was not prepared to finance at the time, but which it eventually did finance, such as curriculum development and primary education.

4. The Bank and Unesco are presently engaged in considering some new approaches to CP work. Efforts are being made to increase the role of the borrower in sector and project preparation work, and the CP has begun to undertake some missions where Unesco will change its role from "player" to "coach," with borrowers doing most of the work under CP guidance. Means are also being explored to utilize specialized resources within Unesco, other than the CP unit, in CP work.

5. The Bank does not limit its collaboration with Unesco to the CP domain. First, Unesco's Office of Statistics provides the Bank with data used in its project and policy work. For instance, Unesco compiled most of the statistical tables used in the Third Education Sector Policy Paper and will provide information for the Third World Development Report. Second, Unesco and the Bank have continuous policy discussions. In addition to consultations on the recent Education Sector Policy Paper, the Bank and Unesco recently held a round table discussion on the education content of the World Development Report III. Third, the Bank and Unesco undertake joint research projects such as the ongoing study of the internal efficiency of education systems. Fourth, Unesco has been involved in the evaluation work of the Bank, most importantly, the OED Review of Bank Operations in the Education Sector, issued December 29, 1978. Fifth, the Bank has been participating in the periodic regional meetings of ministers of education arranged by Unesco, such as those held in Lagos (1976) for the African states, in Abu Dhabi (1977) for the Arab states, in Colombo (1978) for the Asian states, and in Mexico City (1979) for the Latin American states. Finally, staff of both organizations hold informal consultations on a wide range of subjects of mutual concern.

Other Cooperation in Project Work

6. The Bank also collaborates, although to a lesser extent, with a number of other organizations in the preparation and implementation of projects. During identification, preparation and appraisal of projects, field representatives of aid agencies are usually consulted, and their interest in cofinancing or providing technical assistance ascertained. As a consequence, out of the 174 projects approved between 1963 and 1978, more than 20% were planned at the appraisal stage to be cofinanced by one or more external aid agencies. This includes six multilateral and nine bilateral agencies. The distribution of such projects by individual agencies appears in Table 1.

7. In 75% of the educational projects the Bank collaborates with one or more other organizations to provide technical assistance for pre-investment and ongoing studies, fellowships, architectural design, procurement, project implementation, construction, curriculum development, teacher training, teaching and evaluation. Ten multilateral agencies, 23 bilateral agencies, and a number of private organizations (non-governmental agencies and external universities) have been involved in providing such assistance. The distribution of projects by agency and a breakdown by object of technical assistance appear in Table 1.

8. A similar pattern of cooperation exists regarding project-related training. The Bank/FAO Cooperative Program provides staff for the identification and preparation of agricultural training components, while other multilateral agencies such as ILO and bilateral agencies provide major technical assistance either through Bank loans or from their own funds. On the other hand, the Bank has served as an executing agency for five UNDP education projects. These projects have been limited in scope and closely related to Bank activity in the country concerned. For instance, the Bank has executed in Yemen Arab Republic a UNDP project (\$97,000) for the establishment of a project unit for educational facilities, and provided in Mauritius, with UNDP funds (\$90,000), a procurement specialist in education.

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Collaborating in Research and Policy Development

AUG 03 2021

9. The Bank has been collaborating with other organizations in policy coordination, research review, and implementation of research projects. First, the Bank is a member of the Bellagio education group, which is an informal gathering of representatives of most of the major multilateral and bilateral agencies concerned with education. Meetings are held once a year on a topic of common concern. The theme of this year's meeting, for instance, was alternative approaches to the strengthening of national educational research capacity.

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10. Second, the Bank supports and participates in the activities of the International Educational Research Review and Advisory Group (RRAG), which was formed by the International Development Research Centre, Ottawa, upon the request of funding agencies (Bellagio education group) in 1975. The Group, which now numbers 10, has two members from the Bank and serves as an independent body backed by a small professional secretariat. Although members serve in a personal capacity, they represent, in their selection, major international agencies dealing with educational research and national research institutions or networks in the different regions of the world. The major purpose of RRAG is to review and advise funding agencies and developing countries on: (a) important advances and gaps in educational knowledge; (b) priority areas for further research; (c) promising experiments worthy of replication; and (d) strengths and weaknesses of regional and national research capacities. The Bank has benefited from the work of RRAG in the preparation of its Third Education Sector Policy Paper.

11. Third, the Bank works closely with Unesco's International Institute for Educational Planning (IIEP). The Director of the Bank's Education Department is a member of IIEP's Board of Directors and Executive Committee. The Bank also, indirectly, supports the IIEP's training activities: in the 1979-80 training program, seven out of 47 trainees are funded from Bank loans. In addition, the Bank participates regularly in the seminars held by IIEP. For instance, six staff members took part in a recent seminar on the organization of educational reform at the local level held November 27-30, 1979. The Bank and the Institute have also collaborated in an extensive evaluation project in Tanzania and a subsequent seminar presented at the Bank by IIEP staff.

AUG 03 2021

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12. Fourth, in the planning and implementing of its educational research and evaluation program the Bank collaborates extensively with other organizations and research institutions. For instance, the Bank participates in an informal network of communication with IIEP and eight bilateral agencies for the evaluation of technical education projects. In addition, the Bank is in dialogue with the International Association for the Evaluation of Educational Achievement (IEA) and the International Association of Educational Assessment (IAEA). On the implementation side, a number of collaborative projects have been carried out with other research institutions in both developed and developing countries, and the following are some examples. A research project on "School Resources and Educational Quality" has been executed in collaboration with "Programa de Estudos Conjuntos de Integração Econômica de América Latina" in Rio de Janeiro; "Oficina de Planeamiento y Organización" in San Salvador; "Educational Projects Implementing Task Force" in Manila; "Organization of American States Economic Program;" and "Institute for the Study of Mathematics in the Social Sciences" at Stanford University. In another study on the "Economics of Educational Radio" the following institutions have been involved: Institute of Adult Studies, University of Nairobi; Associação Brasileira de Teleducação in Brazil; Korean Educational Development Institute in Korea; Everyman University in Israel; and International Extension College in England. A study of "Basic Education in the Sahel Countries" was prepared for the Bank by the Unesco Institute for Education in Hamburg and a draft of the report was discussed, before finalization, at a seminar hosted by the Unesco Regional Office for Education in Dakar in December 1976 in which educators and planners from Mali, Mauritania, Senegal, Niger, Upper Volta and Chad were involved. The design of an "International Study of Retention of Literacy/Numeracy Among School Leavers" was discussed in a technical seminar in July 1978 with representatives of 17 multilateral and bilateral agencies, and a pilot phase has been carried out in collaboration with the National Center for Educational Research in Egypt. Replication of the study in other countries is foreseen in partnership with donor agencies and national institutions.

Collaboration with Non-Governmental Organizations (NGOs)

13. The Bank's current cooperation with NGOs concerned with educational development is limited mainly to informal contacts. Undoubtedly, an expanded collaboration would provide the Bank with opportunities to learn about different ways for reaching rural populations and organizing self-help activities; to examine micro-projects and to use experiences with them as building blocks for further Bank-sponsored projects; and to develop through grass-roots organizations mechanisms to identify and analyze needs as perceived by "consumers" of educational "supply," and channels of communication to feed such information into the planning process at both sector and project levels.

14. There are some practical issues in dealing with NGOs. The number of such organizations and the diversity of their concerns and activities make it difficult to relate to them. For example, in October 1978 there were 765 NGOs registered with the United Nations Economic and Social Council and another 192 were associated with the United Nations Department of Public Information. Opportunities for cooperation with NGOs require extensive work to identify potential organizations, understand their modes of functioning

and operative networks, and appraise possible areas and projects of mutual concern. Since this is expensive and time-consuming, it is necessary to set up some a priori criteria to narrow down the number of organizations and the scope of possible cooperation. Some UN specialized agencies, such as Unesco, WHO and ILO, have developed such criteria on the basis of which NGOs qualify for general or special consultative status with them. The Bank has to date been involved in a dialogue with a limited number of these organizations. For instance, senior Bank staff participated in a seminar with representatives of major Catholic congregations (members of EDUC International) on November 23-25, 1978 to discuss the structure, operations and policies of the World Bank in general and in the field of education in particular, and to explore means of cooperation. Bank staff have also been actively involved in the annual meetings of and in mutual consultations with the International Council for Adult Education.

15. Several cases of fruitful Bank-NGO collaboration exist in the fields of rural and urban development. The Bank has commissioned a study to a consulting firm to identify private institutions engaged in urban development in developing countries, and recently (November 1, 1979) a meeting was held in the Bank with some NGO representatives to exchange views on practical cooperation in urban and rural development. Such studies and contacts are expected to be extended to other sectors, particularly health and education. Preliminary discussions are underway to prepare an agenda for a follow-up meeting next spring in which, among other items, a wider collaboration in the education sector will be explored.

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AUG 03 2021

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Education Department
Central Projects Staff
January 12, 1980

Table 1: DISTRIBUTION OF BANK EDUCATION PROJECTS COFINANCED OR ASSISTED BY EXTERNAL ORGANIZATIONS

Organization	Cofinancing	Technical Assistance	Breakdown by Object of Technical Assistance						
			Pre-investment	Ongoing Studies	Fellowships	Architecture/Procurement	Implementation/Construction	Educational ^{a/} Unspecified	
MULTILATERAL									
ADB ^{b/}	0	1	0	0	0	0	1	0	0
ADF ^{c/}	1	0	0	0	0	0	0	0	0
FAO	0	17	12	1	1	3	0	9	0
ILO	5	26	11	3	4	7	6	13	3
OAS	0	2	0	0	1	0	0	0	1
UNCDF ^{d/}	1	0	0	0	0	0	0	0	0
UNDP	14	51	26	8	21	15	16	39	3
UNESCO	2	74	63	5	6	13	6	24	2
UNICEF	3	10	3	1	1	4	2	5	0
UNOTC ^{e/}	0	1	0	0	1	0	0	0	0
UNRWA ^{f/}	0	1	1	1	1	0	1	0	0
WHO	0	2	0	0	0	1	0	2	0
BILATERAL									
Argentina	0	1	0	0	1	1	0	0	0
Australia	0	3	1	0	0	1	0	0	1
Belgium	0	7	2	0	0	2	1	0	1
Brazil	0	1	0	0	0	0	0	0	0
Canada	3	11	5	1	4	2	1	7	1
Denmark	2	1	0	0	0	0	1	0	0
Egypt	0	2	1	0	1	1	1	1	0
France	4	10	1	0	2	1	0	6	1
Germany	4	7	1	0	1	2	1	1	1
India	0	2	1	0	0	1	1	0	0
Iraq	0	1	1	0	0	0	0	0	0
Japan	0	2	0	0	0	0	0	0	0
Jordan	0	1	0	0	0	0	0	0	0
Mexico	0	1	0	0	1	1	0	1	0
Netherlands	0	1	0	0	0	0	0	0	0
New Zealand	0	3	1	0	0	1	0	0	1
Norway	0	4	0	0	0	0	1	4	0
Spain	1	3	1	0	1	1	1	1	1
Sweden	1	5	0	0	1	1	0	0	0
Switzerland	2	1	0	0	0	0	0	0	1
United Kingdom	7	21	3	2	6	6	0	10	0
United States	9	28	10	2	9	8	7	19	0
Unspecified	0	5	1	0	1	0	0	5	1
PRIVATE									
External Universities	0	4	1	0	0	1	1	1	0
Non-governmental Agencies	4	7	1	2	3	3	3	0	0

Source: Staff Appraisal Reports of Education Projects, 1963-78.

- a. Includes curriculum development, teacher training, teaching and evaluation.
- b. Asian Development Bank.
- c. African Development Fund.
- d. United Nations Capital Development Fund.
- e. United Nations Office of Technical Cooperation.
- f. United Nations Relief and Works Agency.

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