Chapter 8

Bengal tiger; photo ©DLILLC/Corbis, reproduced by permission.

Improving the Bank's Support for Global Public Goods: Lessons from Experience

The Bank's country-based model works well in fostering GPGs when there is one (and preferably more) of the following: (a) a reasonable convergence at the country level of national and global interests and time horizons for taking action; (b) a dedicated cadre of staff with credible technical and managerial competence to advance specific GPG concerns; and/or (c) grant finance to provide the right incentives for action.

So the country model has its place, but these features are not always present. Where they cannot be established, a very significant shift in the country-based model is needed for the Bank to find a way to bridge the gap even more effectively between global needs and country preferences.

Indeed, looking ahead, the great shared global challenges are increasingly those where national and global benefits—actual or perceived, immediate or for the next generation—diverge significantly from each other. For example, the investments needed to protect the earth's climate and environmental commons vary considerably at local, national, and global levels, as do the costs and benefits of such actions. There are lessons emerging from this review that suggest effective measures in five areas that may help the Bank upgrade its ability to foster GPGs and to bridge the gap between global needs and country concerns more effectively.

First, the Bank can create better incentives to deliver GPGs effectively at the country level. This will include new approaches to setting budgets and recognizing the performance of managers and staff. On budget setting, one option is to set aside significant administrative funding at the corporate level to be allocated—transparently and perhaps competitively—to high-priority GPG work at the country level. Care would be needed to make sure such funding was used as a genuine addition by country teams and not simply to displace other activity. To provide better incentives to staff, managers at all levels should consider recognizing country- and global-level work on GPGs in performance management systems.

Second, the Bank can consider clearer organizational arrangements to best select, and indeed link together, responses at country, regional, and global levels. Some Regions may want to have a dedicated staff resource advancing work on regional programs (and regional public goods), as has been done in Africa, and perhaps expand their purview to cover GPGs as well. But this is not a one-size-fits-all prescription, and other Regions may have different arrangements suitable to their circumstances.

Third, a more effective approach to the delivery of the Bank's global knowledge and capacity to country teams working on GPGs would be beneficial. To this end, the way the Bank can best deploy its expertise, particularly that of its specialists located at the center of the institution in the network anchors, should be reviewed.

Fourth, the Bank and its stakeholders could renew attention toward ensuring that the perspective of developing countries is connected effectively with global responses. The Bank might be able to use its standing more powerfully to give greater voice to developing countries in the governance of significant global programs. It should take a more proactive stance in advocating for development interests—and developing country partners—in international forums (and agreements) dealing with GPGs. That would include the Bank continuing to secure additional development assistance and to promote the design and use of market-based instruments to help developing countries provide GPGs. The Bank could also explore further ways to stimulate South-South exchange of knowledge—and the development and application of new technologies designed with and for the South—on contributing to GPGs, such as climate-friendly energy production and use.

Finally, a firmer and more precise justification is needed for the costs and benefits of actions being proposed for the Bank's work on fostering GPGs, to ensure that such work is financially and institutionally sustainable over the long term. Particularly for global programs, the Bank must redouble its efforts to be more selective in its engagement and more forthright in exiting those programs whose benefits and cost-effectiveness are questionable. The Bank should also be insistent about putting in place, and using, sound results frameworks, underpinned by realistic and cost-effective monitoring and evaluation systems.