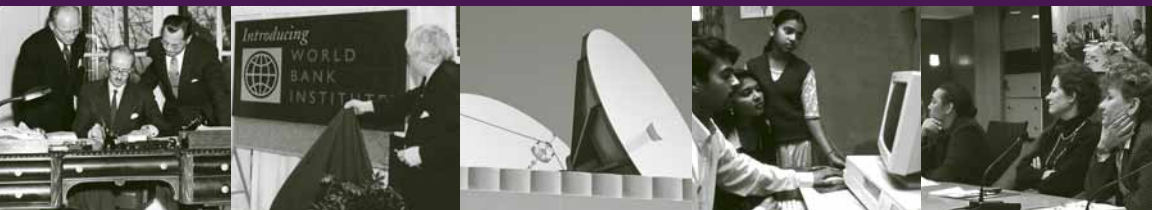


# WORLD BANK INSTITUTE 50TH ANNIVERSARY

*Promoting knowledge and learning for a better world*

1955–2005



*“We provide financing for projects, and knowledge —offering our global experience to clients. Our greatly expanded World Bank Institute plays a key role in this respect.”*

JAMES D. WOLFENSOHN  
WORLD BANK PRESIDENT  
WORLD BANK ANNUAL MEETINGS, 2004

# CONTENTS

<b>Six Things You Didn't Know about the World Bank Institute</b>	<b>3</b>
<b>From the Economic Development Institute (EDI) to the World Bank Institute (WBI)</b>	<b>7</b>
<b>Reflections on EDI-WBI</b>	<b>17</b>
Memories of the Beginnings of EDI <i>Excerpts from an unpublished paper by William Diamond</i>	19
Frannie A. Léautier, WBI Vice President, 2001–present	27
Vinod Thomas, WBI Vice President, 1994–2001	33
Amnon Golan, EDI Director, 1990–1994	37
Christopher Willoughby, EDI Director, 1983–1990	40
Ajit Mozoomdar, EDI Director, 1979–1983	44
Andrew Kamarck, EDI Director, 1972–1977	46



# SIX THINGS YOU DIDN'T KNOW ABOUT THE WORLD BANK INSTITUTE

## 1. WE BEGAN OUR WORK IN 1955

The World Bank Institute began life as the Economic Development Institute in 1955, delivering a single six-month course per year on General Development to 20 developing country policymakers in Washington. The Institute was partly funded by the Ford and Rockefeller Foundations and had 4 staff. WBI now reaches nearly 80,000 people a year through more than 1,000 activities.

## 2. WE DO MORE THAN TRAINING

### WBI HELPS BUILD INSTITUTIONS OVER TIME

**In China** WBI partnered with the Ministry of Health, a network of leading Chinese academic institutions, and the Bank's East Asia health team to support health reform over a 15-year period since 1990 by building a health economics training and research network of 20 institutions which delivers health-sector reform courses and modules through distance learning.

### RAPID RESPONSE...JUST-IN-TIME, JUST ENOUGH

**In Madagascar** WBI delivered custom-designed learning events for the country's cabinet, parliament, civil society, and private sector over a one year period to share best practices in governance and private sector development with 15 senior thinkers from all regions of the world. The event helped initiate a series of trade and governance reforms. A follow-up cabinet retreat on global experiences with citizen-based monitoring of service delivery helped instill an orientation toward results in government agencies, and attract foreign private investment.

**In Kenya** WBI takes a multifaceted approach of just-in-time interventions, institutional strengthening, and skills development.

- *Launched 21 rapid results teams* in five different government ministries to help “jump-start” Kenya’s economic recovery strategy, training more than 200 senior government officials to use the rapid results approach.
- *Trained more than 2,100 Kenyans* through WBI learning activities in 2004.
- *Began a multiyear program* to strengthen the Kenya Retirement Benefit Administration.

#### PROGRAMS WITH GLOBAL REACH

**WBI’s Governance Diagnostics** work supports national anti-corruption efforts. Governance indicators have been developed for 200 countries and used to devise good governance and anticorruption action plans in Albania, Bolivia, Colombia, Ghana, Honduras, Latvia, Paraguay, Peru, Romania, Sierra Leone, Slovakia, and Zambia. The approach combines empirical surveys with participatory action planning by public, private, and civil society representatives.

**WBI’s Knowledge for Development Program** addresses the economic opportunities and challenges of the recent knowledge revolution—a revolution characterized by rapid advances in information and communication technologies, biotechnology, materials engineering, and other fields. The K4D program helps build country capacity to access and use knowledge as a basis for enhancing competitiveness and increasing welfare. Studies have been completed for China, Korea, India, and for the Middle East and North Africa.

### 3. WE INCUBATE INNOVATION

**WBI pilots initiatives to reach new audiences** In the mid 1990s the Institute became a place to innovate and try out new ideas. *The Development Education Program* helped schoolchildren learn development concepts face to face and through the Internet; the *Development Forum* became the Bank's first web-based discussion facility; and the *Global Development Network* helped research institutions around the world share their knowledge resources electronically. These were later mainstreamed in the Bank or spun-off to become independent enterprises.

WBI pioneered new information and learning technologies through the *World Links for Development* for secondary and primary schools, and *The African Virtual University* which uses modern telecommunications to provide world class education and training for students and professionals in Africa; and the *Global Development Learning Network (GDLN)* which connects 74 distance learning centers in cities across the globe. GDLN members exchange knowledge worldwide through courses, seminars, and discussion of key development issues.

### 4. WE PRODUCE BEST-SELLERS

Some of the World Bank's best selling titles and classics in the development literature have been WBI-authored books including, *The Design of Development* by Jan Tinbergen, *Development Banks* by William Diamond, *Economic Analysis of Agricultural Projects* by J. Price Gittinger, *The Open Economy* by Rudiger Dornbusch and Leslie Helmers, *The Quality of Growth* by Vinod Thomas, and *The Right to Tell: The Role of Mass Media in Economic Development*, among others. These have been used in university courses and institutes all over the world.

## 5. WE HOUSE THE WBGSP AND MCNAMARA SCHOLARSHIPS

Since 1987, WBI has administered the World Bank's Joint Japan/Graduate Scholarship Program which has awarded more than 3,000 scholarships for graduate study on subjects related to economic development. The program partners with Harvard University, Columbia University, McGill University, Centre d'Etudes et de Recherches sur Le Développement International, the University of Tsukuba, Yokohama National University, and Keio University.

The Government of Japan has provided some 130 million dollars to the program to help create an international community of trained professionals in the field of development. Scholars are required to return home on completion of their studies to apply their knowledge and skills to the development of their regions and communities.

WBI also manages the Robert S. McNamara Fellowships Program which awards fellowships for full-time study or research in economic development at the postgraduate level. The program sponsors about 16 scholars a year and has granted 230 fellowships since 1982.

## 6. WBI DEVELOPS CAPACITY IN "FOCUS" COUNTRIES

WBI allocates 50 percent of its program budget (FY05) to developing the capacity of a number of focus countries selected in conjunction with the Bank's Regions. We carry out capacity needs assessments and design programs in close collaboration with the country team.

# FROM THE ECONOMIC DEVELOPMENT INSTITUTE (EDI) TO THE WORLD BANK INSTITUTE (WBI)

Established in July 1955 as the Economic Development Institute, WBI has been in existence for 50 years. It has gone through seven phases based on the capacity needs of developing countries and the World Bank's corporate priorities.

EVOLUTION OF THE ECONOMIC DEVELOPMENT INSTITUTE AT A GLANCE		
	1955	2005
TECHNOLOGY	Stencil Duplicators	Worldwide satellite 2-way TV
REACH	20 senior govern- ment officials per year in DC	78,500 participants per year worldwide throughout the devel- opment community
SUBJECT BREADTH	One general course on economic development	1,016 learning activities

# 1955–62

## PHASE 1: COURSES IN GENERAL DEVELOPMENT

Sir Alec Cairncross,  
1955–1957



One course per year  
in Washington, six  
months duration

Economic development  
theory and practice



Highly advanced training of senior officials



Michael Hoffman,  
1958–1962



20 participants trained

1962: First national course held in  
the Republic of Korea



Eugene Meyer mansion on  
Belmont Street Financed by  
the Rockefeller and Ford  
Foundations

PHASE 2: COURSES IN  
GENERAL PROJECTS, SECTORAL  
PROJECTS, AND NATIONAL  
ECONOMIC MANAGEMENT

1963–73



John Adler, 1962–1966

Broader-based technical  
training of project specialists

Cost-benefit analysis  
and planning  
and management  
skills based on  
the World Bank's  
experience



1964: First regional course, in India,  
duration six months; first course in Spanish

1963: First course  
in French



K.S. Krishnaswamy,  
1966–1972



1972: Divisions created: Agriculture,  
Industry, and Education

1973: Ten courses in Washington  
and ten abroad



# 1974–82

## PHASE 3: COURSES IN PROJECT ANALYSIS, NATIONAL ECONOMIC MANAGEMENT, AND DEVELOPMENT

Andrew Kamarck,  
1972–1977



1974: Project Analysis courses lasting twelve weeks and then shortened to eight



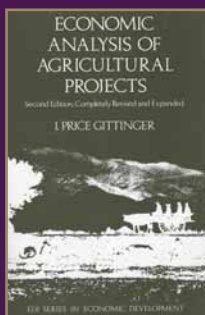
1974: Iberomeric languages division established

- Overseas courses exceeded courses in Washington

1975: EDI Review  
newsletter created



Ray Frost, 1977–1978



1978: Sectoral divisions  
expanded from three  
to five, adding National  
Economic Management and  
Infrastructure



Ajit Mozoomdar, 1979–1983

1982: First course in China

PHASE 4: SENIOR POLICY SEMINARS, SECTOR MANAGEMENT SEMINARS, AND TRAINING OF TRAINERS SEMINARS

1983–90

Christopher R. Willoughby,  
1983–1990



Wholesaling to wider audiences through training of trainers and partner institutions

Training materials, books, and case studies on policy analysis and political economy of reform



Robert S. McNamara  
Fellowships Program 



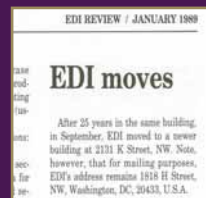
Policy analysis seminars on structural adjustment theory and experience

1983: 85 to 90 percent of courses held in developing countries

- Duration of seminars less than one week to three weeks; courses from four to six weeks
- Addition of Regional Coordination and Studies Divisions

1985: Focus on institutional development

1987: World Bank Graduate Scholarship Program



# 1990–94

PHASE 5: RETURN TO PROJECT ANALYSIS AND MANAGEMENT COURSES; PRIVATIZATION AND REFORM OF STATE-OWNED ENTERPRISES

Amnon Golan,  
1990–1994



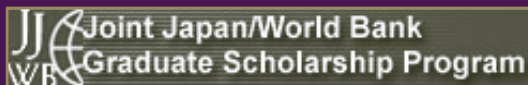
1990: Work in the Former Soviet Union (FSU) and Eastern Europe and China

1990: Courses on Market Economics

1992: Project Management courses for FSU and China



1992: Creation of Joint Vienna Institute for transition economies



Graduate Scholarship Program partners with universities



1994: EDI opens Moscow Office

PHASE 6: INVESTING IN PEOPLE  
AND IDEAS—EDI AS A CENTER FOR  
GLOBAL KNOWLEDGE AND LEARNING

# 1995–2001

Vinod Thomas, 1994–2001



New audiences: civil society leaders and opinion makers including journalists, teachers, parliamentarians, and youth



1998: Technology-based distance learning develops

- Television studios and satellite facilities set up in the bank and its overseas offices



1997: Global Knowledge Conference in Toronto marks the Bank's commitment to global knowledge sharing, and learning technologies

External Advisory Council guides EDI strategy



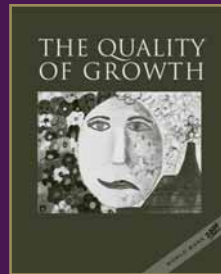
1999: EDI merges with the Bank's Staff Learning and Leadership Center to become the World Bank Institute

# 1995–2001

## PHASE 6: INVESTING IN PEOPLE AND IDEAS—EDI AS A CENTER FOR GLOBAL KNOWLEDGE AND LEARNING

2000: WBI becomes a World Bank Vice Presidency

- Global Development Learning Network launched
- Web-based knowledge networks connect development practitioners



### Innovations:

- The Development Education Program
- Development Forum online discussion facility
- Global Development Network for researchers
- Global Links video documentaries
- World Links for Development
- African Virtual University
- Knowledge for Development Program
- Governance Diagnostics and Anticorruption Program

PHASE 7: COUNTRY FOCUSED  
CAPACITY DEVELOPMENT

2002–05



Frannie A. Léautier,  
2001–Present

Capacity Development for individuals,  
organizations, and society

New strategy responds to country  
needs and Doha, Johannesburg,  
and Monterrey conferences

2003: Selection of 33 focus countries

- Country Capacity Needs Assessment
  - WBI consults and contributes to  
Country Assistance Strategies
  - Rapid Response capability to  
address country needs
    - Focus on results

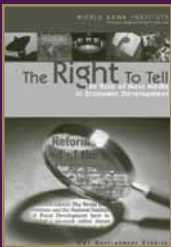
Closer alignment with  
Bank Operations

WBI becomes  
champion of  
“Knowledge Bank”



Long-term  
institution building

Shanghai Conference  
on Scaling up  
Poverty Reduction





# REFLECTIONS ON EDI-WBI





# MEMORIES OF THE BEGINNINGS OF EDI

*Excerpts from an unpublished paper by William Diamond  
April 30, 1999*

*William Diamond was one of EDI's four full-time staff in 1956.*

The three years I spent in EDI were one of the high points of my years at the Bank. One reason is that it was a tremendous learning experience for me. Nowhere else, I think, would it have been possible to pack in at that time so extensive an exposure to both cutting-edge thinking and on-the-ground experience. No less important was the fact that we were doing something for the first time, that had not been done before or elsewhere.

## THE PRACTICE OF DEVELOPMENT

Alec Cairncross, EDI's founder and first director, has called the first course an experiment. It was! Our team started from scratch, devising a curriculum, organizing courses, choosing related illustrative reading material, seeking to combine what was then known about economic development with what was then believed to be the main problems of "underdevelopment" (its pace!), and trying to do this in a learning community. It was being at the creation of something I considered important. I had the same feeling in opening EDI as I had 10 years before when I joined the staff of the Bank, just as it was getting started.

After five years EDI's exclusive concentration on General Development, which meant policy formulation and top-level economic management, was diluted by courses on sector programs and project formulation and appraisal. This shift in EDI's curriculum reflected the evolution of the Bank itself. The EDI also began to conduct courses in French and Spanish,

and began to sponsor or co-sponsor courses in the developing countries, in addition to those in Washington. In the 70s, training the trainers became the object of many courses. There were other shifts as well, often signaling the tighter integration of EDI into the Bank.

When EDI started up, *planning* was in the air. In one sense or another, including command planning, it was dominant in the thinking of many countries; and control of the *commanding heights* was the civic religion of some. In those first years, many participants came to EDI with the wish, if not the official mandate, to learn the secrets of planning and to bring a plan home. It was no accident that some of us, in those days, used to joke that every new country wants a plan, including a national steel mill, a national airline, and a national development bank.

This did not represent Alec's view of the World. In his inaugural address to the second course, he said:

When we drew up our first curriculum we were at some pains not to employ in it the word "planning" since we wanted to avoid misunderstanding, and few words are so productive of it.... Although we shall talk a great deal about planning, the course is still not intended as a training in planning but it is more adequately described as a review of economic policy for those whose task it is to frame and administer it.

Alec's personal message, which dominated the seminars in his time and was picked up, restated and re-enforced by his successors and in subsequent courses, was "get the prices right" and focus on "the market mechanism."

## EXCHANGING KNOWLEDGE, NOT PRESCRIBING

EDI's conceptual father was Paul Rosenstein-Rodin, one of the pioneers of economic development studies. Paul's memorandum of April 3, 1952 proposed the establishment of an Institute of Advanced Studies in Economic Development of Underdeveloped Countries.

Alec interviewed Bank staff, consulted professors, visited universities, met with various foundations, and spoke to the UN. The memo on Alec's interview with Dag Hammarskjold, the distinguished U.N. Secretary-General, reports that he appeared rather hostile to the idea of an economic development institute. He thought that the senior officials in underdeveloped countries, were likely at least to have some element of common sense, but that there was a serious danger that in an academic atmosphere even this advantage might be lost. He was rather doubtful whether economists had so much to say to these officials that it was desirable that they should leave their posts for long periods in order to come to be instructed by economists. He was also convinced that if they felt they were being taught they would not absorb much.... I explained to him in some detail what we had in mind and he agreed that, provided the institute was primarily an arrangement for the exchange of experience, it would certainly do a great deal of good.

Hammarskjold's thoughts were very much in line with Alec's own views. When he opened the first EDI course, Alec said its purpose was: not to aim at soaring generalities or universal formulae.... Our objective is to marry experience and analysis, using both as far as time and human capacity permit.

Thus Alec's EDI was to be a community of diverse participants from various countries with similar interests in the development of

their own countries who would learn together from each other more than they could learn from universities and from the World Bank staff. Yes, they would draw on the best the universities could offer in the field and on the experience of the World Bank to date, but EDI's task was to be primarily the facilitator of the exchange of their own experience with that of the Bank and the latest academic thought. The British Administrative Staff College at Henley was Alec's model.

#### A TWO-WAY EXCHANGE WITH THE BANK

It was important in Alec's scheme, as he laid out in his report, that EDI would benefit the Bank itself. Easy access to senior officials of borrowing countries, not concerned with day-to-day pressures or pushing particular projects, would provide an opportunity for objective and thoughtful discussion. More importantly, participation in EDI seminars would force Bank operational staff to reflect on what they had done and were doing, and give them the time to articulate their experience in papers or articles.

#### GETTING STARTED IN 1955

Alec's was granted leave from Glasgow for only 18 months, from July 1, 1955. His first task was to pick a staff. He chose two Bank staff members to work with him full time: John Adler and me. Alec, John and I were the only full-time teaching staff in that first year, but there were others to supplement us, in due course.

We set up shop on one floor of the apartment house on the corner of 18th and G streets, which was destroyed later to construct the D Building and is now the southeast corner of

the Main Complex. Eventually a private house was found and rented at 1620 Belmont Street. Once owned by Eugene Meyer, the Bank's first President, it was in 1955 a rooming house.

#### THE FIRST COURSE CURRICULUM

Alec and John led courses on subjects they were entirely comfortable with. I picked up much of the rest. The teaching staff did not carry the full burden of teaching; we made substantial use of others, Bank staff members and outsiders.

- The Meaning and Measurement of Development
- Market Mechanisms and Administrative Controls
- The Manufacturing Sector and the Power and Transport Sectors
- The Economics of Development
- Fiscal Policy
- The Preparation of a Development Program and Social Welfare (education, health, rural and urban community development, and housing)
- Monetary Policy (Narayan Prasad, India's ED in the IMF)
- Trade Policy (Ragnar Nurske of Columbia University)
- Historical Illustrations (industrial revolution in England, the U.S., Japan and the evolution of underdeveloped countries as of 1956)
- Problems of Administration
- The Agricultural Sector
- Investment and Financial Organization (origins and *raison d'être* of development banks)

We left Washington from time to time for both relief and education: to the Safeway Distributing Center in Landover, to the Bethlehem Steel Works, the Stock Exchange, and other institutions.

## TRAINING MATERIALS

A few days before each seminar, we gave the participants an outline of the issues to be discussed and a list of readings, some required and some additional. The readings might consist of a chapter or chapters of a book, of the book itself, copies of which were available in the EDI library, copies of articles from journals and copies of Bank technical and economic reports. Reading some or all of the items listed was assumed in preparation for the seminar to come.

## THE FIRST ADVISORY GROUP

A few months before EDI started up, Alec appointed a small Universities Advisory Committee. Two members later became Nobel Laureates (Simon Kuznets and Ted Schultz). The other five members were not less well known at the time: Ed Mason, Max Millikan, W.A. Mackintosh of Queen's College and Robert Triffin of Yale, all of them in due course came to EDI to speak to participant gatherings or to conduct seminars. Later, two more Nobel Laureates came (Jan Tinbergen and Sir Arthur Lewis whose *Theory of Economic Development* became an EDI textbook). Among a number of distinguished evening speakers was Margaret Mead the renowned anthropologist who spoke on the role of women in development.

## THE PARTICIPANTS: HOW DID THEY FARE?

They were a mixed bag at the start, and I guess later, too. Some of them sank quickly from sight. Others went on to eminent careers in their countries and beyond.

In his report to the Executive Directors at the end of EDI's first course, Alec wrote that, despite the discomfort and pressure,

the participants were unanimous that the course had served a useful purpose and should continue. He thought they had gone home wiser than when they had arrived. Looking back now, after more than 40 years, I'd like to think that, in accordance with the Hippocratic oath (an oath which I commend to all Bank personnel), we did them no harm. And it's possible that their stay at EDI enhanced whatever potential they had. I'd settle for that. And, if they learned as much from the courses as I did, that would be even better.



## FRANNIE A. LÉAUTIER WBI VICE PRESIDENT, 2001–PRESENT



In the past three years I have seen WBI take on the challenge of getting better results at the country level, reaching more people to create a critical mass for change at the country and global level on important issues such as HIV/AIDS, environment and governance, and experiment with new tools and methods of learning. We have launched a country-focused strategy in 33 countries and we now reach nearly 80,000 people thanks largely to the information technologies and increasing membership in the Global Development Learning Network, now working out of 71 centers worldwide. Our capacity building products have also diversified to meet the needs of client countries: their people, institutions, and societal needs.

### A COUNTRY-FOCUSED APPROACH

WBI's country-focused strategy which was launched in 2002 has prompted a transition from individual training as our primary focus to the design and delivery of products and services for long-term institutional capacity development. Seeking to align our work program with the World Bank's operational priorities has ensured that we address our clients' development priorities head-on in 33 countries with the intention to scale up this way of working to more countries in the coming years.

WBI's country-focused strategy is not just about *where* we do business, but also about *how*. It is about customizing content to meet specific national needs and priorities and designing programs with long-term institution building in mind. We know that development efforts are unlikely to succeed without real country ownership and the capacity to absorb investments in infrastructure and human development. While we are not quite there yet,

we have made significant inroads and early results indicate that this was the right strategy to follow.

At the same time, to increase our reach and to continue to deliver successful mass products to select clients, we have been working usually through partners, trust funds, and donors, using information technologies, mass media, and other knowledge-sharing instruments innovatively. We are increasing our effectiveness by focusing on results and on efficient use of resources.

CONTRIBUTING TO THE DEVELOPMENT KNOWLEDGE BASE  
Capacity development is a complex process that varies not only by country, but also by sector and even by institution. When WBI shifted its strategy to be more responsive to country needs, we had to develop ways of identifying each country's capacity needs and articulating a coherent program to address them. We now have tools and approaches for responding to distinct situations and socioeconomic requirements, some of these tools are being used as pilots in specific countries—such as the work we are doing in Lao PDR to embed a capacity building strategy within a results-based framework. Others are under evaluation, such as the Madagascar leadership development retreats, the results of which would enhance their further development and use in other countries.

#### NEW TOOLS AND METHODS

The Institute is also contributing to the capacity development knowledge base by designing and implementing new diagnostic instruments to assess countries' capacity development needs. These include refining the governance diagnostics to cover not

only countries but also cities and enhancing the Knowledge Assessment Methodology to be flexible for “what if” scenario planning. We have also developed new capacity building interventions such as rapid results initiatives which should bear fruit in the medium term. We plan to issue a Governance Report and a Knowledge Economy Report, which along with the collection of good practice cases, would contribute to furthering intellectual contributions, and will help shape our field for years to come—within the World Bank and throughout the development community.

The importance of strong institutions for development is increasingly evident. Under strategic partnerships with capacity building institutions in countries, WBI works with learning institutions to enable them eventually to substitute for WBI in their region, country, or area of expertise. We also work with service delivery institutions to identify their main capacity constraints. We then provide or broker needed training and other capacity building activities. This combines institutional strengthening with individual training, thereby reinforcing the effectiveness of knowledge transfer.

#### GLOBAL PROGRAMS, LOCAL IMPACT

We know that good governance is a fundamental requirement for successful development. WBI’s anticorruption and governance program, which helps countries diagnose governance issues and develop action plans to address those issues has generated Governance Indicators for 200 countries and has completed 7 country governance diagnostics. The indicators are a much-consulted resource for good-government projects around the world.

Our web-based interactive Knowledge Assessment Methodology (KAM) is used by clients to benchmark their preparedness to make effective use of knowledge for economic and social development. In this manner, clients can benchmark themselves globally, but seek customized solutions to dealing with the main constraints to their capability to tap into the service economy; be it innovation systems, tertiary education, or infrastructure bottlenecks.

#### LOOKING FORWARD

As we approach the MDG target date of 2015, the Bank and its partners will have to apply to capacity development (investment in people, their institutions, and their societies) the same rigorous approaches that they have applied to investments in physical infrastructure. To this end, we are working closely with both the public and private sectors including donors, other multilateral investment banks, the OECD Development Assistance Committee, and our clients to set a course for scaling up to higher levels of reach and impact. We need to create opportunities for experimentation and learning, keeping in mind that capacity for development cannot be built overnight. Only sustained long-term programs and systemic approaches will achieve lasting results.

In the coming fiscal year WBI will align itself even more closely with the World Bank's country operations and corporate priorities to identify more innovative ways of leveraging the World Bank's convening and influencing role, seeking to reach greater numbers of key decision-makers and to ensure a long-term commitment to developing capacity for sustainable and measurable results. This means working with client countries to make sure that our objectives are aligned with theirs, and to develop more rigorous

tools for tracking progress. And at the same time, these results and outcomes which will be measured, will have to be communicated to citizens within countries and internationally. We need to be able to demonstrate the impact of our financial investments on capacity, and of capacity on the effectiveness of financial transfers. This requires a culture of accountability—our accountability and that of other development partners.

#### THE SPIRIT OF SHANGHAI

The road to Shanghai began with a single question “*How do countries achieve poverty reduction results on a large scale?*”

The learning process that took place before and at the Shanghai Conference provided insights into what works, what doesn't, and why. While we are a long way from attaining the MDGs, the 103 case studies developed for the learning process carried a hopeful message that successful poverty reduction programs are being scaled up to benefit millions of the world's poor.

To sustain the momentum of Shanghai and to leverage the extensive and high-quality content that resulted from the conference and learning process, WBI is exploring ideas that build on key lessons learned.

The experiences discussed were grounded in practice and rooted in the experience of development practitioners. There was no preconceived notion of the right formula for getting to scale, although the work was guided by a broad conceptual framework that highlights certain factors, such as political leadership and commitment, a culture of experimentation and learning, institutional change, and a supportive external environment.

We saw proof that the development process can be advanced by bringing together practitioners to learn from each other and to build on each other's successes. El Salvador's EDUCO education program has its spin-offs in Nicaragua and Honduras; Mexico's cash transfer program was later adapted in Brazil; and the original microfinance successes inspired adaptation and innovation worldwide. The Global Learning Process has shown that ideas travel and that scaling up is possible. When practitioners learn directly from each other, we can speed up the effort to achieve poverty reduction at scale.

## VINOD THOMAS WBI VICE PRESIDENT, 1994–2001



The 1990s saw far reaching changes in the world. Among them were the remarkable growth of the two biggest countries, China and India, the dramatic transitions in Europe and Central Asia, the financial crises in the emerging markets, and the human toll of AIDS. The World Bank too changed during this period, coming closer to the country problems and the clients, and above all, sharpening the focus on poverty reduction as the overarching goal. With this, the recognition also grew that the implementation of country solutions to problems hinged on country capacity and that the Bank could be more helpful in fostering this capacity.

### CONTRIBUTING TO THE BANK'S AGENDA

WBI too underwent changes during this time. I was in charge, first of EDI during 1994 to 1997, and then of WBI through 2001. In its transformation from EDI to WBI, the Institute's most defining change was to go from the provider of particular training courses to becoming the arm of the World Bank for facilitating learning and capacity building in countries. The new name signified the effort to make the Institute a more integral part of the Bank, leveraging everything else the Bank does.

Most striking was that the relatively isolated EDI became a potentially more central contributor to the agenda of the Bank. This would not only make the Institute's work more relevant, but by the same token, it would also raise the stakes and increase its responsibility for staying on the cutting edge. Thus, despite-or rather, because of-the achievements of the 1990s, the challenges WBI confronted when I left in 2001 were greater by an order of magnitude than when I started in 1994.

The transformation of the Institute benefited from an Advisory Council and client focus groups. Their feedback led to the forming of five sectoral thematic groups to design and deliver learning programs. As quality improved in these sectors and themes, they served as building blocks for the future. This led to the Institute receiving a one third budget increase endorsement by the President as well as support from the Bank's strategic compact. To this day, WBI's External Advisory Council has played a key role in the rapid evolution of the Institute.

#### EDI BECOMES WBI

The first Global Knowledge conference in Toronto in 1997 signaled the Institute's shift to the use of technology and new forms of knowledge dissemination and exchange within the learning programs. The establishment of an evaluation unit and coordinators for each of the regions in 1998 marked an effort to ensure the relevance of the programs and their quality and impact. With greater integration with the World Bank, EDI and the Bank's Learning and Leadership Center merged in 1999, and the Institute was renamed the World Bank Institute.

By the end of 1999, the Institute was designing and delivering a set of well-defined products: core courses, policy services, and knowledge networks, increasingly reaching broader audiences through the use of new technologies. In view of its expanded role, WBI became a Vice Presidency in 2000. The most significant shift from then on concerned the establishment of the Global Development Learning Network which has helped extend the Institute's reach significantly. The placement of the knowledge sharing function in WBI further strengthened the link between learning and knowledge.

## ALIGNMENT WITH OPERATIONS

The changes over the years have been made to achieve greater focus and impact. But the challenges would be to stay the course. How could we realign the entire program far more closely with the World Bank's and countries' priorities? WBI was making the shift from sectoral, and often self-standing, courses to cross sectoral, thematic programs that are much more directly related to policies, actions, and results on the ground. In this process, the Institute began to deliver 15 well-defined thematic programs jointly with the Bank's Regions and Networks. But the fullest impact from this cross-cutting, team-based, thematic approach had yet to be achieved.

Another challenge was in placing WBI programs within the country strategies. Learning programs began to be closely aligned with country strategies in a number of cases such as Ghana, Pakistan, Russia, and Vietnam. But WBI's size and coverage were far too limited to include more countries. And even where the effort had started, much more needed to be done to work with country teams, providing examples, support, and leveraging.

For me, the time in WBI was a once-in-a-lifetime opportunity to learn with clients about the issues of greatest urgency. It was also a unique chance to work closely with a wonderful group of dedicated staff. The changes at the Institute could not have been effective without the close interaction between the clients and our committed staff. I was fortunate to enjoy both these dimensions.

WBI has come a long way in becoming the arm of the World Bank to help strengthen capacity in countries. It has a great deal to

offer to our clients and in making Bank assistance that much more useful. As country problems evolve and as the Bank repositions itself in response, WBI too faces new challenges. I wish the Institute, its leadership, and staff the very best in addressing these challenges and in taking the Institute to the next level.

## AMNON GOLAN EDI DIRECTOR, 1990–1994



I came to EDI in 1990, and was here for slightly over four years. Probably, the most memorable thing for me was the people I worked with in EDI. Some of them are still lasting friendships, and the bosses that I had. Starting with Stanley Fisher, who was the VP responsible for EDI when I arrived, Larry Summers after him, and Michael Bruno. So I was fortunate to have worked with three very eminent economists but also outstanding people.

### EDI IN THE FORMER SOVIET UNION AND EASTERN EUROPE

As far as activities in EDI, I am not sure I could say which is the most important. But I'll mention a few. First and foremost were our activities in Eastern Europe and former Soviet Union. I've always had a fascination for that part of the world. And the whole idea of economies in transition was fascinating. So the ability to work in Eastern Europe and subsequently in the former Soviet Union was really one of the highlights. That led to the creation of the Joint Vienna Institute and to the opening of training centers in Moscow, Tashkent, Kiev, and Prague.

### MASTER'S DEGREE SCHOLARSHIPS

One of the most significant accomplishments was the establishment of the master's degree program in economic development for officials from developing countries under the World Bank Graduate Scholarships Program, and then combining it with summer internships at the World Bank. By the time I left there were five universities that sponsored these programs. I've spoken with graduates over the years, and they always say that one of the really major event in their lives is that program.

## NEW AUDIENCES

Another important shift was the move away from government officials to training public sector enterprise managers, bankers, and others. This was a major breakthrough.

And the first time that we worked with parliamentarians was in Ukraine where we had a training program on the whole privatization process, trying to convince them that it is not such a bad idea. That was the first time that we worked with people outside the executive branch of government. That led to similar programs in Africa and other parts of the world. It was also in Eastern Europe that we held our first workshop for journalists who might report on economic development. And we found that they were very biased, largely because they did not understand the process, and we felt that if we could conduct programs to try and explain to them what market economy is all about, the reporting would improve and the bias against the government's reforms would diminish. And again, we took it to other parts of the world, and it has subsequently become an important part of EDI and WBI.

## RETURN TO PROJECT IMPLEMENTATION

We can help governments prepare projects, but it's very difficult for Bank staff to help implement them. And that's why we began training people in project management. We definitely succeeded with resurrecting project management. But there are only so many people you can train. The emphasis was on training of trainers, identifying partner institutions, universities, academies, training their trainers, and letting them do the training, with us providing training materials and guest speakers. Project management was very popular in China and Russia. The idea was to identify areas where training people would help the Bank. So, for example,

in countries where we were starting to do banking operations for the first time, we would organize a training program in risk assessment for bank officers.

#### JOINT VIENNA INSTITUTE

Another accomplishment was the establishment of the Joint Vienna Institute. It was the first time that five international organizations got together and collaborated on something fairly successfully. It took a lot of hard work to put it together because there was reluctance on the part of the senior managers in the Bank to go along with the idea. But we managed to find a way to get the Bank involved without making direct financial contributions by saying: we will do the pre-training of participants because that fit very well with our mandate.

#### COUNTRY CAPACITY NEEDS

Capacity building is a big, big question. Based on the work I do now for the Quality Assurance Group here in the Bank, the greatest need in developing countries today is in policy formulation, and the ability to design and formulate national programs, whether it is in economics, in transportation or in energy, and so forth, which is something that you really won't get at university, and something that goes far beyond pure project training.

## CHRISTOPHER WILLOUGHBY EDI DIRECTOR, 1983–1990



### EDI IN THE 1980S

It is good indeed to hear that the World Bank Institute is celebrating already its fiftieth anniversary—and without anybody even dreaming of applying the ‘fifty years is enough’ mantra that became so popular in some quarters a few years ago when the Bank itself reached fifty years of age.

Since the 1980s are already pretty historic—and not much more than the half-way mark in the Institute’s life to date—it may be interesting briefly to recollect the issues that most preoccupied us in that period.

### THE INSTITUTE’S ROLE WITHIN THE BANK

Always the most important issue for an institution with a unique outreach function from a large operating organization like the World Bank was whether we were successfully identifying those things in the Bank’s experience that could contribute most to capacity building in the developing countries. Measures considered important to help ensure this were the placement of the Institute within the Bank’s organizational structure, rotation of staff between the Institute and Bank operating departments, and the participation of the latter in the Institute’s planning and programming. There was a widespread feeling in the early 1980s that the Institute had become somewhat isolated from the rest of the Bank. To repair this, it was placed in 1983 alongside all the Bank’s main policy departments (sectoral and country economics) as an integral part of the so-called Central Policy Staff, and a largely new team of outstanding staff coming direct from operations was recruited to fill the Division Chief posts. They in turn recruited other new staff members, sometimes from within the Bank but equally often, to secure the quality desired for particular roles, from outside the organization and especially from the developing countries. Particularly in 1983 and 1984

much attention was also given to direct involvement of the Bank's Regions (especially Africa) in the programming of EDI activities. The procedures developed may well have been too elaborate, in that they fell away in following years, but they made an important contribution to the overall shift of EDI's programme from an emphasis on design, analysis and management of traditional projects in the various sectors to much greater focus on the sectoral and macroeconomic policies that guide countries' development.

#### POLICY REFORM AND ECONOMIC MANAGEMENT

The issue on which probably the second greatest amount of thought was lavished was, once having decided the subjects to try to cover, the design of activities to deal with them most effectively. It has to be remembered that the epoch was one of great optimism about what could be accomplished by so-called "structural adjustment". Particular attention was given to the design of initial High-Level Policy Seminars, addressed to teams from four or five countries, usually including at least one Government Minister or other highly placed official from each country, and lasting 3–5 days rather than following EDI's traditional multi-week course format. Such policy seminars were organized, especially for African countries, on macroeconomic issues and also for individual sectors. Over time there emerged a certain structure to some of the programmes, seeking to back up the Policy Seminars with longer policy analysis courses (of perhaps 2–3 weeks) addressed to teams of younger officials who would be preparing the papers and the policy drafts that those who had participated in the high-level policy seminars would be using as the basis of their decision-making. Project-focused courses were much reduced in number compared with earlier times but also contributed to the new structure, by emphasizing the role that projects could play in advancing implementation of policy reforms. The aim

was therefore to create a structure of mutually reinforcing activities, not in order to promote particular reforms or reform-designs, but to develop national capacities and practices for identifying key problems, analyzing possible solutions, and designing a course of action responsive to local realities. The small efforts that we started at more serious evaluation of EDI work tried to examine impact from this perspective.

#### TRAINING OF TRAINERS AND PARTNERSHIPS IN AFRICA & CHINA

Decentralization, and build-up of capacities within member countries for delivery of training in economic management, was a third important issue in the 1980s. High-Level Policy Seminars and other new courses were usually first tried out in Washington, but there was much greater emphasis than in the past on diffusion of activities to the countries, with an eye to supporting local training institutions as well as to saving on participant costs (which continued in this period to be very largely paid by EDI). Courses addressed to trainers were also organized more frequently than previously. Strong partnerships were developed with a variety of training institutions, both macroeconomic and sectoral, in China, and with a number of management and central bank institutes in Africa. One dimension of both initiatives was to try to encourage exchange of experience among the participating institutes on the design and delivery of mid-career training aimed at improving countries' management of their economies. An important support to the decentralization and diffusion objectives was intended to be real progress on an aspiration EDI had long held but had had much difficulty in delivering: a substantial publications programme. I believe it is true to say that by the end of the 1980s EDI did for the first time have a quite significant publications programme in operation—with appropriate acknowledgement due to

the contributions of desk-top publishing as well as to recruitment of very high-quality authors.

#### LEVERAGING PARTNERSHIPS

A last issue which might be less agreeable to refer to were it not for one entirely unexpected outcome was the constant struggle for resources from outside the Bank to support a strongly expanding programme. After the first year or two of the 1983 reform, Bank budgetary stringencies caused its financial support to fall short of the recommendations which underlay the reform initiative. The only solution was to seek substantial expansion of the small collaborations which the Institute had already begun to develop with other aid agencies and OECD country training institutions. Important collaborations were developed, for instance, with IDS in Sussex and CERDI in Clermont Ferrand, to develop, and gradually transfer to Africa, flagship courses of EDI type for economic policy analysts. Several bilateral aid agencies gave increasingly important support for sector initiatives in which they had particular interest. Rising collaboration along these lines with Japan, and some Japanese training institutions, led on to a wholly new initiative, originated entirely by the Government of Japan, to offer scholarships on a completely open competitive basis for mid-career graduate studies. Thus was born what became known as the Joint Japan World Bank Graduate Scholarship Programme.

As in all endeavours there were successes and there were failures, there was over-optimism and there was probably undue conservatism. Only those now familiar with the Institute's greatly expanded role can tell which initiatives may have started something that turned out useful, which may have only bequeathed problems, and which should have been taken but weren't.

## AJIT MOZOOMDAR

EDI DIRECTOR, 1979–1983



I am very happy to learn that the Bank intends to mark the 50th Anniversary of the establishment of EDI (now WBI) with a special celebration on March 10. I have always felt that EDI was under-appreciated within the Bank. But its prestige has been high among the Bank's developing member-countries. Possibly it is the only part of the Bank family the value of whose assistance has never been questioned.

### MR. MCNAMARA'S BANK

When I joined as director of EDI in 1979 the Bank was "Mr. McNamara's Bank." He directed it with the help of two very capable men: Ernie Stern and the late Hollis Chenery. Over the years, before and after Mr. McNamara, EDI has enjoyed a remarkably stable existence, its autonomy surviving the periodic changes in management structure and philosophy that have marked the Bank's history. EDI was fortunate in having as its first director Sir Alec Cairncross, the distinguished Economic Advisor to the British Treasury. I came into the Bank with a somewhat similar background, having served the Indian government as permanent secretary in the ministries of finance and planning, and briefly as India's executive director for the Asian Development Bank. I may have been the last director of EDI/WBI to be recruited from outside the Bank.

### BROADENING AUDIENCES

It was during my tenure as director that the focus of EDI's training efforts was widened beyond developing the skills of administrators and technocrats of member countries in project appraisal and sectoral analysis directly related to Bank lending. Short-term courses and seminars aimed at examining development policy choices were devised for more senior officials. This

approach was extended, after my time at EDI, to discussions of macroeconomic issues and problems of governance.

#### NETWORKING WITH TRAINING INSTITUTES

I would claim some credit also for extending the influence of EDI by developing more collaborative arrangements with regional and national research and training institutes (with necessary capabilities) to run training courses outside Washington. This networking was more cost-effective than expanding EDI itself.

#### FIRST IN CHINA

When China decided to join the Bank, the first organ at the Bank with which it had any formal dealings was EDI. This was on my watch. We framed a number of special courses for the Chinese economic officials who came to Washington. Then collaborative arrangement with institutions in Beijing and Shanghai (where I participated) greatly increased the number of Chinese officials who could have access to the Bank's thinking and to Western techniques of investment appraisal and enterprise management.

Let me take this opportunity to extend to WBI my warmest regards on this great occasion, and to wish you much success in the years ahead.

## ANDREW KAMARCK EDI DIRECTOR, 1972–1977



As is evident from my mini-CV, I had a rich, varied experience internationally and in the Bank when Bank President McNamara appointed me as Director of EDI for my last assignment in the Bank. Cairncross and Hoffman, the first two directors had established EDI as a valuable organization for training senior government civil servant leaders in the down-to-earth six-months General Development Course.

John Adler then ventured into adding a general projects course on identification, preparation, appraisal, and implementation of projects and then specific courses in the industrial and agricultural sectors.

When I became Director, I made a thorough review of EDI's work. In the six-months' General Development Course, still the main activity, the number of quality applicants was definitively decreasing. On the other hand, the demand for Projects Courses was intense and growing.

Consequently, we drastically revised the General Development Course shortening its length and sharpening its focus into a new course on National Economic Management.

We put the main emphasis on Projects Courses. We eliminated the General Projects Course. It had become clear that training had to be focused on the particular problems, strengths and weaknesses of specific sectors. Each year we added more sectors. By the end of my term, the EDI was giving courses in Agro-Industrial Projects, Development Banking, Highway Projects, Industrial Projects, Managing Urban Growth, Rural Development, Rural Credit, Water Supply and Wastewater Disposal. Most of these were in English with some in Spanish or French.

The curriculum of each course was worked out in close cooperation with the pertinent Projects Department and the department helped select the participants. And, of course, the projects department people helped teach and socialized with their participants.

This whole approach was effective in helping develop capable economic and technical management in key institutions.

There turned out to be a major drawback to our program. The effective demand rocketed. To avoid an exponential expansion in EDI activity, I proposed instead a major reorientation. Bank President McNamara approved and, after consideration by the Executive Directors, it became EDI policy. This was: EDI would concentrate on trying to build training capacity in the developing countries to meet their needs. As McNamara explained to the Executive Directors:

*"We will never be able to expand our capacity to the point of meeting the demand. But I think over a reasonable time we ought to be able to meet the demand for training the trainers, and that's the heart of this approach."*

Under the new approach, the EDI in Washington would be the laboratory to develop new courses, to prepare and test new teaching materials and methods tested, and to run courses to train trainers. The EDI would also help training institutions run courses in their own countries.

We made a substantial start on this new orientation during my term as Director. We published several books useful for training (for example, *Economic Analysis of Agricultural Projects, and Compounding and Discounting Tables*). EDI gave 12 courses in the last year of my

predecessor. We had increased this to a grand total of 31 courses in my last year: 11 in Washington and 20 overseas. EDI helped member-country institutions run courses: in Algeria, Bangladesh, Brazil (2 regional courses), Egypt, India, Indonesia (2 courses), Ivory Coast, Japan, Kuwait (regional course), Malaysia (2 regional courses), Pakistan, Peru (regional course), Romania (2 courses), Sudan (2 courses), and Zaire.

EDI's initial course had 14 participants. It took 14 years to train the first thousand. By the end of my term, this total was being matched each year in courses run or cosponsored by the EDI in Washington and in member countries around the world.

I was also proud at the end of my term that in continuing the heritage of my predecessors, governments had acquired great confidence in the EDI. Some new members asked for EDI courses before asking for loans. And, Saudi Arabia and Iraq actually asked for EDI help while refusing any contact with the country and projects departments of the Bank!

I have not had any close relationship with EDI, now WBI, for a number of years. But it's obvious that the World Bank Institute makes a major contribution to the work of the Bank.

Congratulations to the leadership and staff and my best wishes for the continued success of this great institution!



# WORLD BANK INSTITUTE

Promoting knowledge and learning for a better world

*"...I sometimes think that the gamble we took in establishing EDI was one of the best things we did to help our member countries over the long run.... When I went up to EDI, I always learned a lot from talking with the participants. We learned from them, and maybe they learned something from us, and I hope that's the way it still is."*

EUGENE R. BLACK

WORLD BANK PRESIDENT, 1949–1959,

ON THE OCCASION OF EDI'S 20TH ANNIVERSARY IN 1976



The World Bank  
1818 H Street, NW  
Washington, DC 20433  
USA

March 10, 2005