

THE WORLD BANK OPERATIONS EVALUATION  
DEPARTMENT



## **The Global Integrated Pest Management Facility**

### **Addressing Challenges of Globalization: An Independent Evaluation of the World Bank's Approach to Global Programs**

#### **Case Study**

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## Abbreviations and Acronyms

AKIS	Agriculture Knowledge and Information Systems
BP	Best practice
CABI	CAB International
CAS	Country Assistance Strategy (World Bank)
CGIAR	Consultative Group on International Agricultural Research
CICP	Consortium for International Crop Protection (CGIAR)
CODE	Committee on Development Effectiveness
DEC	World Bank Development Research Group
FAO	United Nations Food and Agriculture Organization
FFS	Farmer field school
GIF	Global IPM Facility
GP	Good practice
GTZ	Deutsch Gesellschaft fur Technische Zusammenarbeit GmbH
IBRD	International Bank for Reconstruction and Development
ILO	United Nations International Labor Organization
IOMC	Inter-organization Program for the Sound Management of Chemicals
IPM	Integrated pest management
IPPM	Integrated production and pest management
MTR	Mid-Term review
NGO	Non-governmental organization
OD	Operational Directive
OED	Operations Evaluation Department
OP	Operational Policy
OPN	Operational Policy Note
PEEM	Panel of Experts on Environmental Management for Vector Control
PAN	Pesticide Action Network
PANNA	Pesticide Action Network North America
PMP	Pest Management Plan
POPs	Persistent Organic Pollutants
QACU	Quality Assurance and Compliance Unit
SP-IPM	Systemwide Programme on Integrated Pest Management (CGIAR)
STAC	Scientific and Technical Advisory Committee
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
VPU	Vice Presidential Unit
WHO	United Nations World Health Organization



## Table of Contents

Abbreviations and Acronyms .....	i
Table of Contents .....	iii
Acknowledgements .....	v
Preface.....	vii
Executive Summary .....	ix
<b>1. Introduction and Context: Global Challenges in the Sector.....</b>	<b>1</b>
<i>Linking Health, Environment, and Sustainable Livelihoods .....</i>	<i>1</i>
<i>The Road to International Consensus.....</i>	<i>1</i>
<i>Defining Integrated Pest Management .....</i>	<i>2</i>
<i>Global Health Concerns Impact Trade Policy Decisions.....</i>	<i>3</i>
<i>Lack of Uniform Assessment Indicators Impede Large Scale Adoption of IPM.....</i>	<i>4</i>
<b>2. Program Alignment with Global Challenges and Bank Priorities.....</b>	<b>4</b>
<i>Bank Support Catalyzed the Establishment of the Global IPM Facility .....</i>	<i>4</i>
<i>Goals, Objectives, Strategies, and Priority Activities.....</i>	<i>5</i>
<b>3. Outcomes, Results, and Sustainability .....</b>	<b>7</b>
<i>Achievement of Stated Objectives .....</i>	<i>7</i>
Activity No. 1: Institutional Assistance to the World Bank .....	8
Activity No. 2: Production of Global Public Goods .....	9
Activity No. 3: Creating Conditions for Effective National Investment ...	10
<i>Impact Evaluation of IPM.....</i>	<i>12</i>
World Bank Research .....	12
Impact Evaluation of the Farmer Field School Approach .....	12
<i>OED Assessments of Bank Projects in Indonesia and Vietnam.....</i>	<i>14</i>
<i>Global Program Monitoring and Evaluation .....</i>	<i>14</i>
The Program’s Mid-Term Review .....	15
<b>4. Governance and Financing .....</b>	<b>17</b>
<i>Program Fairness, Accountability, and Transparency.....</i>	<i>19</i>
<i>Financing of the Program.....</i>	<i>20</i>
<b>5. Fostering a Results-Based Partnership.....</b>	<b>21</b>

<i>Overview of the Role of Partnership in Program Implementation</i> .....	21
<i>Partnership with Designated Collaborators</i> .....	21
<i>Partnership with the Private Sector</i> .....	22
<i>Partnership With Global IPM Networks</i> .....	24
<i>The Gender Dimension</i> .....	25
<i>The Integral Role of Science</i> .....	25
<b>6. Bank Performance</b> .....	<b>25</b>
<i>World Bank’s Catalytic Role</i> .....	25
<i>Program Linkages to the Bank’s Agricultural Operations</i> .....	25
Operational Policy 4.09 .....	26
<i>Exit Strategy</i> .....	27
<i>Risks and Risk Management</i> .....	27
Institutional Risk.....	27
Associated Risk.....	28
<b>7. Lessons</b> .....	<b>29</b>
<b>Bibliography</b> .....	<b>31</b>
<b>Annex A. Evaluation Framework for The World Bank’s Approach to Global Programs: An Independent Evaluation – Phase 2</b> .....	<b>37</b>
<b>Annex B. World Bank’s Disengagement from the Global IPM Facility</b> .....	<b>46</b>

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## Preface

At the request of the World Bank's Executive Board, the Bank's Operations Evaluation Department (OED) has been conducting an evaluation of the Bank's involvement in global programs. The Phase 1 Report titled *The World Bank's Approach to Global Programs* focused on the strategic and programmatic management of the Bank's global portfolio of 70 programs in five Bank Networks (a cluster of closely related sectors) and was presented to the Committee on Development Effectiveness (CODE) on June 12, 2002. This case study is one of 26 and derives additional lessons for the Bank's strategic and programmatic management of global programs as well as lessons for the design and management of individual programs.

Each case study follows a common outline and address four major evaluation issues, which correspond to the four major sections of each report:

- The overarching global relevance of the various global programs
- Outcomes and impacts of the programs and their sustainability
- Organization, management, and financing of the programs
- The World Bank's performance as a partner in the programs

These four issues correspond to OED's evaluation criteria of relevance, efficacy, efficiency, and Bank performance, appropriately interpreted and expanded for the case of global programs.

Each case study also addresses 20 evaluation questions related to these four evaluation issues (Annex A, Table A.1) that have been derived from OED's standard evaluation criteria (Table A.2), the 14 eligibility and approval criteria for global programs that have been endorsed by the Development Committee and established by Bank Management (Table A.3), and the 8 eligibility criteria for grant support from the Bank's Development Grant Facility (Table A.4). Twenty out of the 26 case study programs and about two-thirds of the Bank's total portfolio of 70 global programs have received DGF grants.

Global programs are defined as "partnerships and related initiatives whose benefits are intended to cut across more than one region of the world and in which the partners (1) reach explicit agreements on objectives, (2) agree to establish a new (formal or informal) organization, (3) generate new products or services, and (4) contribute dedicated resources to the program." (OED, *The World Bank's Approach to Global Programs: Phase 1 Report*).

This case study assesses the value added by the Bank's participation in the Global IPM Facility with a view to learning lessons for the Bank's future involvement in global programs. This is not a programmatic evaluation of the Global IPM Facility, nor a substitute for a thorough external independent evaluation. Several studies using new survey data detailing the substantial health and ecological benefits of IPM have emerged that contend that IPM does not result in a loss in production. Yet the debate continues about the most cost-effective and fiscally sustainable approach to extending knowledge about IPM practices to farmers. This study reviews some of this recent literature on IPM, but arrives at the same conclusion as that arrived by the Review of the CGIAR Systemwide Program on Integrated Pest Management (SP-IPM), that with regard to the question of the most cost-effective [IPM]

extension approaches... “discussions have not always been carried out on scientific grounds and have sometimes been used as a vehicle of controversy among different stakeholders for their different views on development...Leaving such ‘internal conflicts’ unresolved will be at the expense of farmers in developing countries and also consumers and the environment at large” (Gutierrez & Waibel, 2001).

A draft of this case study was provided to World Bank and Global IPM Facility staff and associated stakeholders for comment in spring 2004. The case study has considered and incorporated comments received from the World Bank’s Agriculture and Rural Development Department, the Bank’s Development Economics Group, and the Global IPM Facility. Selected findings of this case study were reported in the World Bank’s synthesis report entitled *Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank’s Approach to Global Programs* (2004). These findings have contributed to subsequent Bank actions, including a decision by the Bank not to renew its cosponsorship of the Facility (Annex B).

## List of 26 Case Studies in Phase 2 of OED's Evaluation of the Bank's Involvement in Global Programs

Acronym/ Short Form	Full Name	Operational Start Date	Size (US\$ millions) <sup>1</sup>
<b>Environment &amp; Agriculture</b>			
1. CGIAR	Consultative Group on International Agricultural Research	1972	395.0
2. GEF	Global Environment Facility	1991	387.53
3. MLF	Multilateral Fund for the Implementation of the Montreal Protocol	1991	158.6
4. ProCarbFund	Prototype Carbon Fund	2000	6.5
5. CEPF	Critical Ecosystem Partnership Fund	2000	20.19
6. GWP	Global Water Partnership	1997	10.25
7. GIF	Global Integrated Pest Management Facility	1996	1.3
<b>Health, Nutrition &amp; Population</b>			
8. TDR	Special Programme for Research and Training in Tropical Diseases	Dec 1975	47.5
9. Global Forum	Global Forum for Health Research	Jan 1997	3.07
10. UNAIDS	Joint United Nations Programme on HIV/AIDS	Jan 1996	95.0
11. RBM	Roll Back Malaria	Nov 1998	11.4
12. Stop TB Partnership	Stop TB Partnership	July 1999	20.8
13. GAVI	Global Alliance for Vaccines and Immunization	Oct 1999	124.1
<b>Infrastructure &amp; Private Sector Development</b>			
14. WSP	Water and Sanitation Program	March 1978	12.4
15. ESMAP	Energy Sector Management Assistance Programme	Jan 1982	7.58
16. CGAP	Consultative Group to Assist the Poorest	August 1995	12.67
17. infoDev	The Information for Development Program	Sept 1995	8.90
18. PPIAF	Public-Private Infrastructure Advisory Facility	Dec 1999	15.61
19. CA	Cities Alliance	Dec 1999	13.25
<b>Social Development &amp; Protection</b>			
20. PostConFund	Post-Conflict Fund	1998	10.60
21. UCW	Understanding Children's Work	2000	0.56
<b>Trade &amp; Finance</b>			
22. IF	Integrated Framework for Trade-Related Technical Assistance	1997	2.71
23. FSAP	Financial Sector Assessment Program	May 1999	10.46
24. FIRST	Financial Sector Reform & Strengthening Initiative	July 2002	4.64
<b>Information &amp; Knowledge</b>			
25. GDN	Global Development Network	Dec 1999	8.67
26. World Links	World Links for Development	1998	6.52

<sup>1</sup> FY04/CY03 expenditures. In the cases of the Global Integrated Pest Management Facility, the Water & Sanitation Program, Integrated Framework for Trade-related Technical Assistance, previous fiscal or calendar year expenditures are used since updated, audited data were not readily available.



## Executive Summary

### Genesis, Objectives, and Activities

1. Developing countries dependent on agriculture face a complex dilemma concerning how best to promote “sustainable agricultural intensification” – natural resource management that safeguards productivity of the natural resource base while meeting economic growth and poverty alleviation objectives. National policy makers must weigh the need for food security and competitiveness on international agricultural output markets against the negative externalities of pesticides that can damage the sustainability of the country’s production base.

2. Although no consensus exists on its precise definition, the World Bank’s Operational Policy 4.09 defines integrated pest management as a mix of farmer-driven, ecologically based pest control practices that seeks to reduce reliance on synthetic chemical pesticides. It involves (a) managing pests (keeping them below economically damaging levels) rather than seeking to eradicate them; (b) relying, to the extent possible, on non-chemical measures to keep pest populations low; and (c) selecting and applying pesticides, when they have to be used, in a way that minimizes adverse effects on beneficial organisms, humans, and the environment

3. The World Bank, in part due to increasing public concern that its agricultural projects in support of intensification were contributing to high pesticide use, co-founded the Global Integrated Pest Management Facility in June 1995. The Bank recognized the need to promote wider implementation uptake and investment in farmer-led, participatory IPM. It also recognized an opportunity to forge a stronger and more substantive partnership with FAO in an area in which FAO had a strong core of expertise. It would therefore look toward the Facility to assist it achieve more effective monitoring and supervision of Bank-supported agricultural projects to promote IPM.

#### Global Integrated Pest Management Facility

Established:	June 30, 1995
Objectives:	To assist interested governments and NGOs in initiating, developing, and expanding Integrated Pest Management (IPM) programs that aim to reduce pesticide use and associated negative impact on health and environment, while increasing production and profits through improved crop and pest management
Key Activities:	Provides TA in project or program design, fundraising and facilitation of collaboration among IPM programs. Advises governments, international organizations, NGOs and donors on pest management programs and policies.
FY04 expenditures:	Not Available
FY04 DGF allocation:	Not Applicable
FY04 TF contributions:	Not Available
Governance model:	Secretariat inside external organization; external organization is lead partner
Location:	FAO HQ/Rome, Italy
Governing partners:	Cosponsors: FAO, WB, UNDP, UNEP Core Donors: Netherlands, Switzerland and Denmark
Latest program-level evaluation:	The Mid-Term Review of the Global IPM Facility, April-June 2001

4. The stated aim of the Global IPM Facility is to achieve “sustainable, cost effective and environmentally sound crop production for food security through improved IPM.” This goal is to be achieved through a three-pronged approach of (1) technical cooperation among developing and emerging countries (human resource development), (2) better deployment of information and development of standard documentation for good IPM practice, and (3) effective mobilization of funds.

5. *Key Activities:* It was envisioned that the Global IPM Facility would act as a vehicle to catalyze and facilitate collaboration among national policy makers, development agencies (including the Bank), and NGOs in the planning and implementation of IPM activities. It would advise and assist national programs in the design, implementation, and evaluation of IPM field initiatives; identify and assemble projects for support by national, bilateral, and multilateral sources; promote the implementation of a small set of pilot projects designed to lead to larger national programs; and document, analyze, and evaluate IPM pilot projects to provide standard documentation. These activities would be geared toward stimulating the development of improved IPM concepts through scientific research (not included in the program, but rather would rely on the CGIAR system, for example), to improve the participation of farmers (including women), extensionists, and researchers.

### **Design and Implementation**

6. The Global IPM Facility is housed in the Food and Agriculture Organization (FAO) Headquarters in Rome but was designed as an “independent institutional framework.” The Facility was cosponsored by FAO, UNDP, UNEP, and the World Bank and is overseen by a Governing Group – comprised of cosponsors, core donors (contributing cosponsors plus the Dutch Development Ministry, the Swiss Development Corporation and Norway), and representatives of five geographical regions. Observers from NGOs, the CGIAR Systemwide Program on IPM (SP-IPM), and the Ad-Hoc Technical Advisory Groups also attend Governing Group meetings. The Facility is accountable to the Governing Group, which reviews its activities and work plan. The Facility’s Secretariat (a skeleton staff of four professional officers, supplemented by consultancy services), organizes, operates, and reports on its activities at annual Governing Group meetings. However, only three Governing Group Meetings have been convened in six years (in Rome, 4/1989; Kakamega, 10/2000; Rome, 12/2001) in spite of the requirement of annual Governing Group meetings as stated in the Facility’s Program Document. The Bank has attended all three. Both the Facility and the Secretariat were developed in close collaboration with CAB International-- although the role of CABI has diminished over time.

7. The Facility was established in 1995, initially for a five-year period, and with projected cumulative funding of US \$13.5 million. The Netherlands has been the largest sponsor of the Facility, and the Bank’s total financial contribution to the Facility over the period 1996-2003 was US \$2.7 million. The Bank last transferred funds to the Facility in early 2001. Bank contributions to the Facility have been used mainly to support institutional assistance to the Bank to help enhance compliance with its safeguard policy on pest management.

8. At the time of the Facility's inception, a number of IPM programs were under way for small scale rice-based farmers in Asia where excessive pesticide use on rice was a concern. The Facility's original agenda was to expand IPM to other regions – to Africa and Latin America, as well as to develop cotton and vegetable IPM in central Asia. Yet a central feature of the Asian experience was pesticide misuse in a key smallholder food crop (rice). Misuse in Latin America and Africa was in cash crops such as cotton, coffee, cocoa, plantains, and export-oriented vegetable production. Because African programs necessitated a comprehensive focus on both pest and agriculture production issues, the operational mandate of the Facility evolved from “integrated pest management” to “integrated production and pest management” or IPPM. IPPM focuses on soil fertility and production, in addition to the traditional pest management aspects.

## **Findings**

### ***Relevance: Are the Program's Objectives Right?***

9. The mandate of the Global IPM Facility responds to an international consensus, embodied in an array of international policy instruments: Agenda 21, the Code of Conduct on the Distribution and Use of Pesticides, OECD DAC Guidelines on Aid and Environment – Pest and Pesticide Management, and the Convention on Biological Diversity. The instruments reflect an understanding that while pesticides have enhanced agricultural production and suppressed many insect-transmitted human diseases, they have also produced a host of negative side-effects on human health and the environment. High costs and concerns about environment and public health have reduced the use of pesticides in industrialized countries and have induced many farmers to adopt an IPM approach. Meanwhile, the developing world, which uses less than 50 percent of all pesticides account for more than 99 percent of the human poisonings world wide (FAO, 2002).

10. A wide volume of research conducted over the past two decades has demonstrated that, despite the sometimes dramatic short-term effects of chemical pesticides, their heavy use has not significantly reduced long-term pest problems and, in some cases, has even aggravated them. Today, there is a broad consensus on the desirability of IPM as a core component of sustainable agriculture. A decade after the World Bank co-founded the Facility, IPM has become widely adopted by international development partners —FAO, IFAD, EC, regional development banks, and major bilateral agencies -- as an environmentally sustainable approach to crop protection. An impact assessment of IPM in the CGIAR Centers found that the benefits of IPM were well recognized both within the Centers and by the global scientific community (CGIAR 2000).

11. The World Bank's corporate rural strategy, *Reaching the Rural Poor* (2003), commits the Bank to promoting environmentally sustainable pest management systems by encouraging more efficient use of farm inputs and reduction of post-harvest losses, partly through demand-driven extension services. The strategy cites the successful *Capacity Building and Policy Reform Program* in Mali, which was designed to tackle increasing pesticide resistance and inappropriate uses – factors that were driving pesticide costs steadily

up while yields stayed flat or declined. The Global IPM Facility played an integral role in achieving results in Mali.

***Efficacy: Has the Program Achieved Its Stated Objectives?***

12. The Facility has contributed to an evolving body of norms and standards of conduct surrounding the promotion of IPM and the reduction in pesticide overuse. Among other activities, staff have contributed to the revision of the International Code of Conduct on the Distribution and Use of Pesticides and to the alignment of pest management assistance under emergency programs with FAO's normative work on pesticide management. They have assisted FAO with the implementation of the Stockholm Convention; led an inter-agency working group on termite control, assisted with the reform process of the Japanese aid program KR2; and helped prepare parts of the Africa Stockpiles Program. Through a staff secondment, the Facility assisted the Bank in reviewing/appraising pesticide procurements and project documents and in designing an Integrated Safeguard Policy Datasheet, a Pest Management Guidebook, training materials, and a health department circular on using DDT in malaria control projects. It co-funded an AFR Sector Review on safeguard compliance. The Facility has been instrumental in assisting the Bank in identifying and addressing partnership activities that in the past have been inconsistent with the Bank's safeguard policy on pest management and its guidelines for partnerships with the private sector. However, given the sensitive nature of the compliance function that the staff secondee was asked to perform, the Bank could have better performed these duties through the hiring and institutionalization of a full-time IPM specialist within the Bank itself. The Bank only created and staffed such a position in 2003 (eight years after the decision to cosponsor the Facility).

13. The Facility's Program Document, drafted in 1996, provides no guidance on criteria to assess expected impacts (beyond outputs and outcomes) of the program. Impact indicators should include more than quantitative increases of IPM opportunities and participants. They should also address the economic efficiency and environmental and health related sustainability of the approach itself. Impact indicators related to the Bank's mission should include a measure of the reductions in pest management costs as a proportion of total crop production costs and reduced incidence of rejection of produce (e.g., by EU markets) due to pesticide residues.

14. The Facility's Program Document was ambiguous as to how demand for Facility services was expected to be generated, whether by its core donors or by need-based assessments submitted by developing country governments. The Facility's Mid-Term Review found that it could not determine whether the Facility's work program was meeting the basic precondition of identifying areas experiencing significant pest problems and/or pesticide abuse. The Program Document was also unclear as to how decisions about the program's priorities and activities were expected to be made. The Facility's governing principles did not indicate how developing countries could be legitimately represented or their views reflected in the program's strategic planning at the global level.

15. The Global IPM Facility excluded the pesticide industry from its formal governance structure in order to establish a neutral forum for decision making, which was viewed as essential for the credibility and independence of the Facility. This review concurs with the

need for a neutral forum; however, the Facility may have missed an opportunity to promote an industry-wide dialogue on chemical standards and food safety regulations.

### *Efficiency*

16. The Global IPM Facility has undergone one external evaluation – its Mid-Term Review in 2000. The Bank did not accept the findings of the review due to the fact that the review’s evaluation team was selected without first consulting the Bank and that joint reporting by the evaluation team and the program being evaluated (in this case, the Facility) violated good governance procedures. This case study concurs that the Mid-Term Review team should have been chosen by consensus, in consultation with *all* program partners, and that the review’s lack of an arm’s-length relationship to the Facility fell short of generally accepted evaluation principles. This lack of clear communication reflected two different evaluation histories and work cultures and represents a lesson in partnering for the Bank. Expectations regarding monitoring and evaluation should be concisely defined in program agreements at the global level. The Bank has requested and this case study supports the need for an *external, independent* evaluation of the Facility (which goes beyond the scope of this case study), as well as the need for impact studies, including studies on the level and quality of farmer-to-farmer transmission and the extent of environmental externalities. Other donors have requested that follow-up evaluation activities ensure a more focused examination of gender equity. Ideally, the review, its team selection, terms of reference, and reporting mechanism should be independent of the management of the Global IPM Facility.

17. The Global IPM Facility was initiated with strong shared objectives between the World Bank and FAO. However, since the establishment of the Facility, the views of these two Governing Group members have diverged on a number of key issues. Foremost among the differences between the Bank and the Global IPM Facility is the Facility’s Farmer Field School (FFS) approach. Project performance evaluations conducted by OED in 2002 question the sustainability of the system in those cases where IPM farmer networks have not become strong enough to continue working effectively without technical and financial support in the post-project period, or where the support of IPM in the government was found to be only partial and fragile. Yet, while OED pointed out the limitations of the FFS approach (in Vietnam), these assessments stopped short of exploring the wider environmental, health and potential cost and/or yield benefits of IPM. A *Special Report on the World Market for Crop Products in Rice* (AGROW, 2003) considered the case of the Vietnam IPM Program and reported that farmers who were trained in IPM used only 1.7 pesticide applications on a rice crop, compared to 4.5 applications by a control group. Pesticide costs were more than halved, while crop yields rose. At the same time, the World Bank’s Infrastructure and Environment Team of the Development Research Group attempted to ascertain (using new survey data) whether IPM offered the prospect of lower production costs and higher profitability for rice farmers in Bangladesh (Dasgupta et al., 2004). The study compared outcomes for farming with IPM and conventional techniques, using input-use accounting, conventional production functions and frontier production estimation. The results suggested that the productivity of IPM rice farming was not significantly different from the productivity of conventional farming. Since IPM reduces pesticide costs with no countervailing loss in production however, it appears to be more profitable than conventional rice farming.

Interviews also suggested substantial health and ecological benefits. Yet, the study also found that externality problems make it difficult for farmers to adopt IPM individually. Without collective adoption, neighbors' continued reliance on chemicals to kill pests would also kill helpful parasites and predators, as well as expose IPM farmers and local ecosystems to chemical spillovers from adjoining fields.

18. The Bank's caution about a single "silver bullet" approach reflects an arduous institutional learning process following the Bank's \$4 billion investment in the training and visit system – a system that ultimately proved financially unsustainable and that, after many years of support, resulted in limited development impact (Gautam, 2000).

19. Meanwhile, research on the impact of Farmer Field Schools in Indonesia and the Philippines conducted by the Bank's Development Economics Research (DEC) Group has generated a debate amongst Facility cosponsors and IPM specialists with direct involvement or experience in IPM field programs. While DEC research finds that farmer field schools do not have significant impact on pesticide use and yields, the Global IPM Facility Program Manager asserts that the research contains serious flaws that largely invalidate its findings and conclusions, and that other predominantly positive study findings of the same project are not being considered. On the other hand, the Global IPM Facility Program Manager does consider the DEC research useful as a possible contribution towards the development of a methodology for impact assessment. The Bank could benefit from a widened internal discussion on the most appropriate methodology to be used in assessing the economic returns and impacts of IPM.

### ***Bank Performance***

20. While World Bank cosponsorship of the Facility was instrumental in catalyzing initial support, a recent review of the Bank's rural project portfolio has revealed that there is a low inclusion of IPM in Bank projects, even in projects dedicated to sustainable agricultural intensification (Sorbey et al., 2002). This finding can in part be explained by the general decline in the share of agricultural productivity enhancement in the Bank's loan portfolio over the past decade. Consequently, the Bank had not directed sufficient resources towards building in-house capacity to advise its staff on IPM related matters – a situation which has now been partly corrected with the hiring of a full time IPM specialist in Quality Assurance and Compliant Unit (QACU).

21. Meanwhile, a Bank Review of IPM in Development (2002) found that the Bank's safeguard on pest management (OP 4.09) has had an "ambiguous role" in the Bank despite the fact that IPM has a high profile as one of the Bank's ten safeguards. This case study finds that it is very much a matter of judgment as to what is *sufficient* in order to say that an "IPM approach" is in place, because IPM is not a particular set of technologies or behaviors – rather it is more like a philosophy and guiding framework. So while OP 4.09 requires that any investment that is likely to increase pesticide use be made only "in the context of an IPM program," there are no clear set of rules for deciding what qualifies.

22. The Global IPM Facility was not established by a formal agreement. As a Governing Group member, the Bank did not ensure that the five-year work program included a

transparent and accountable framework for oversight and management of the Facility's Secretariat, with measurable indicators and time-bound objectives. The framework did not include a clear communication and reporting strategy between the Facility, cosponsors, donors and stakeholders, nor clarity on how recommendations made by the Governing Group would be considered by the Secretariat. These prerequisites of good governance were not delineated clearly in the program's governing document.

23. The Bank's cosponsorship of the Facility raised civil society expectations surrounding the Bank's configuration of its own operational policy guidelines on pest management. Civil society followed closely the Bank's policy formulation process in the mid-nineties that produced OP4.09 on Integrated Pest Management. Due to mounting concerns expressed by civil society that the Bank's revision of its pest management policy was in effect a weakening of binding standards, the Bank revised the 1996 draft and released its present operational policy in December 1998.

24. In exchange for staff assistance in identifying IPM constraints and opportunities within the Bank, the Global IPM Facility looked toward the Bank to supplement its catalytic project activities with long-term policy guidance through its country level dialogue. However, except in Mali, the Bank has not integrated key analytical work (i.e., the findings of the Pesticide Policy Project studies) into its country assistance strategies, even though the Bank requested and partly funded the country cases. Each case study identified the need for further in-country, on-site data collection.

25. Prior to the publication of this case study, the World Bank announced its withdrawal as a cosponsor and global governance partner from the Facility, in line with the envisioned end date outlined in the original partnership agreement. Interviews with the Governing Group members and stakeholders suggest that it is critical for the Bank to "stay involved" with Facility activities. As announced, the Bank's withdrawal at the global level does not necessarily exclude the possibility of future cooperation between the Facility and the Bank's regional operations on a case-by-case basis under separate agreements (Annex B).

## **Lessons**

26. Integrated Pest Management is an approach that requires an appreciation of its multiple goals and a suitable methodology for the assessment of its impact. The assessments currently underway for the FFS method of extending IPM practices are not sufficient to achieve this goal, and should be considered a separate but complementary exercise. Several development banks, international organizations and bilateral assistance agencies support IPM, but there is little consensus on monitoring and assessment standards for the economic, social and environmental impacts of farmer IPM training. The Global IPM Facility has contributed to the establishment of assessment standards through its support of collaborative efforts designed to increase the quality and usefulness of IPM research. Meanwhile, the Bank needs to consider the best way that IPM lessons can not only enhance the Bank's rural strategy and its implementation, but also offer lessons across sectors: agriculture, health, and the environment.

27. The Global IPM Facility's decision to exclude the agro-chemical industry from its governance structure could have been balanced with a separate long-term strategy to engage the commercial private sector in discussions on national and global food safety regulations, on trade, and on marketing and distribution of generic, less specific pesticides. While the Facility has sought cooperation from the food processing industries, it has missed an opportunity to benefit from a pipeline of private sector research and development aimed at certain market segments and IPM-type issues.

28. The program's governance principles, as designed through an informal agreement, should have reached a consensus not only on the objectives, roles, and responsibilities of the partnership but also on how to manage, treat or incorporate different points of view as these arose. The lack of functional clarity in this program is not a unique phenomenon. The challenge was perhaps more conspicuous in this program given the nature of the subject the Facility was tackling. The experience with this program emphasizes the importance of clear terms of reference for the Bank's representative on the governing bodies of global programs. Independent oversight should provide the kind of neutral guidance necessary to bring problematic partnerships back on track or recommend exit for the Bank rather than have it face undue institutional or reputational risk.

# 1. Introduction and Context: Global Challenges in the Sector

## LINKING HEALTH, ENVIRONMENT, AND SUSTAINABLE LIVELIHOODS

1.1 Experts acknowledge that the large-scale use of chemical pesticides has been a two-edged sword: While significantly contributing to the enhancement of agricultural production and the suppression of many insect-transmitted human diseases worldwide, chemical pesticides have also produced a host of negative side-effects on human health and the natural environment – side-effects which have been unevenly distributed. Despite the fact that the lion’s share of chemical pesticides are applied in developed countries, 99 percent of all pesticide poisoning cases occur in developing countries where regulatory, health and education systems are weakest. Prolonged exposure to pesticides has been associated with several chronic and acute health effects like non-Hodgkin’s lymphoma, leukemia, as well as cardiopulmonary disorders, neurological and hematological symptoms, and skin diseases (Blair and White, 1985; Hoag et al., 1986; Wigle et al., 1990; Pingali et al., 1994; Crissman et al., 1994; Antle and Capalbo, 1994).

## THE ROAD TO INTERNATIONAL CONSENSUS

1.2 The full expression “Integrated Pest Management” appeared in press for the first time 30 years ago (Kogan, 1998); it was not until the early nineties, however, that the international community formally acknowledged its potential as an alternative technique for agricultural production (Box 1). IPM figured prominently in the 1992 United Nations Conference on Environment and Development’s non-binding but globally advocated agreement, Agenda 21, which in part demanded the implementation of IPM as an alternative to dependence on the use of chemicals. The concept stresses the use of local knowledge and aims at improving the decision making capacity of farmers and policymakers, instead of disseminating fixed packages of external technology.

### Box 1: Origin of Integrated Pest Management

The scientific basis of “Integrated Pest Control” evolved over a period of about 10 years, mainly among researchers at the University of California. The concept was explicitly defined in 1965 at a symposium sponsored by the Food and Agriculture Organization (FAO), of the United Nations, held in Rome, Italy (FAO 1966b). The concept of “Integrated Control,” originally limited to the combination of chemical and biological control methods (Michelbacher & Bacon 1952), was greatly expanded in that symposium to become synonymous with what we now consider IPM. Concurrently, however, the concept of “Pest Management” that had been proposed by Australian ecologists in 1961 (Geyer & Clark 1961), started receiving greater recognition. Publication of Geyer’s Annual Review of Entomology article in 1966 (Geyer 1966), a report by the US National Academy of Sciences (NAS 1969), and the proceedings of a conference held in North Carolina, which included participation by the original proponents of pest management from Australia (Rabb and Guthrie 1970), provided the impetus for that recognition. The convergence of the concepts of integrated control and pest management, and the ultimate synthesis into integrated pest management, opened a new era in the protection of agricultural crops, domestic animals, stored products, public health, and the structure of human dwellings against the attack of arthropod pests, plant and animal diseases, and weeds.

*A more detailed account of the historical development of IPM is found in Kogan (1998).*

## DEFINING INTEGRATED PEST MANAGEMENT

1.3 Chapter 14, Section I of “Agenda 21” (adopted at the 1992 Rio Earth Summit) is dedicated to IPM and control in agriculture. IPM was defined by signatories to the Agenda as “a combination of biological control, host plant resistance, and appropriate farming practices to minimize pesticide use.” According to Agenda 21, “IPM is the best option for the future, as it guarantees yields, reduces costs, is environmentally friendly, and contributes to the sustainability of agriculture.” Agenda 21 clearly states that IPM should go “hand in hand with appropriate pesticide management to allow for pesticide regulation and control, including trade, and for the safe handling and disposal of pesticides, particularly those that are toxic and persistent” (Box 2).

1.4 As defined by the World Bank’s Operational Policy (4.09), Integrated Pest Management refers to a mix of farmer-driven, ecologically based pest control practices that seeks to reduce reliance on synthetic chemical pesticides. It involves (a) managing pests

### **Box 2. Agenda 21 and Integrated Pest Management and Control in Agriculture.**

The representative parties to the 1992 United Nations Conference on Environment and Development (UNCED) did not directly conceive of the Global IPM Facility to administer the portions of Agenda 21 relating to integrated pest management. Yet, the Global IPM Facility has *de facto* assumed a role in facilitating the implementation of the agreement. The basis for international action to address trans-boundary pest management problems is originally derived from Paragraphs 14.74-14.82 of Agenda 21. However, the agreement remains non-binding.

*14.74: World food demand projections indicate an increase of 50 percent by the year 2000 which will more than double again by 2050. Conservative estimates put pre-harvest and post-harvest losses caused by pests between 25 and 50 percent. Pests affecting animal health also cause heavy losses and in many areas prevent livestock development. Chemical control of agricultural pests has dominated the scene, but its overuse has adverse effects on farm budgets, human health and the environment, as well as on international trade. New pest problems continue to develop. Integrated pest management, which combines biological control, host plant resistance and appropriate farming practices and minimizes the use of pesticides, is the best option for the future, as it guarantees yields, reduces costs, is environmentally friendly and contributes to the sustainability of agriculture. Integrated pest management should go hand in hand with appropriate pesticide management to allow for pesticide regulation and control, including trade, and for the safe handling and disposal of pesticides, particularly those that are toxic and persistent.*

*Source: Author and Agenda 21*

(keeping them below economically damaging levels) rather than seeking to eradicate them; (b) relying, to the extent possible, on non-chemical measures to keep pest populations low; and (c) selecting and applying pesticides, when they have to be used, in a way that minimizes adverse effects on beneficial organisms, humans, and the environment.

1.5 It is commonly understood that applying an IPM approach does not necessarily mean eliminating pesticide use, although this is often the case because pesticides are often over-used for a variety of reasons. There are also cases where an increase in pesticide use could be justified, however pesticides should only be used when it is economically justified to do so (i.e., not on a calendar or

other routine basis, but based on a real-time assessment that a specific pest has reached the control threshold). The IPM approach regards pesticides as mainly short-term corrective measures when more ecologically based control measures are not working adequately (sometimes referred to as using pesticides as the “last resort”). In those cases when pesticides are used, they should be selected and applied in such a manner as to minimize the amount of disruption that they cause to the agro-ecological system (i.e., to the extent possible, use products that are non-persistent, with very selective action and apply them in the most targeted possible way).

1.6 Scholars dedicated to IPM research agree that pesticides will remain an integral part of IPM in the foreseeable future (Kogan and Bajwa, 2003). Despite the adoption of the Stockholm Convention on Persistent Organic Pollutants in May 2001 (a binding international agreement that works to reduce and/or eliminate releases of 12 POPs, 9 of which are pesticides), the global chemicals industry has continued to expand. In fact, the global chemistry industry is expected to experience an annual growth rate of about 3 percent over the next three decades, with a considerable increase in trade (OECD, 2001).

#### **GLOBAL HEALTH CONCERNS IMPACT TRADE POLICY DECISIONS**

1.7 Today, growing concern over health risks associated with food products in OECD countries is at the forefront of the trade policy debate. At the heart of this debate is the “precautionary principle,” which holds that precautions should be taken against health, safety, and environmental risks even when science has not established direct cause-and-effect relationships (World Bank, 2003).

1.8 How governments regulate food safety and environmental protection, including pesticide residue levels, has important implications for trade. The World Trade Organization (WTO) Ministerial held in Doha, Qatar, in November 2001 included statements on standards and their impact on market access for developing countries. These issues will continue to be important in trade policy dialogues. Wilson and Otsuki of the Bank’s Development Economics Research Group (DEC) examined regulatory data from 11 OECD importing countries and trade data from 19 exporting countries to discover if regulations on pesticides have an effect on trade. Their research found, for example, that a 10 percent increase in regulatory stringency – tighter restrictions on the pesticide chlorpyrifos – leads to a decrease in banana imports by 14.8 percent. This represents a significant impact on trade and affects prospects of developing countries who continue to rely on exports of agricultural commodities such as bananas.

1.9 Whereas food safety standards can affect the ability of agricultural producers to meet regulatory standards set by importing countries, Wilson and Otsuki’s findings also suggest that the lack of consensus on international standards and divergent national regulations on pesticides is costly. For example, the authors estimate that there would be a US \$5.3 billion loss in world exports of bananas if the world were to adopt a standard at EU levels of regulatory stringency in contrast to the world standard set by Codex (the body charged with setting global standards in this area).

## **LACK OF UNIFORM ASSESSMENT INDICATORS IMPEDE LARGE SCALE ADOPTION OF IPM**

1.10 While the adoption of Agenda 21 clearly reflects an international consensus to recognize the global dimension of pest management problems, the perception of Integrated Pest Management as an institutional framework is still in its infancy. Declining attention to agriculture in development assistance and interagency competition are among the factors that have prevented the implementation of the quasi-mandate of Agenda 21 on a larger scale (Sorby et al., 2003). A key constraint is the lack of standards for impact assessment of IPM interventions.

1.11 The current trend among international organizations is a de facto broadening of Agenda 21's original definition of IPM, with today's strategies designed to include more comprehensive aspects such as research and extension, capacity building, and policy reform (Sorby et al., 2003). However, broadening the rationale for IPM beyond the technical and economic dimensions has not been followed by the commonly agreed indicators for project outcomes. In most cases where IPM adoption is measured, the indicators cited include reduced costs of inputs, increased yields, and better incomes for farmers. Since in most cases, this information relies on data from pilot activities, information is rare on the cost-effectiveness of large-scale IPM programs (Sorby et al., 2003).

## **2. Program Alignment with Global Challenges and Bank Priorities**

### **BANK SUPPORT CATALYZED THE ESTABLISHMENT OF THE GLOBAL IPM FACILITY**

2.1 In the mid-1990s, as part of a wider initiative involving FAO and UNDP, the World Bank's Agriculture and Natural Resource Department launched a study to analyze the causes of excessive use of pesticides in developing countries that hindered the adoption of IPM (Farah, 1994). The study concluded that a majority of developing countries were providing financial incentives to farmers to use pesticides and were directly and indirectly subsidizing pesticide imports, domestic manufacture, sales, and use with a combination of mechanisms. It also concluded that a number of non-price policies were encouraging pesticide use in some developing countries where relatively little emphasis was being placed on research, extension and farmer training in IPM compared to the pronounced emphasis on chemical pesticides.<sup>1</sup>

2.2 The Bank decided to seek expert assistance in identifying and preparing investment opportunities to expand the uptake of IPM by facilitating a cooperative agreement with FAO and others. In 1995, the Bank participated in an Inter-Agency IPM Task Force that proposed the establishment of a Facility to "assist in the identification, design, and implementation of projects supporting the application of integrated pest management."

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1. Examples of non-price policies that have and continue to lead to excessive pesticide use include excessive public investment in support services and knowledge base for chemical control, erroneous pest management policies, lack of tools to identify pests and economic crop loss (leading to decision-making based on inaccurate information), lack of adequate information of alternative pest management measures, and a historical pro-chemical bias in training and extension.

2.3 The Global IPM Facility was established following the signing of a letter of agreement between the World Bank and FAO on June 30th, 1995. However it was not until December 1996 that a final Program Document (in lieu of a memorandum of understanding or charter) was put in place by the partners. The Program Document set forth the structure of the Facility, based on the agreement that there would be (i) an independent Secretariat located at FAO, with a work-plan of activities; (ii) a five year initial term of work; (iii) regional and global field activities; and (iv) a governing structure with regional representation, cosponsors, donors, NGOs, and a representative of the CGIAR's Systemwide Program on IPM (SW\_IPM), and (v) independent Technical Advisory Group observers (ad-hoc). Selected bilateral donor partners made their support and participation conditional on there being no representation of the pesticide industry within the Global IPM Facility; rather the Facility should use other public forums to carry out dialogue with the industry.

2.4 The Facility was established initially for a five year period with a projected cumulative funding level of U.S. \$13.5 million. As reported by the Facility, actual contributions have totaled US \$11.84 million. First funded by a small grant from the SDC and the Bank, by the time the Facility became fully operational in January 1997, bilateral commitments from the Netherlands, Switzerland and Norway made up the majority of Global IPM Facility funds.<sup>2</sup> The World Bank's total financial contribution to the Global IPM Facility over the period 1996-2003 was about U.S. \$2.7 million, which were held in trust by FAO for the World Bank.<sup>3</sup>

#### **GOALS, OBJECTIVES, STRATEGIES, AND PRIORITY ACTIVITIES**

2.5 The Global Integrated Pest Management Facility was coined a "facility" because the Bank and its partner cosponsors were insistent that the main task of the program would be to draw upon local, national, and international expertise, knowledge and resources to *facilitate* the process of identification, design and implementation. The Facility was faced with a great demand for services from its very inception, and there was agreement that it should follow a demand-driven approach. The Bank as a cosponsor has felt, however, that the Facility has lacked a strategic approach and has allowed itself to be deflected from its principal task of facilitating the wider-uptake of IPM and towards technical assistance and extension activities. It has lacked policy expertise and focused on farmer level technical issues. The Bank has perceived a disconnect between the Facility's work program at the farm level and the potential leverage that the Facility could have had at the country level on pest management issues in relation to food safety and environmental protection.

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2. Rounded off contributions in US\$ are as follows: World Bank 2.70 M; Netherlands Trust Fund 6.25 M; Netherlands FNPP 0.90 M; Swiss 1.56 M (including 0.35 for CABI); Norway 0.43 M.

3. Integrated Pest Management Facility – Project TEMP/INT/778/WBK/Trust Fund No. 050865. FAO submitted

### Box 3: The Role of NGOs in Shaping the World Bank's Pesticide and Pest Management Policies

1984	200 NGOs sign petition asking the WB to address pesticide abuses in its projects
1985	WB releases first guidelines on pest management (OPN 11.01) which states that IPM should be the objective of Bank strategy in agricultural development"; guidelines include "22 operational requirements that must be observed by WB staff..."; WB also releases a list of chemicals (PTN1) that are not to be used in WB financed projects, although this list is later withdrawn
1986	WB releases supplementary "step-by-step" guidelines (PTN2) to assist staff in appraising and supervising pest management components; releases guidelines for the use of pesticides in public health programs (OPN 11.01b).
1987	WB convenes an external panel of experts to comment on the revision of the 1985 guidelines
1988	Panel of experts finalizes report and recommends revisions of WB's 1985 guidelines
1989	WB releases OD 4.03 on Agricultural Pest Management which replaces the 1984 guidelines; includes some recommendations made by expert panel; NGOs voice concern that OD omits implementation details; transmittal note attached to OD 4.03 announces two forthcoming documents: an Agricultural Pest Management Handbook and a Policy on Pesticide Procurement.
1992	WB releases OD 4.03 on Agricultural Pest Management which replaces the 1984 guidelines; includes some recommendations made by expert panel; NGOs voice concern that OD omits implementation details; transmittal note attached to OD 4.03 announces two forthcoming documents: an Agricultural Pest Management Handbook and a Policy on Pesticide Procurement.
1993	WB releases GP 4.03 (non-binding) which contains a description of recommended pest management practices; WB releases new information disclosure policy which makes pest management information contained in the appraisal processes available to the general public.
1994	WB Discussion Paper No. 238 reveals pesticide policies in developing client countries encourage excessive use (Farah 1994). October 1994: Concept paper for IPM facility was released by FAO, World Bank, UNDP and UNEP.
1995	March. The Global IPM Facility is announced at NGO-WB Meeting. FAO and World Bank sign agreement to establish and initiate funding for the Global IPM Facility with its Secretariat housed at FAO. World Bank commits \$500,000. FAO commits staff time and office space/support. July 1995: During International Plant Protection Congress, structured discussions held between Global IPM Facility staff and NGOs. May to September 1995: UNDP and UNEP agree to cosponsor GIF.
1996	The Global IPM Facility is again announced and a presentation is made at the EU Commission - NGO seminar on IPM; WB releases OP 4.09 as part of a wider policy conversion process. Over 105 NGOs and more than 75 concerned individuals send a letter to the WB president with a view that OP 4.09 represents a "serious weakening of WB pest management policy." May 1996: Global Expert consultation on the IPM Facility, attended by governments, NGOs, and academic specialists. The consultation expressed concerns about the slow operationalization of the Facility; it endorses a four stage model of national IPM program development and recommends full time staffing for Facility Secretariat. August - October 1996: agreements reached with CABI-IIBC and Institute of Horticultural Economics, Hannover University for long term participation in the technical and policy work of the Global IPM Facility. December 1996: Global IPM Facility Partners Meeting endorses draft program document.
1996-1997	WB convenes a series of NGO consultations (including the Pesticide Action Network, the Environmental Defense Fund, and the Consumer Policy Institute) on the converted OP to "seek suggestions and support on ways to further enhance the uptake of IPM."
1998	The Bank's Operational Policy on Pest Management (OP 4.09) was revised in December 1998, replacing the version dated June 1996. OP was revised reflecting principles the NGO community was pushing for...NGOs were "satisfied with new language concerning the Policy's farmer driven approach specific adherence to reducing reliance and using pesticides a last resort"; WHO class I chemicals are prohibited following FAO guide; PANNA launches its World Bank Accountability Project designed to investigate WB project compliance with OP 4.09.
1999-2001	WB seconds expert staff from the Global IPM Facility to assist in monitoring compliance with OP 4.09
2003	The World Bank hires a pest management specialist who takes his position in the Bank's Quality Assurance and Compliance Unit (i.e., not in the Bank's Agriculture and Rural Development Department).

Source: Author, PANNA, and Status Report on the Global IPM Facility March 1995 to January 1997.

2.7 The Bank's decision to cosponsor the Global IPM Facility greatly raised civil society expectations surrounding the Bank's configuration of its internal operational policy guidelines on pest management. Throughout the 1980s and 1990s, non-governmental organizations (NGOs), led by the Pesticide Action Network of North America (PANNA), had campaigned heavily to promote World Bank reform of its policies on pesticide financing and promotion of alternatives. NGOs closely followed the Bank's policy conversion process in the mid-1990s. The attention of these groups focused particularly on the revision of the Bank's pest management policy, in which Operational Directive, OD 4.03 on Agricultural Pest Management, was converted to Operational Policy, OP 4.09 on Integrated Pest Management. NGOs saw the new policy, drafted in June 1996, as a weakening of binding standards in the area of pest management in World-Bank supported projects.

2.8 In a 1996 joint letter to President Wolfensohn in 1996, more than 180 organizations and individuals held the Bank accountable to the conceptual framework it agreed upon just months prior as a co-founding member of the Global IPM Facility. Signatories indicated that the Bank's revised OP 4.09 (1996) diverged markedly from this commitment as well as from the OECD Guidelines for Aid Agencies on Pest and Pesticide Management. Moreover, proponents for a revised policy felt the conversion process severely detracted from the Bank's original 1985 Guidelines for the Selection and Use of Pesticides in Bank Financed Projects and their Procurement (OPN 11.01), which contained an "articulate definition of sound pest management." They concluded, "Over the past 10 years, we have witnessed a downgrading of this original policy."

2.9 In response, Bank officials convened a series of NGO consultations (with the Pesticide Action Network, the Environmental Defense Fund, and the Consumer Policy Institute) on the revised OP to "seek suggestions and support on ways to further enhance the uptake of IPM." The notable outcome of this series of meetings was the invitation by the Bank to NGOs to submit suggested language to revise the new operational policy – an invitation which was taken up on a point by point basis in the spring of 1997 – and which subsequently contributed to the formulation of the revised OP 4.09 on pest management, released by the Bank in December 1998 and currently in effect. According to PANNA, it was the NGOs' concentrated campaign that "ultimately resulted in the World Bank's 1998 adoption of a policy on pest management." (Box 3 overviews the significant role of the NGO community in shaping both the Global IPM Facility and the Bank's pesticide and pest management policies).

### **3. Outcomes, Results, and Sustainability**

#### **ACHIEVEMENT OF STATED OBJECTIVES**

3.1 The Bank's declared interest in the Global IPM facility was two-fold: (i) a recognition of the need for wider implementation, uptake, and investment in farmer-led, participatory IPM and more effective monitoring and supervision of Bank-supported IPM projects; and (ii) an institutional objective of stronger and more substantive partnership with FAO in an area in which FAO has a strong core of expertise. This was based on an assumption that sufficient technologies and know-how were available to implement IPM

programs. Research would be done by various institutions and universities, including the International Agricultural Research Centers. The Bank's rural sector management at the time envisaged that the IPM facility would work directly with Bank task managers to identify opportunities for IPM application in Bank projects and to help design such IPM components.

3.2 The World Bank's total financial contribution to the Global IPM Facility over the period 1996-2003 was about US \$ 2.7 million.<sup>4</sup> According to progress reports submitted by the Global IPM Facility, World Bank contribution to the Facility was mainly used to support activities in the following three areas, which this case study subsequently addresses in turn:<sup>5</sup>

- Institutional assistance to the World Bank to help enhance compliance with its safeguard policy on pest management
- Contribution to the Global IPM Facility's generation of global public goods in the form of specific studies in priority areas identified by the World Bank
- Creating conditions for effective national investment in IPM.

### **Activity No. 1: Institutional Assistance to the World Bank**

3.3 At the request of the World Bank, the Facility seconded a pest and pesticide management specialist to RDV from December 1998 to October 2000, and later to the ESSD Quality Assurance and Compliance Unit (QACU) from October 2000 to July 2001. In addition, the Facility partially funded the secondment of an IPM policy specialist from the University of Hannover to RDV.

3.4 The Bank has modest in-house technical expertise in integrated pest management. Due to budgetary constraints and the low priority that the Rural Sector Board has historically awarded to IPM, the Bank utilized its connection with the Facility to procure the secondment of an IPM expert to monitor the Bank's safeguard policy and promote IPM awareness and training throughout the Bank. The expert's specific terms of reference included (1) training Bank staff on pest and pesticide management, (2) reviewing pesticide procurement and use in Bank-financed projects, and (3) providing assistance to staff in dealing with IPM and pesticide issues in specific projects.<sup>6</sup> It was intended that the Facility be the Bank's eyes and ears, both within the institution and in the field (Interview with Doug Forno, May 2003).

3.5 The seconded pest management specialist in QACU prepared a number of tools to assist Bank staff in fulfilling requirements of OP 4.09 and BP 4.01, Annex C. This included *inter alia*: (1) reviewing pesticide procurements and project documents; (2) participating in QAG Reviews; (3) assisting with the development of the Integrated Safeguard Policy Datasheet and a Safeguard Policy Matrix for OP 4.09; (4) providing inputs to the Pest

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4. According to the Global IPM Facility, about a quarter of this amount flowed directly back to the World Bank in the form of assistance to strengthen compliance with OP 4.09 and BP 4.01 Annex C.

5. Following the OED meetings in Rome in February 2003, The Global IPM Facility staff provided OED with a document entitled "The World Bank contribution to the Global IPM Facility."

6. Draft Minutes, Second Governing Group Meeting, Global IPM Facility, Kakamega, Western Kenya, 4-6 October 2000.

Management Guidebook, including technical review of a draft pest management guidebook (an interactive, intranet based guidance document, training staff in understanding OP 4.09 and provided guidance and assistance to the preparation of Pest Management Plans and (5) developing a circular on DDT use in malaria control projects.

3.6 The Bank's Best Practice (BP 4.01) requires the preparation of a Pest Management Plan as part of the preparation for projects that meet specified criteria. The Global IPM Facility, through the assistance of its staff member seconded to the Bank, assisted task managers in fulfilling this requirement (Table 1). According to the seconded staff, there were only few efforts to actively promote IPM in World Bank financed projects as required by article 1 of OP 4.09. The requirement of preparing Pest Management Plans (PMPs) for specified groups of projects (BP 4.01, Annex C) was rarely fulfilled, and if PMPs were prepared this was in most cases done with technical and financial assistance from the Facility and the FAO Investment Centre (interview with H. Van der Wulp, February 2003). Facility assistance varied from case to case and for each case involved one or more of the following items: selection of consultant, preparation of program and TOR for consultant, travel arrangements for consultant, briefing of consultant, and/or funding of consultant.

<b>Table 1. Pest management plans prepared during the period: 1999 – 2000</b>		
<b>Country</b>	<b>Project</b>	<b>Facility assistance</b>
Benin	Cotton	Yes
Rwanda	ARMD/RSSP	Yes
Tanzania	SOFRAIP	Yes
Uganda	Nat. Ag. Adv. Serv.	Yes
Armenia	Ag Reform Support	Yes
China	Sustainable Forestry Dev.	No

3.7 While a comment reflected in the Rural Sector Board minutes of 20 July 2000 states that the World Bank was “getting very good value from the Facility in regard to the support from the Facility's seconded Bank's Pest Management Specialist on compliance and pest management,” some task managers interviewed for this study indicated that excessive emphasis on compliance with the safeguard policy at an early stage led staff to avoid implementing agricultural productivity projects in general.

## **Activity No. 2: Production of Global Public Goods**

3.8 The Facility's Program Document identified its ultimate target beneficiaries to be farmers and rural communities – local and national level beneficiaries that would benefit from the effective IPM training programs through an ability to produce crops in a more sustainable and cost-effective manner, resulting in higher incomes and a healthier environment.

3.9 The Facility's program document also identified the program's global beneficiaries as including the general public interest (in that there would be less risk of pesticide residue in drinking water or food and that crop production would become more stable) and international

organizations and development agencies that could potentially benefit from standard documentation on good IPM practices and services to enhance their responses to developing countries needs.

3.10 The Facility's work program was designed in a manner that gave great attention to:

- *Inputs* -- such as the establishment of National IPM Programs, Farmer Field Schools, Training of Trainers, and regional meetings etc.
- *Outputs* -- such as studies, case studies, and advisory documents
- *Outcomes* -- such as enhanced national capability, national and donor policy reform, increased participation of farmers (with an emphasis on gender), new opportunities in IPM supported by international development agencies, and increased national and local investment in IPM.

However, the Facility's guidelines, as agreed upon by the cosponsors, provided no guidance on the criteria or methodologies that would be used to assess the expected poverty *impacts* of the program vis-à-vis these main target beneficiaries, both local and global.

3.11 One significant global public good delivered by the Global IPM Facility has been its assistance in guiding and molding the evolving body of international norms surrounding the promotion of IPM and reduced reliance on pesticides. Facility staff have provided assistance to FAO departments involved in pest management. Among other activities this included contributions to the revision of the International Code of Conduct on the Distribution and Use of Pesticides and further internal scrutiny of the role of the FAO Emergency Program in pesticide supply (1997-2002, continuing). Facility staff have also assisted in the formulation of FAO's role in the implementation of the Stockholm Convention; led an inter-agency working group to develop IPM-based alternatives for use of POP pesticides in termite control (1998-2002, continuing); assisted with the reform process of the Japanese aid program KR2; and contributed to the preparation of the Africa Stockpiles Program regarding the component to prevent accumulation of obsolete pesticide stocks (2000-2002, continuing).

### **Activity No. 3: Creating Conditions for Effective National Investment**

3.12 The Facility has focused much of its efforts on strengthening national IPM programs and promoting regional cooperation. Its West Africa program started with a pilot activity in Ghana with inputs from the Asian IPM program (Box 4). Extension staff from Ivory Coast and Burkina Faso were invited to participate. The pilot led to further (UNDP) funding of IPM in Ghana and requests from Burkina Faso and Ivory Coast for similar pilot activities. The pilot in Ivory Coast led to a request from the extension service to include a significant IPM component in the Bank-funded PNASA II project. In Burkina Faso and in Mali, pilots led to the development of a regional IPM Trust Fund program together with Senegal. This Trust Fund program attracted requests from several other West African countries keen to get involved. It also led to an additional program funded under GEF to focus on environmental issues related to pesticide use.

3.13 World Bank funds were used to help support the development and coordination of regional programs and national IPM initiatives in FAO's Africa and the Near East regions.

#### **Box 4. Integrated Pest Management in Ghana**

IPM farmer field schools were introduced in Ghana through an FAO-funded pilot project from 1995 to 1996. Extension staff from the Ministry of Food and Agriculture were trained in participatory IPM, and conducted three farmer field schools. Cost comparisons showed net returns from the IPM plots that were 32 percent higher than those treated with conventional agrochemicals, convincing government authorities to scale up the IPM program. The government established a national IPM steering committee chaired by a Deputy Minister of Food and Agriculture, and a National IPM Coordinator. Ghana obtained additional funding from the UN Development Programme for a three-year project to train 1,400 farmers per year in IPM for rice and to develop a farmer field school program for IPM in tomatoes and cabbage. High-level support for the program and success in the field has led to a recent decision that farmer field school training methodology should be adopted as the norm in the national extension system. To date, extension agents have mobilized over 2,400 farmers in the ecologically sound production of rice, cassava, vegetables and plantain, and there are IPM trainers in every region of the country. The services of these trainers are in demand by countries such as Malawi, Tanzania, Benin and Senegal.

Source: <http://www.fao.org/ag/Agp/agpp/IPM/Farmers.htm>; <http://www.pan-uk.org/pestnews/pn38/pn38p4.HTM> ; and comments submitted by the Global IPM Facility staff.

At a very early stage of implementation however, the Bank as a cosponsor informed the Facility's Secretariat of its concern that many of the activities and proposals of the Facility were beginning to deviate from the concepts that had been developed during Facility's planning stages.<sup>7</sup> At the heart of the Bank's concern was the emphasis by the Facility on the implementation of pilot projects as opposed to a wider effort to proactively stimulate IPM in donor projects. The Bank has voiced concern that the Facility is running the risk of spreading itself too thin due to insufficient selectivity criteria. While the Bank has acknowledged that FAO's support is provided to national IPM programs on a demand-driven basis, and this drive is an important part of the Facility's work, this has resulted in the Facility's receiving an increasing number of requests. The Bank has suggested that housing the Facility in FAO may have deterred it from turning down requests from FAO's member countries. The Bank cautioned that the Facility should not allow itself to be dragged away from its principal task of "facilitating" the wider-uptake of IPM or diluting its impact through the "holistic" thrust to the extension/IPM advice that the Facility was pursuing.

3.14 The Terms of Reference for the Scientific and Policy Advisory Panel, as drafted in May 1996, were strongly focused on the identification of "hot spots" – problem issues and areas, or areas at risk from pest outbreaks and or areas with excessive pesticide use, with potential for IPM to succeed in lowering these risks. This type of strategic evaluation and prioritization signified a keen understanding of the need to establish selectivity criteria based on strong scientific advice. However, seemingly, this "hot spot" approach was never used.

3.15 The Facility's Mid-Term Review commissioned a study of institutional issues related to the methodological approach (MTR, Annex 10). The study conducted a rapid assessment of two national IPM programs facilitated by the Facility in West Africa and found that it was questionable as to whether the basic precondition of identifying areas experiencing significant pest problems and/or pesticide abuse was being met.<sup>8</sup> In the case of irrigated rice,

7. Bank response to the "Interim Report of the FAO-World Bank IPM Program" February 1996

8. Lessons from successful experiences indeed suggest that government ownership of IPM as a national strategy for crop and plant protection occurs when it can be convinced that outbreaks are related to an overuse/misuse of

vegetable and plantain FFSs held in Ghana, this question was answered in the affirmative. Yet, in the case of irrigated rice production in Niger, there was no evidence that the farmers had ever experienced significant pest problems or for that matter were “overusing chemical inputs.” *This finding led the study authors to suggest that the Global IPM Facility orient its programs around target areas and crops for which there are noted production problems and for which some basic improvements can be offered that are viable under average field conditions.*

## **IMPACT EVALUATION OF IPM**

3.16 An impediment to the wider adoption of IPM is the lack of an adequate framework for evaluating the true costs and benefits of crop protection measures. In particular, there is a widespread perception in the IPM community that conventional loss assessment methods – which focus narrowly on yields and productivity and cost-benefit analyses which are limited to the costs of inputs and the value of products – tend to underestimate the costs of pesticide use, and of the various benefits that can accrue from adoption of effective IPM strategies (CGIAR Thematic Working Group on Crop Loss and IPM Impact Assessment).

### **World Bank Research**

3.17 Using new survey data, the World Bank’s Infrastructure and Environment Team of the Development Research Group attempted to ascertain whether IPM offered the prospect of lower production costs and higher profitability for rice farmers in Bangladesh (Dasgupta et al., 2004). The study compared outcomes for farming with IPM and with conventional techniques, using input-use accounting, conventional production functions and frontier production estimation. The results suggest that the productivity of IPM rice farming is not significantly different from the productivity of conventional farming. Since IPM reduces pesticide costs with no countervailing loss in production, however, it appears to be more profitable than conventional rice farming. Interview results also suggested substantial health and ecological benefits. Yet, the study also found that externality problems make it difficult for farmers to adopt IPM individually. Without collective adoption, neighbors’ continued reliance on chemicals to kill pests will also kill helpful parasites and predators, as well as exposing IPM farmers and local ecosystems to chemical spillovers from adjoining fields. The study therefore concluded that successful IPM adoption may depend on institutional support for collective action.

### **Impact Evaluation of the Farmer Field School Approach**

3.18 Various components of IPM continue to be debated – including the role of markets and the private sector in promoting IPM and the integration of IPM into existing environmental and policy frameworks. Yet the most debated of these issues is undoubtedly the applicability of Farmer Field School approaches to IPM in various production systems.

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pesticides. This was the case in 1986 when President Suharto was made aware that it was a pesticide-induced resurgence of brown plant-hopper that threatened Indonesia’s rice production.

3.19 A synthesis of 25 IPM-FFS impact evaluations revealed that impact evaluation of the IPM Farmer Field School approach has proven to be complex because of methodological obstacles, because of the range of immediate and developmental impacts, and because of different perspectives of stakeholders (van den Berg, 2004). Consequently, there is no agreed conceptual framework for measuring the impact of the FFS approach. The majority of studies reviewed measured the immediate impact of training through aggregated data, and reported substantial and consistent reductions in pesticide use attributable to the effect of training. In a number of cases, there was also a convincing increase in yield due to training. Most studies focused on rice. Pesticide reduction and farm-level returns were higher in non-rice crops (vegetables and cotton) than in rice. A number of studies reviewed described broader, developmental impacts of training often using qualitative methods, and in some cases involving farmers in identifying and describing the impacts. Results demonstrated reported widespread and lasting developmental impacts, which have been best documented for Indonesia. It was found that the FFS stimulated continued learning, and that it strengthened social and political skills which apparently prompted a range of local activities, relationships and policies related to improved agro-ecosystem management.

3.20 Staff from the World Bank's Development Research Group (DEC) evaluated the Farmer Field School approach in Indonesia and the Philippines to determine whether participation in the program had improved yields and reduced pesticide use among graduates and their neighbors who may have gained knowledge from graduates through informal communications. The Philippines study suggests that graduates of FFS improve their knowledge compared to others, but the knowledge does not diffuse significantly to other farmers. The Indonesia study found that the program did not have significant impacts on the performance of graduates and their neighbors. Moreover, because the study's empirical results do not indicate a program effect on pesticide use, there is no evidence to suggest any measurable environmental and health benefits. The study further notes that it is risky to extrapolate the results of small and early pilots programs given that the impact of the FFS training can be much smaller than envisaged, so that when the program is applied on a large scale, the effect is to render the economic, environmental, and health benefits much less attractive than what decision makers were expecting. Whereas one of the key sources of concern in regard to the FFS approach is its fiscal sustainability, the study recommended cutting the cost of the program by "narrowing and prioritizing the curriculum" to shorten the length of the training. The authors argue that a significant reduction of the per-farmer training cost would enable a much larger number of farmers to be trained directly, allowing for better prospects of collective action in pursuing coordinated pest management (so that cross-farm infestations do not occur).<sup>9</sup> The authors recommend exercising more caution in the design of FFS programs in order to improve the likelihood of economic viability.

3.21 Staff of the Global IPM Facility have questioned the overall findings of this DEC research, insisting that it contains serious flaws that largely invalidate its results and conclusions and that ignores other predominantly positive study findings of the same project in Indonesia.

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9. The Global IPM Facility notes that concerns about fiscal sustainability largely stem from Bank calculations of the cost of FFS. The manner in which these costs were calculated has attracted controversy.

## OED ASSESSMENTS OF BANK PROJECTS IN INDONESIA AND VIETNAM

3.22 OED's project performance assessment of the Bank's Agricultural Rehabilitation Project in Vietnam submitted to the Bank's Board in June 2002 focused primarily on just one of the project's subcomponents – its integrated pest management component (which represented only 3 percent of the project's costs). The assessment concentrated on the project's extension approach only, the Farmer Field School, the efficiency and fiscal sustainability of which it found to be questionable. Yet, this OED assessment missed an opportunity to explore the wider policy implications of IPM as opposed to the limitations of the FFS approach in Vietnam. A further assessment of the project's actual impact in terms of yield increases, stability, environmental and health benefits was warranted here.

3.23 *A Special Report on the World Market for Crop Products in Rice* (AGROW, 2003) considered the case of the Vietnam IPM Program and highlighted research findings which showed that farmers who were trained in IPM used only 1.7 pesticide applications on a rice crop, compared to 4.5 applications. Pesticide costs were more than halved, while crop yields rose. Predators and parasites help to limit pest attack in the absence of extensive use of broad-spectrum insecticides. This reduction in pesticides under IPM schemes led the Ministry of Agriculture and Rural Development to impose restrictions on the most hazardous compounds. Several Class I pesticides (parathion-methyl, methamidophos, monocrotophos) were banned as a result.

3.24 In an Implementation Completion Report Review of the Bank's Integrated Pest Management Project in Indonesia, OED also assigned only a "modest" rating to the project's institutional development component because the actual numbers of farmers and others trained were substantially less than the project's appraisal targets. Similarly, OED questioned the sustainability of the project and rated it "uncertain" because funding was not assured for the post-project period, because IPM messages had not been fully integrated into the national extension system, and because national, provincial, and district governments were facing difficulties due to the project's establishment of parallel extension structures that had yet to be integrated into the existing structure. Given that this project had generated such substantial interest as the first project of this kind to be administered on a such a scale, OED concluded that there was a need to further assess the project's actual impact in terms of yield increases, stability and environmental benefits, as well as to ascertain further information on cost-effectiveness and value added of the FFS approach in order to draw lessons about its applicability in diverse country circumstances.

## GLOBAL PROGRAM MONITORING AND EVALUATION

3.25 The Facility's guidelines, approved by the cosponsors, provide no criteria or methodologies to assess the expected impacts of the program in relation to its main target beneficiaries. Here the Facility finds itself in the midst of an ongoing debate about how to measure the economic returns of sustainable farming practices. Several major issues are involved, including the type of tools most appropriate for measuring program impact and the methodology to be used in calculating economic returns and impacts of IPM, including the beneficial spin-offs related to human health and well-being and the environment, or creation (or loss) of jobs (Schillhorn Van Veen, 2003).

3.26 The Facility has contributed to ongoing efforts to establish impact assessment schemes. It has contributed to workshops on impact assessment methodology, provided consultancy services to the West Africa IPM Program, provided assistance for the finalization of two long-term impact assessment studies in Asia, and has prepared a synthesis report of 25 impact evaluations (that reviews the strengths and weaknesses of different impact assessment approaches). Moreover, it has advocated for the development of approaches for environmental and health impact assessment (e.g., and through CGIAR SP IPM; the Signs and Symptoms approach for health impact assessment; the Environmental Impact Quotient for environmental impact assessment).

### **The Program's Mid-Term Review**

3.27 At the second Governing Group Meeting October 2000, the Bank strongly supported the need for an independent, external evaluation, to include both the Facility's *modus operandi* and the impact of the IPM programs that have been implemented. The Bank forewarned that the upcoming evaluation would be a determinant of the future of the Bank's role as a cosponsor of the Facility, and requested that the terms of reference and the Evaluation Team be broadly endorsed by the cosponsors. The Bank envisioned the external evaluation as providing an opportunity for shaping the development of a higher-level strategic vision for the program.

3.28 The conduct and focus of the resulting Midterm Review, though, was viewed as unacceptable by the Bank. Specifically, the Bank expressed serious concern that the selection of the evaluation team leader was in violation of the agreed procedure as recorded in the Minutes of the second Governing Group Meeting and that joint reporting by the evaluated unit and the evaluation team violated good governance procedures. This case study agrees with the Bank's concerns to the extent that the Bank should have been consulted prior to the selection of the evaluation team; it should have been given more time to review the TOR; and the evaluation conducted did not adhere to what the Bank considers to be an appropriate arm's length from the program team being evaluated.<sup>10</sup> However, it is unclear why the Bank did not ask for more time. Even with little time and a short response, the Bank's input into the terms of reference would have influenced the review, alerted its UN partners to problem areas, or at the very least, imparted the kind of good governance behavior which the Bank itself was seeking.

3.29 The Bank did however draft a very detailed *response* to the Mid-Term Review. UNEP and UNDP did not submit comments on the terms of reference nor did they provide a written response to the MTR. An interview with UNEP revealed that since UNEP and UNDP were not contributing funds for the Facility, there was "less at stake" for these agencies than for the Bank, although UNEP suggested that the MTR could have added more value by projecting how the Facility could have helped further the Bank's integration of IPM into its development agenda.

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10. The terms of reference for the Global IPM Facility's mid-term review were submitted to the Bank on March 31, 2001, by which time the evaluation team had already been appointed.

3.30 Other stakeholders interviewed for this case study, both inside and outside of the Bank, felt that the Facility’s Mid-Term Review was “overly positive.” Many pointed to the difference between the original governing document’s reference to an external review versus the nature of the mid-term review actually conducted.<sup>11</sup>

3.31 However, as was agreed by the Cosponsors, the Facility is housed in FAO and according to the Program Document, “the Facility will be administered in the same manner as FAO’s field projects are administered” (p. 2). This debate has pointed to a clear difference in views between the Bank’s and partner organizations about best practice in evaluation. The GIF program offers a wider lesson for other programs as well of the importance of quality and independence of monitoring and evaluation in the Bank’s partnerships.

3.32 According to Bank staff, the Mid-Term Review should have given greater emphasis on the need for impact studies, including studies on enhancing understanding of the level and quality of farmer-to-farmer transmission and the extent of environmental externalities. The Mid-term Review pointed to several undeveloped components of the Global IPM Facility’s work program that warrant further investigation. These include:

- *Project quality.* The program’s quality is affected by a poor link to research and technical backstopping. The MTR found that there is a poor link between the Facility and national agricultural universities and research institutions and noted that it would be important for IPM projects to link with existing national research projects/programs, to improve researcher-advisor linkage and the feedback from farmers to research institutions.
- *Lack of leadership by cosponsors.* To whom should the Global IPM Facility be accountable – FAO or the Governing Body? It seems the latter does not have a strategic governing and advisory function. It was envisaged that the Facility would be responsible to the cosponsors; and would be attached to FAO mainly for administrative purposes. The MTR recommended the appointment of an independent facilitator for the meetings. While this suggestion was welcome and would serve to enhance the flow of discussion as well as the independence of the reporting of cosponsors’ concerns, the strategic governance and advisory function of the Governing Group could only be augmented if the cosponsors were committed to a leadership role. One of the reasons, for example, that the Bank has had very little influence in steering the course of the Facility (agreed to both by FAO and the Bank) is that there is no person or persons in the Bank’s anchor to champion global IPM issues (Kenmore and Pehu, February 2003).

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11. The Facility’s Program Document (May 1997), as agreed upon by the cosponsors, called for an external evaluation to be conducted at the end of the 3rd year in order for recommendations to be provided concerning the future of the facility beyond its initial five-year framework. The review is referred to as external but never ‘independent’ in the Program Document. A discussion with FAO’s evaluation unit revealed that according to FAO’s administrative guidelines, it is not mandatory for FAO’s Evaluation Service to be involved in a review. In the case of the GIF Mid-Term Review, the Evaluation Service was involved in so far as it reviewed the draft Terms of Reference, suggested a consultant for the review team (in lieu of its staff), participated in debriefing, and commented on the review report.

- *Need for evaluation of farm-level impact of IPM.* The MTR noted that the information needed to establish an authoritative picture of farm-level impacts of IPM-FFS is not available (p. 66). There was a timely need for cosponsors to debate the FFS approach – with a focus on why it has been the only medium for conveying IPM knowledge. Such a debate could be strengthened by empirical evidence, such as the type that has been provided by the Bank’s Development Economics Research Group. As the economic incentive for IPM adoption in Africa derives less from cash savings on pesticide use than from the need to improve the stability of yields and the sustainability of farming systems (Orr 2003), the Bank consensus, and one with which this review team concurs, is that the Facility not instruct poor countries to engage in an extension approach that has not yet proven to be economically justifiable at the farm level.
- *An outdated design.* The MTR pointed to several items included in the initial design of the Global IPM Facility that were no longer relevant. It also noted that there has been a significant change in emphasis, an expansion of the Facility’s scope, and the emergence of a new strategic focus. There is a clear need for the Program Document to be revised/or updated at this stage of implementation (six years after inception). Such a revision should reflect a collective agreement between cosponsors on how to collect and document cost-benefit data, which would include difficult-to-quantify, long-term benefits of IPM related to health, environment, and empowerment. The MTR notes that a reorientation of the Facility may require some adjustment in design, staffing, or resources. The Governing Group should specifically address these needs vis-à-vis the Facility’s evolving mandate.

3.33 Because the Bank rejected the MTR, due to the fact that it was prepared by a team of evaluators selected by the evaluated unit prior to consultation with the full Governing Group, and because the report was written in part jointly with the evaluated unit, the Bank has not accepted the report as a basis for recommendations to consider. The subsequent Bank comments highlighted various substantive points of objection to the analysis and conclusions of the MTR.

3.34 The absence of a technical response to the MTR by the Global IPM Facility’s ad-hoc Science and Policy Advisory Committee points to the need for a more defining role of this committee in the overall governance structure so that future policy direction can be based on up-to-date scientific input.

## **4. Governance and Financing**

4.1 In reviewing issues surrounding the governance and management of the Global IPM Facility, there is a particular need to consider the evolution of the Facility’s operational mandate vis-à-vis the Facility’s formal mandate, which was originally conceived and agreed upon by the Facility’s cosponsors in 1996. A formal mandate is defined here to be the agreed statement of an organizations’ overall purpose or *raison d’être*, usually encapsulated in a constitution, charter, or articles of agreement. The Global IPM Facility’s Formal Mandate is encapsulated in the Facility’s Program Document. By contrast, operational mandates

represent the accumulation of activities and decisions of an organization as its formal mandate has been interpreted and operationalized over time.

4.2 The Global IPM Facility was not established by a formal agreement. As reported in the minutes of the first steering committee, “in keeping with the desire to minimize bureaucratic procedures and to maintain the simplicity and flexibility of the Facility, it was decided to utilize the exchange of letters between the sectoral Vice President of the Bank and the heads of FAO, UNDP and UNEP as the rationale for the establishment of the Facility and of its cosponsorship by the four international organizations.”<sup>12</sup>

4.3 The Global IPM Facility is governed by the Facility’s Program Document –the principles agreed upon by FAO, the World Bank, UNDP, and UNEP. The Program Document outlines the Facility’s strategy and institutional framework. However, the Program Document’s treatment of the governance structure of the Facility is descriptive in nature; it does not spell out in clear terms the specific roles and responsibilities of the different Governing Group Members. There is no indication of how decisions will be taken or what mechanism will be applied in the absence of consensus.

4.4 Even more fundamentally, it does not appear that the four original cosponsors ever agreed on the strategies that should be pursued to achieve the stated objectives. The cosponsors bring different vantage points to bear: whereby a sheer reduction in pesticide use may be a priority for UNEP, the mandates of FAO and the World Bank would tend towards a more poverty-focused approach, putting more emphasis on increased productivity and increased incomes of small farmers, in addition to the health and environmental benefits generated from a reduction in pesticide use.

4.5 The Governing Group is “the Body that oversees the functioning of the Facility.” It is comprised of (1) members, (2) observers, and (3) the Secretariat. Members include representatives of the cosponsors (FAO, WB, UNDP, UNEP), core donors (the Netherlands, Switzerland, and Norway), and the five geographical regions covered by the Facility.

4.6 Observers include representatives of the ad-hoc Technical Advisory Groups, NGOs, and the CGIAR Systemwide Program on IPM (SP-IPM). The question as to whether or not NGOs should have a formal role in the Facility’s governing structure arose in the initial steering committee consultations. A compromise was reached between Governing Group Members of the Global IPM Facility and nongovernmental organizations, led by the Pesticide Action Network (PAN): if the Facility agreed to exclude agro-chemical companies from its advisory board, then the Facility would also exclude the advocacy-oriented nongovernmental organizations from formal representation. However, NGOs have been awarded the status of observers which entitles them to be present at panel discussions, whereas the commercial private sector has not.

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12. According to interviews with the Bank’s General Counsel, legal oversight occurs on a more routine basis today compared to the past when partnership agreements, such as the Global IPM Facility, were conceived and negotiated (when there were no agreed procedures for global programs).

4.7 The Facility Secretariat is housed in FAO and is based at FAO Headquarters in Rome. This arrangement was agreed upon by the cosponsors so that the Facility could optimize its professional links with FAO's capacity in IPM. The Secretariat would be administered in the same manner as FAO's field projects were administered, in which all financial administration was handled by FAO. Yet, it was intended that the Facility would be an independent entity that would benefit from working closely with FAO without being integrated into FAO's regular programs.

4.8 The Secretariat is headed by a Coordinator who carries full responsibility for the management of the Facility, including the implementation of the Facility's work program and the recruitment of staff. It was understood that the Coordinator would report to the Governing Group and the donors. The Secretariat would be responsible for submitting progress reports, work plans, and budgets to the Governing Group for review and approval while financial plans would be submitted to the donors in the same manner as was done for FAO's trust-funded projects.

4.9 The Governing Group was designed to meet annually to review the activities and progress of the Facility's Secretariat and, if necessary, to make recommendations for adjustments to the Facility's program of activities. The location and schedule of Governing Group meetings were intended to follow regional IPM meetings (anticipated in the Program Document) to provide an opportunity for the Governing Group to take up recommendations posed by regional IPM meetings. In spite of the recorded requirement for annual meetings of the Governing Group, however, the Secretariat has only convened three meetings in six years (Rome, 4/1989; Kakamega, 10/2000; Rome, 12/2001). The Bank has attended all three.

#### **PROGRAM FAIRNESS, ACCOUNTABILITY, AND TRANSPARENCY**

4.10 *Accountability.* There is a consensus among all stakeholders interviewed for this case study that there was a clear comparative advantage in housing the Global IPM Facility at FAO Headquarters, considering FAO's technical capacity and ability to mobilize global expertise in the area of IPM. FAO also houses the secretariats for the international treaty on plant genetic resources, the International Plant Protection Convention, and the Rotterdam Convention. FAO staff members have strong and up-to-date expertise concerning the evolving body of international instruments that guide and regulate the entire life-cycle of pesticide use. However, this arrangement was beset by the equally important need for the Facility to be an independent entity that would not be integrated into FAO's regular programs while benefiting from working closely with it. The Facility's coordinator and staff are FAO staff, like the staff of global programs housed in the World Bank are Bank staff.

4.11 *Absence of transparent criteria for selecting regional representatives.* This case study was not able to ascertain a set of transparent selection criteria by which the regional representatives in the Facility's Governing Group are chosen. It is not clear whether representatives are nominated in their own right for their expertise, as representatives of governments *or* regions, and hence to whom they are accountable. Whose voices are reflected by the regional representatives? At what level do country governments back the opinions of individual participants and own the results of decision-making carried out through this global body.

4.12 *An inadequate communication strategy:* A key aspect of transparency is proactive communication – concerted, organized efforts to gather and disseminate information to donors, host country officials, NGOs, and on-the-ground-stakeholders. In this area, the program fell short. Apart from noting that the Global IPM Facility’s Secretariat would be headed by a Coordinator, who would carry full responsibility for the management of the Facility, the topic of management and oversight was not touched upon in the Facility’s Program Document.<sup>13</sup> As a Governing Group member and core donor, the Bank should have ensured that a five-year work program included a transparent and accountable framework for strategic direction and oversight of the Facility’s Secretariat.

4.13 The Global IPM Facility has not produced a steady stream of annual reports which it committed to producing in its Program Document. Its website was under construction (content kept shifting) the entire length of this review, making retrieval of project information problematic. The website does not post summaries of meetings or its annual reports, financial information, or specific project information.

4.14 *An inadequate reporting strategy.* Governing Group decisions are not recorded. Proceedings, which are drafted by the Facility following the conclusion of meetings, have been released as late as six months after the end of a meeting, making follow-up and fact correction extremely difficult for cosponsor representatives. Bank staff have also voiced in interviews for this study that the minutes have neglected at times to include strategic suggestions pertaining to the work plan and future direction of the Facility.

## **FINANCING OF THE PROGRAM**

4.15 The Global IPM Facility is funded through a combination of sources including contributions by the cosponsors, core funding for the Secretariat from donors and the cosponsors, and funding for pilot activities from bilateral and multilateral sources and private foundations. The core funding budget was set at approximately U.S. \$13.5 million for the original five-year work plan of the facility. The World Bank’s core contribution over this five-year period has been U.S. \$2.7 million. The other core donors – the Netherlands, Switzerland, and Denmark – have contributed the balance.

4.16 The original seed money used to operationalize the Facility was derived from funds kept in reserve by the Bank’s Planning and Budget Department, an amount which represented the difference between the Bank’s FY94 FAO-CP Budget (US\$ 10,742,380) and the FY95 FAO budget allocation (US\$ 10,214,600). The funds were kept in reserve pending the Bank’s decision on whether to sponsor and contribute to the Facility. Since 1998, the Bank’s financial contribution has been derived from the normal budgetary resources allocated through its Agriculture and Rural Development Department. However, the last time funds were transferred by the Bank was 2001. No application has ever been made to the Development Grant Facility.

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13. The Steering Committee envisioned the management of the Facility to occur at 4 levels, depending on the scope of activity involved: at the level of the Secretariat, FAO’s Plant Protection Service, FAO Field Services and CABI-IIBC. These directions were not translated to the management plan as established by the Facility’s Program Document.

4.17 The World Bank's contribution is deposited into an account that has been established by FAO and is operated by FAO's Agriculture Department.<sup>14</sup> According to FAO's Financial Rules and Regulations, the account is subject to an external audit at the end of each biennium, at which time FAO provides donors with a copy of the audited and certified accounts. However, more complete financial statements have only been available at the donors' requests.

## 5. Fostering a Results-Based Partnership

### OVERVIEW OF THE ROLE OF PARTNERSHIP IN PROGRAM IMPLEMENTATION

5.1 There is growing consensus within the Bank and among international development partners that national and global poverty reduction targets will not be met unless poverty in rural areas is reduced. The Bank has adopted three new strategies – the rural development strategy, Reaching the Rural Poor; Water Resources Sector Strategy, Strategic Directions for World Bank Engagement; and A Revised Forest Strategy for the World Bank Group – that collectively reaffirm the Bank's commitment to rural development. All three strategies recognize the need for enhanced partnership arrangements and linkages with the development community.

5.2 Through its implementation experience and its cooperation with the FAO IPM program, the Facility has not only learned that effective attention must be paid to the lowest levels of the systems within which it works, but also that advocacy must systematically be undertaken at the highest levels of government to provide the context for IPM field activities. In Indonesia, FAO established an inter-ministerial coalition to oversee the development of IPM activities. Such a coalition was able to prevail on the President of Indonesia to issue a policy calling for the banning of certain pesticides in rice, the elimination of subsidies for pesticides, and the implementation of IPM training for government agricultural field workers and for farmers.

### PARTNERSHIP WITH DESIGNATED COLLABORATORS

5.3 The Global IPM Facility “is a proto-organization, helping an IPM system to emerge, make linkages, and achieve leverage” (MTR, p. 7). Its small staff has relied on “designated collaborators” to augment its limited physical capacity. These collaborators include national programs, NGOs, FAO, CABI, the CGIAR Centers (especially SP-IPM), EUROIPM, and the Consortium for International Crop Protection. This study finds that the Global IPM Facility has underexploited these vital research and implementation links. For example, its relationship with CABI has failed to develop in a synergistic manner.

5.4 *CABI Bioscience*. CABI was a driving force behind the establishment of the Global IPM Facility. However, as a nonprofit organization (supported by the CABI Trust, a registered UK charity), it was considered inappropriate to list CABI among the founding

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14. The World Bank's contributions are identified by FAO as Project TEMP/INT/778/WBK/Trust Fund No. 050865.

sponsors (i.e., UNEP, WB, FAO and UNDP). Some effort was made to define a role for CABI while being transparent and even handed. The suggested solution was that: “FAO will invite CABI to enter into a partnership agreement to cooperate in the operation/ management of the Facility. CABI will respond indicating what it is prepared to contribute to the Facility on which basis discussions will be held to finalize FAO and CABI roles. CABI’s contribution can be expected to include support to secretariat functions and to field operations through CABI offices around the world. It is understood that a CABI representative would participate in the Steering Committee”.

5.5 Interviews with CABI have revealed that CABI perceived this agreement to be literally “a partnership” agreement. It was understood that they would do the technical backstopping for the Facility as they had done for FAO’s IPM-related work in Asia. They would assist with alternative options, with the design of farmer participatory activities, and with training and research. CABI was also particularly interested in the follow-up with farmers after the end of a Farmer Field School training. However, according to CABI, such requests for assistance and true partnership rarely came. The Global IPM Facility has indicated that due to CABI’s reorientation since 1995, its partnering potential diminished.

5.6 *The CGIAR’s SP-IPM.* The Bank, through its substantial support for the CGIAR’s international agricultural research centers (IARCs), stimulates research on sustainable agricultural development and IPM in the various IARC institutions. These institutions have initiated the Systemwide Program on Integrated Pest Management, which aims to improve communication and activities on IPM among the institutions, as well as between IARCs and national research and extension programs.

5.7 The Bank has recently become a member of the SP-IPM Steering Committee and is building on the technical capacity of the IARCs and is exploring ways to strengthen that partnership by piloting a few projects (in Africa, Latin America, and Asia). Prior to the Bank’s recent engagement, the Bank was represented by the Global IPM Facility, which has traditionally sent two representatives to the SP-IPM. The Working Group is made up of representatives of the members, and in addition to the Global IPM Facility, other active partners include the IPM Forum, PAN-Africa, and a private sector representative from the Global Crop Protection Federation, or CropLife (which joined in 2001).

## **PARTNERSHIP WITH THE PRIVATE SECTOR**

5.8 The Global IPM Facility was designed to look at the quality of IPM and how it was being implemented at national program levels. There was indeed evidence at the time the facility was conceptualized that business as usual in many developing countries meant that countries’ plant protection sectors were heavily influenced by government policies that were likewise influenced by research funding that was being supplied by the pesticide industry. So, the focus of the Facility in trying to correct some of the bias in implementation is clearly understood. By excluding industry formally from its governance structure, the Global IPM Facility represented the first effort by the donor/development community to develop a platform of influence as a counterweight to the pesticide industry and to assert a technical authority in policy discussions (MTR, p. 3).

5.9 However, there is some sentiment among stakeholders that the Facility has missed the opportunity to engage in a real industry-wide discourse about standards concerning different methods of cost assessment. For example, CropLife International endorses the FAO International Code of Conduct on the Distribution and Use of Pesticides; membership is contingent on strict adherence to the code. The industry has issued stewardship programs to promote best practice in manufacture, marketing, use and disposal of waste.

5.10 What was missed was a chance for science to play a key role in developing global standards that could transgress interest group politics. With the onset of liberalization policies across developing countries, global standard setting must be considered an integral component to successful implementation of an IPM agenda to address the impact of increasing sales of generic, less specific pesticides worldwide.

5.11 This case study concurs with the Bank's decision to agree to a compromised governance arrangement – a compromise that excluded the commercial private sector from formal representation on the Facility's Scientific and Technical Advisory Committee (STAC). However, the Bank has argued (and this case study again concurs) that the Facility, *through the appropriate fora*, should intensify collaboration with the private sector to stimulate the pesticide industry toward rationalizing agro-chemical use (with a focus on the highly specific products that are in the pipeline that could be useful in IPM type approaches) as well as to push for an adherence to global standards (i.e., FAO's Code of Conduct).

5.12 The Bank has taken a proactive stance in the forest sector, for example, directly challenging logging enterprises to engage in sustainable forest management (Box 5).<sup>15</sup> OED pointed out in its review of the implementation of the World Bank's 1991 Forest Strategy (Lele et al., 2000) that the prohibition on financing commercial logging in primary moist tropical forests contained in the original version of the Bank's Forest Policy has had no discernible impact on the rate forest loss and

**Box 5. Engaging the Private Sector to Promote Sustainable Forest Management**

“Participation of the international private sector is especially important to produce favorable forest outcomes....For forest management to improve, private investors that are willing to support sustainable forest management need to be brought into the sector and logging enterprises that currently participate in destructive and sometimes rogue and illegal forest operations shut down. If governments, the Bank and its partners work together to develop a positive enabling environment for long term and sustainable private sector investments in natural resources, responsible and environmentally conscious investors can be brought into the sector who are interested in supporting sustainable forest management and conservation.”

At the present time, the Bank's main interaction with the private sector on a multilateral basis is the CEOs Forum, where private enterprises meet alongside leading NGOs. “This not only ensured the exchange of diverse viewpoints....it also enabled the Bank to use its convening power to air differences on controversial issues in a transparent manner as perhaps a first step toward possible solutions to reconciling global and national objectives.”

*Source: Lele, Uma. Managing a Global Resource: Challenges of Forest Conservation and Development. New Brunswick, November, 2002.*

15. It should be noted that the Bank was far better equipped to deal with forest policy issues (with its sizeable forestry staff) than with IPM policy where only a few agricultural specialists were involved. The then Agriculture and Rural Development Department had at least two foresters employed compared to none in IPM (Comment submitted by Tjaart Schillhorn Van Veen, April 2004).

degradation, which continued unabated through the 1990s. Given that the global chemical industry is expected to experience an annual growth rate of about 3 percent over the next three decades, with a considerable increase in trade (OECD, 2001), effective operation of the Global IPM Facility will require a proactive agenda to influence the actions of the private sector.

5.13 A strong incentive already exists for major multinational corporations to seek consensus on global standards, given the upsurge in generic pesticides recently entering the market. About 30 percent or more of pesticides marketed in developing countries do not meet internationally accepted quality standards (WHO, 2001). Innovation in standard setting at the global level could promote much more selective and environmentally sensitive compounds.

5.14 CABI has pointed out that the aggressive marketing of a broad range of chemical products and the widespread and inappropriate use of these products have been the major obstacles for IPM implementation as well as the cause of pest outbreaks worldwide. Therefore, CABI would have liked the STAC to have had access to resource persons from the commercial private sector on an as-needed basis in its meetings – for example, in discussing plant protection issues related to BT-engineered crops. NGOs, including the Pesticide Action Network (PAN), have offered constructive suggestions concerning the possible inclusion of consumer-oriented private sector representatives such as Unilever and Kellogg, which could sit side-by-side with NGOs to discuss and debate agricultural production and purchasing strategies, and pest management products and approaches (in an approach similar to the CEO Forum, as described in Box 5).

#### **PARTNERSHIP WITH GLOBAL IPM NETWORKS**

5.15 As Agenda 21 has demonstrated, the urgency of implementing IPM strategies for the enhancement of sustainable agricultural production is a broadly accepted principle. However, a major challenge in this effort is the dissemination of an ever-increasing volume of IPM information, which must be processed in a manner that is accessible and usable by the rural majority. “The current status of electronic communication of IPM knowledge-initiatives, while rapidly exploring the benefits of Internet, remain rudimentary and disjointed, lack a multidisciplinary balance, are not optimally responsive to the needs of potential users, and lack necessary long term funding...it is critical that global cooperation move ahead. This means the development of partnerships among diverse systems...The key goal of these partnerships is effective cooperation leading to more effective use of donor resources” (Global IPMnet, 1995).

5.16 There is an obvious supportive function that an established networking tool, such as the IPM Forum, could lend to the work program of the Global IPM Facility. It is not clear to this case study why the Global IPM Facility has not fostered an interactive relationship with the IPM networks. For example, while it is the perception of networks such as the CGIAR’s SP- IPM that the Facility is a “natural partner” in efforts to achieve an international policy environment that is more favorable to IPM implementation, there is little evidence of this natural partnership having been fostered by the Facility.

## **THE GENDER DIMENSION**

5.17 The Global IPM Facility has begun to collect data and document the processes and impact of selected IPM training and implementation in relation to livelihood implications from a gender dimension. It recognizes, though, that more analysis is required to document the interaction of gender and poverty in local strategies for coping with poverty, such as selecting early maturing varieties to reduce total labor inputs.

## **THE INTEGRAL ROLE OF SCIENCE**

5.18 This case study repeatedly argues that integrated pest management must be considered in a site-specific context. In some isolated cases, participation may not be a prerequisite for successful IPM at all. For example, “the most successful IPM program for resource-poor farmers in Africa (biological control of the cassava mealy bug) involved no farmer participation whatsoever. Accidentally introduced into Africa in the 1970s, this pest caused extensive damage to a major food crop. By 1995, farmers were completely unaware of the release of the parasitoid, ascribing the mysterious reduction in yield losses from mealy bug to divine intervention or a change in the weather” (Neuenschwander, 1993, as quoted by Orr, 2003). The benefits have been valued at U.S. \$9.4 billion, and the economic rate of return (valuing cassava at world market prices) estimated at 199 percent (Zeddies et al., 2001).

# **6. Bank Performance**

## **WORLD BANK’S CATALYTIC ROLE**

6.1 The World Bank’s initial contribution to FAO in 1995 was instrumental in leveraging support for the Global IPM Facility. The Bank-FAO partnership, by establishing an initial joint program, demonstrated a foundational commitment to the institutionalization of an IPM agenda and built the momentum needed to catalyze the support of other cosponsors like UNDP and UNEP. While these agencies contributed no core financial support to the Facility, their presence lent international recognition and legitimacy to the Facility, which in turn generated bilateral support. Therefore, while bilateral contributions, especially from the Netherlands, soon surpassed that of the Bank’s, the value of the Bank’s convening power in this program has been important.

## **PROGRAM LINKAGES TO THE BANK’S AGRICULTURAL OPERATIONS**

6.2 Lending for agriculture and rural development has declined from approximately 31 percent of total Bank lending in 1978-1981 to less than 10 percent in 2000-2001 (World Bank, 2003). The 1990s witnessed a particularly dramatic decline in overall Bank lending for agriculture – from US\$ 3.3 billion in 1990 to US\$ 1.4 billion in 2000 – triggered by low commodity prices and a perceived need to change investment priorities and avoid risks associated with agricultural projects (Sorby et al., 2003). Interviews with task managers conducted for this review revealed that there is a level of risk aversion occurring due to the manner by which integrated pest management related issues are handled within the Bank. A

preliminary analysis has suggested that task managers may be wary of projects that invest in productivity enhancing agriculture due to the fact that such projects immediately attract attention from the Bank's compliance units, generate controversy in the field, and complicate negotiations at the country level.

6.3 A review of the World Bank's FY01 rural project portfolio was conducted as part of the Rural Development Department's recent *Review of IPM Trends and Implementation Strategies* (Sorbey et al., 2003). The Review concluded that there is a low inclusion of IPM in Bank projects, even in projects dedicated to sustainable agricultural intensification.<sup>16</sup> The analysis found that among projects that did include IPM, the majority have focused on extension and capacity building, while approximately 33 percent involved research and only 19 percent included policy reform. The analysis further suggested that IPM is more often found to be included in projects in which investment in agricultural research is structured in a demand-driven way – for example, through a competitive grants system – rather than in other project types. Even in these cases, provisions to make research results available to farmers have remained limited.

#### **Operational Policy 4.09**

6.4 The above review also found that the Bank's safeguard on pest management (OP 4.09) has an "ambiguous role" in the Bank despite the fact that IPM has a high profile as one of the Bank's ten safeguards. Safeguard policies aim at putting in place mitigation measures to prevent direct environmental or social harm that could arise from Bank intervention. A part of OP 4.09 is a "safeguard" policy in the sense that it requires improved pesticide use/management practices, but much of it is actually a "how-to" guideline on improving pest management for better, more sustainable production. This review has learned that it is very much a matter of judgment as to what is sufficient in order to say that an "IPM approach" is in place, because IPM is not a particular set of technologies or behaviors – rather it is more like a philosophy and guiding framework. Therefore, although OP 4.09 requires that any investment that is likely to increase pesticide use be made only "in the context of an IPM program," there are no clear set of rules for deciding what qualifies.

6.5 Task Managers in the Bank have various views on what is actually required to satisfy this safeguard; it is more likely that a TM will focus simply on limiting the use of certain particularly hazardous products, or include some small element of IPM-related research in the project, as opposed to ensuring that an IPM approach is in place as a pre-condition of project financing.

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16. The lack of attention to IPM has been pointed out in a number of Bank papers. See ESSD monograph 17 (1997). Others have noted the absence of adequate attention for IPM in Bank-financed work (Gutierrez and Waibel, 2003). A survey conducted by the Pesticide Action Network of Bank agriculture projects approved between 1997 and 2000 found that "few mention integrated pest management" but "there are signs of improvement in LAC and ECA, but SSA and South and East Asia remain problematic" (Tozun, 2001).

## EXIT STRATEGY

6.6 The Global IPM Facility was originally conceived as a five-year pilot program, with a sunset clause agreed upon by the cosponsors. The Governing Group agreed in 2001 to extend the first phase of the Facility by one year, until the end of 2003, along with a focused evaluation to supplement the MTR to be conducted as part of the extension of Phase 1. This focused evaluation was specifically requested by the World Bank, but was not undertaken.

6.7 The World Bank officially withdrew as a cosponsor from the Facility in March 2005, in part due to dissatisfaction with the governance procedures and the inadequate evaluation process at the Global IPM Facility (Annex B). While the Bank clearly recognized the contribution of the Facility in promoting the issue of IPM in agricultural development, the Bank's decision not to renew its engagement was in line with its perception that Bank partnerships are time-bound and require an exit strategy. Citing concerns raised by OED in its *Independent Evaluation of the World Bank's Approach to Global Programs* regarding aspects of the governance of the partnership, the Bank's decision was delivered more than two years after the envisioned end date for the partnership (2002) as stated in the original program document, although actual funding contributions from the Bank ceased before 2002.

6.8 Meanwhile, the Bank's decision not to renew its engagement with the Facility does not exclude the possibility for future cooperation between the Facility and the Bank's regional operations on a case-by-case basis under separate agreements.

## RISKS AND RISK MANAGEMENT

### Institutional Risk

6.9 There has been much debate concerning the World Bank's proclivity to manage risks by simply adhering to policies guided by a "do no harm" principle, as opposed to adopting a more proactive role in promoting and supporting environmentally safe and sustainable practices. This debate has been broadly enhanced in the Bank and was highlighted in OED's recent review of the World Bank's 1991 Forest Strategy (2002). The Bank has adhered to the "do no harm" principle with regard to its pest management activities by developing its Pest Management Policy (OP 4.09) and by increasing its access to technical expertise via its cosponsorship and support of the Global IPM Facility. Indeed, after several damaging reports by the mid-nineties involving the Bank and its lack of an effective pesticide policy, both measures were critical for the Bank to manage its reputational risk.<sup>17</sup>

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17. "In the early eighties, the Bank managed a project for IFAD in the Middle East. Implementation of a farming component, on a farm previously operated by a Soviet project was contracted out to a U.S. company. The contractor found some unused (and undefined pesticides) and buried them on the farm, using more or less standard practices at that time. In the late 90s, the Bank was notified by the borrower (and FAO) about these buried pesticides which showed some visible changes in the vegetation (or the lack thereof) around the site...No significant leakage had occurred, but the site remained a liability. The Bank contacted the borrower on how to resolve this sensitive issue. In part to address the reputational risk, the Bank decided to help arrange funding to remove these obsolete stocks, at about U.S. \$1 million" (K. M. Maredia, K.M., D. Dakouo and D. Mota-Sanchez, editors, 2003).

6.10 However, as the link between environmental and economic sustainability is increasingly acknowledged as a central tenet of any sustainable development agenda, practitioners now must focus on policies that incorporate the “do-good” principle – a principle that calls for improving awareness, enhancing policy reform and strengthening the regulatory framework and institutional capacity for the implementation of IPM and the control of pesticide use and handling” (Schillhorn van Veen, 2003).

6.11 The Bank has established the Quality Assessment Compliance Unit (QACU), which provides operational support on critical corporate risk projects. The unit now houses one full-time IPM specialist.<sup>18</sup> Given that the Bank revised its operational policy on pesticides in December 1998, it is overdue that the Bank only hired one professional full-time IPM specialist in 2003 to oversee its implementation, act as a liaison with the NGO community and the private sector, and represent the Bank at international fora. Currently, the QACU IPM specialist conducts training for the Regional Safeguard Management and Review Teams,<sup>19</sup> as well as for Task Managers, Operations staff and field staff for Bank and Client countries. At present, the IPM specialist provides training and gives support to projects across sectors (rural development, environment, health and energy).

6.12 Yet, a training-of-trainers approach should be complemented with direct expert input during a project’s design stage and thereafter. If the ultimate objective is to improve project performance on the ground, then national pest management plans have to be above all owned by the clients. The preparation of the plans would be more informed if Bank teams had ready access to IPM specialists in the way in which it was envisioned the Facility would make available. Today, in lieu of relying on the Facility for such services, the Bank instead looks to a variety of sources for this expertise – sources that include the CGIAR centers, NGOs, bilaterals with field experience involving IPM techniques, and consultants with expertise.

### **Associated Risk**

6.13 Whereas the reputational and financial risks of liabilities associated with state supported procurement of farmer inputs have been clearly realized by the Bank, the decision to cosponsor the Global IPM Facility carried with it its own set of risks in terms of increased expectations at the global and national levels. These risks were fully realized when the NGO community took the Bank to task for its “poor choice of development partners...evident in its

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18. One contribution of the Global IPM Facility’s seconded staff was the demonstration that a conflict of interest existed between RDV’s advisory role (now ARD) and its administrative involvement in compliance monitoring. As a result of this, the new pest management specialist post was placed directly under ESSD/QACU.

19. In FY02, a comprehensive safeguards training program was implemented by QACU for both Bank staff and clients/partners. Over the year, 94 safeguards training sessions of various durations were delivered. More than 600 Bank staff were trained through 63 sessions on safeguard policies. For clients and partners, 28 training sessions on safeguards learning and outreach activities were organized in Bangladesh, Brazil, Cambodia, Canada, China, Colombia, Ecuador, France, Ghana, Guatemala, India, Indonesia, Iran, Kenya, Lao PDR, Lebanon, Nepal, Peru, Philippines, Sri Lanka, Tanzania, Tunisia, Uganda, and at the headquarters in Washington, D.C. The 1,104 participants in these sessions represented a variety of stakeholders, including government officials, academicians, private sector, and civil society groups. It should be noted that the section on pest management in this training program had been prepared by staff seconded from the Global IPM facility.

Staff Exchange Program” (Letter to the World Bank signed by multiple NGOs, 2001). NGOs have referred repeatedly to the Bank’s staff exchanges with such companies as Rhône Poulenc (now Aventis), AgrEvo (now Aventis), Novartis (now Syngenta) and Dow AgroSciences) as defying the spirit of the Bank’s policy on integrated pest management.

6.14 The NGO community has also voiced dissatisfaction with the Bank for inviting CEOs of major pesticide and biotechnology companies to a roundtable discussion in December 2000 to identify possible areas of collaboration. However, for reasons outlined earlier, dialogue with the commercial private sector is just as vital as dialogue with the international nongovernmental community.

6.15 The Global IPM Facility has been instrumental in assisting the Bank in identifying and addressing partnership activities that in the past have been inconsistent with the Bank’s safeguard policy on pest management and its guidelines for partnerships with the commercial private sector. With the assistance of the seconded pest management specialist, a handful of cases were documented and directed to the attention of the Director of the Bank’s Ethics Department, who then reviewed the potential conflict of interest and compliance issues. This assistance from the Facility has contributed to the sharpening of the Bank’s risk assessment and approval process for new private sector partners.

## **7. Lessons**

7.1 Integrated Pest Management is an approach that requires an appreciation of its multiple goals and a suitable methodology for the assessment of its impact. The assessments currently underway for the FFS method of extending IPM practices are not sufficient to achieve this goal, and should be considered a separate but complementary exercise. Several development banks, international organizations and bilateral assistance agencies support IPM, but there is little consensus on monitoring and assessment standards for the economic, social and environmental impacts of farmer IPM training. The Global IPM Facility has contributed to the establishment of assessment standards through its support of collaborative efforts designed to increase the quality and usefulness of IPM research. Meanwhile, the Bank needs to consider the best way that IPM lessons can not only enhance the Bank’s rural strategy and its implementation, but also offer lessons across sectors: agriculture, health, and the environment.

7.2 The Global IPM Facility’s decision to exclude the agro-chemical industry from its governance structure could have been balanced with a separate long-term strategy to engage the commercial private sector in discussions on national and global food safety regulations, on trade, and on marketing and distribution of generic, less specific pesticides. While the Facility has sought cooperation from the food processing industries, it has missed an opportunity to benefit from a pipeline of private sector research and development aimed at certain market segments and IPM-type issues.

7.3 The program’s governance principles, as designed through an informal agreement, should have reached a consensus not only on the objectives, roles, and responsibilities of the partnership but also on how to manage, treat or incorporate different points of view as these arose. The lack of functional clarity in this program is not a unique phenomenon. The

challenge was perhaps more conspicuous in this program given the nature of the subject the Facility was tackling. The experience with this program emphasizes the importance of clear terms of reference for the Bank's representative on the governing bodies of global programs. Independent oversight should provide the kind of neutral guidance necessary to bring problematic partnerships back on track or recommend exit for the Bank rather than have it face undue institutional or reputational risk.

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## **Annex A. Evaluation Framework for The World Bank's Approach to Global Programs: An Independent Evaluation – Phase 2**

The Phase 2 Report and each case study follows a common outline and addresses 20 evaluation questions (Table A.1) that have been derived from OED's standard evaluation criteria (Table A.2), the 14 eligibility and approval criteria for global programs (Table A.3), and the 8 eligibility criteria for grant support from the Development Grant Facility (Table A.4).

The sheer number of these criteria, some of which overlap and others which are mutually exclusive, can be daunting even to an evaluator. Hence the OED evaluation team has reorganized these criteria into four major evaluation issues, which correspond to the four major sections of each report (Table A.1):

- I. The overarching global relevance of the program
- II. Outcomes and impacts of the program and their sustainability
- III. Organization, management, and financing of the program
- IV. The World Bank's performance as a partner in the program

These four issues correspond roughly to OED's evaluation criteria of relevance, efficacy, efficiency, and Bank performance, **appropriately interpreted and expanded for the case of global programs**. In the case of global programs, **relevance** must be measured not only against individual borrowing countries' priorities and Bank priorities, but also in terms of the interplay between global challenges and concerns on the one hand and country needs and priorities on the other. The former are typically articulated by the "global community" by a variety of different stakeholders and are reflected in a variety of ways such as formal international conventions to which developing countries are signatories; less formal international agreements reached at major international meetings and conferences; formal and informal international standards and protocols promoted by international organizations, NGOs, etc.; the Millennium Development Goals; and the Bank's and the Development Committee' eligibility criteria for global programs. While sponsorship of a program by significant international organizations may enhance "legitimacy" of a global program in the Bank's client countries, it is by no means a sufficient condition for developing country ownership, nor for ensuring its development effectiveness. "Relevance" and ownership by the Bank's client countries is more assured if they demand the program. On other hand some "supply-led" programs may also acquire ownership over time by demonstrating substantial impacts, as in the case of the Internet. Assessing relevance is by far the most challenging task in global programs since global and country resources, comparative advantages, benefit, costs, and priorities do not always coincide. Indeed the divergence of benefits and costs between the global level and the country level is often a fundamental reason for the provision of global public goods. Evaluating the relevance of global action to the Bank's client countries is however important because the global *development* agenda is becoming highly crowded and resources to finance it have remained relatively stagnant, therefore highlighting issues of selectivity.

For the global programs that have been operating for some time, **efficacy** can be assessed not only in terms of program outcomes but more crucially in terms of impacts on the ground in developing countries. Outcomes and impacts in turn depend on the clarity and evaluability of each program's objectives, the quality of the monitoring and evaluation of results and, where appropriate, the effectiveness of the links of global program activities to the country level.

Since global programs are partnerships, **efficiency** must include an assessment of the extent to which the benefit-cost calculus in collective organizational, management and financing arrangements is superior to achieving the same results by the individual partners acting alone. The **institutional**

**development impact** and the **sustainability** of the program itself (as opposed to that of the outcomes and impacts of the program’s activities) are also addressed in this section of each report.

Finally, this being an OED evaluation, it focuses primarily on the **Bank’s strategic role and performance** in playing up to its comparative advantage relative to other partners in each program. The Bank plays varied roles in global programs as a convener, trustee, donor to global programs, and lender to developing countries. The Bank’s financial support to global programs — including oversight and liaison activities and linkages to the Bank’s regional operations — comes from a combination of the Bank’s net income (for DGF grants), the Bank’s administrative budget, and Bank-administered trust funds. In the case of the Global Environmental Facility (GEF) the Bank is a trustee and in the case of the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria (GFATM), a “limited” trustee. In the case of GEF and MLF the Bank is also an implementing agency. Thus, the assessment of Bank performance includes the use of the Bank’s convening power, the Bank’s trusteeship, Bank financing and implementation of global programs, and, where appropriate and necessary, linkages to the Bank’s country operations. Bank oversight of this entire set of activities is an important aspect of the Bank’s strategic and programmatic management of its portfolio of global programs.

The first column in Table A.1 indicates how the four sections and 20 evaluation questions addressed in the Phase 2 Report and case studies relates to the eight evaluation issues that were raised by the Bank’s Executive Board in the various Board discussions of global programs during the design phase of OED’s global evaluation and identified in the OED’s Evaluation Strategy paper:<sup>20</sup>

1. Selectivity
2. Monitoring and evaluation
3. Governance and management
4. Partnerships and participation
5. Financing
6. Risks and risk management
7. Linkages to country operations

The third column in Table A.1 indicates how the four sections and 20 evaluation questions relate to OED’s standard evaluation criteria for investment projects (Table A.2), the 14 criteria endorsed by the Development Committee and established by Bank Management for approving the Bank’s involvement in global programs (Table A.3), and the 8 criteria for grant support from the Development Grant Facility (Table A.4).

The 14 **eligibility and approval criteria** for the Bank’s involvement in global programs have evolved since April 2000 when Bank Management first proposed a strategy to the Bank’s Executive Board for the Bank’s involvement in global programs and include the *four overarching criteria* endorsed by the Development Committee, and the *four eligibility criteria* and *six approval criteria* presented by Bank Management to the Bank’s Executive Board. Each global program must meet at least **one** of the four relatively more substantive eligibility criteria and **all six** of the relatively more process-oriented approval criteria. The first two eligibility criteria relate directly to the Bank’s global public goods (GPG) and corporate advocacy priorities (Table A.3). Although the six approval criteria resemble the topics

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20. OED, The World Bank and Global Public Policies and Programs: An Evaluation Strategy, July 16, 2001, page 21. “Partnerships and participation” were originally listed as two separate evaluation issues in the evaluation strategy document. “Monitoring and evaluation” is now interpreted more broadly to include not only an assessment of the monitoring and evaluation procedures of each program but also the findings of previous evaluations with respect to the outcomes and impacts of each program, and their sustainability.

covered in a project concept or appraisal document for Bank lending operations, unlike for Bank lending operations, there is currently only a one-step approval process for new global programs — at the concept stage and not at the appraisal stage. And new global programs only have to be approved by the Bank Managing Director responsible for the Network proposing a new program, not by the Bank’s Executive Board.

While the approval of new global programs is logically separate from and prior to their financing (whether from the DGF, trust funds, or other sources), the eight **DGF eligibility criteria** for grant support from the DGF (Table A.4) were actually established in 1998. Twenty out of the 26 case study programs and about two-thirds of the Bank’s total portfolio of 70 global programs have received DGF grants.

**Table A.1. Key Evaluation Issues and Questions**

Evaluation Issues	Evaluation Questions	Reference
<b>Section I. Overarching Global Relevance of the Program</b>		
1. Selectivity	<p><b>1. International consensus.</b> To what extent did the programs arise out of an international consensus, formal or informal:</p> <ul style="list-style-type: none"> <li>• Concerning the main global challenges and concerns in the sector</li> <li>• That global collective action is required to address these challenges and concerns?</li> </ul>	Development Committee (DC) criterion #4 (Table A.3).
	<p><b>2. Relevance.</b> To what extent are the programs:</p> <ul style="list-style-type: none"> <li>• Addressing global challenges and concerns in the sector</li> <li>• Consistent with client countries’ current development priorities</li> <li>• Consistent with the Bank’s mission, corporate priorities, and sectoral and country assistance strategies?</li> </ul>	<p>A modification of OED’s relevance criterion (Table A.2) for the purpose of global programs.</p> <p>The third bullet also relates to Managing Director (MD) approval criterion #1 regarding a “clear linkage to the Bank’s core institutional objectives” (Table A.3).</p>
	<p><b>3. MD eligibility criteria.</b> To what extent are the programs:</p> <ul style="list-style-type: none"> <li>• Providing global and regional public goods</li> <li>• Supporting international advocacy to improve policies at the national level</li> <li>• Producing and delivering cross-country lessons of relevance to client countries</li> <li>• Mobilizing substantial incremental resources?</li> </ul>	The four bullets correspond to the four MD eligibility criteria (Table A.3).
	<p><b>4. Subsidiarity.</b> To what extent do the activities of the programs complement, substitute for, or compete with regular Bank instruments?</p>	DGF eligibility criterion #1 (Table A.4).

Evaluation Issues	Evaluation Questions	Reference
<b>Section II. Outcomes, Impacts, and their Sustainability</b>		
	<p><b>5. Efficacy.</b> To what extent have the programs achieved, or are expected to achieve, their stated objectives, taking into account their relative importance?</p>	<p>OED's efficacy criterion (Table A.2).</p>
2. Monitoring and evaluation	<p><b>6. Value added.</b> To what extent are the programs adding value to:</p> <ul style="list-style-type: none"> <li>• What the Bank is doing in the sector to achieve its core mission of poverty alleviation and sustainable development</li> <li>• What developing and transition countries are doing in the sector in accordance with their own priorities?</li> </ul>	<p>The first bullet corresponds to DC criterion #1 (Table A.3).</p>
	<p><b>7. Monitoring and evaluation.</b> To what extent do the programs have effective monitoring and evaluation:</p> <ul style="list-style-type: none"> <li>• Clear program and component objectives verifiable by indicators</li> <li>• A structured set of quantitative or qualitative indicators</li> <li>• Systematic and regular processes for data collection and management</li> <li>• Independence of program-level evaluations</li> <li>• Effective feedback from monitoring and evaluation to program objectives, governance, management, and financing?</li> </ul>	<p>MD approval criterion #6 (Table A.3), since effective communications with key stakeholders, including the Bank's Executive Directors, requires good monitoring and evaluation practices.</p>
	<p><b>8. Sustainability of outcomes and impacts.</b> To what extent are the outcomes and impacts of the programs resilient to risk over time?</p>	<p>OED's sustainability criterion (Table A.2).</p>
<b>Section III. Organization, Management, and Financing of the Program</b>		
3. Governance and management	<p><b>9. Efficiency.</b> To what extent have the programs achieved, or are expected to achieve:</p> <ul style="list-style-type: none"> <li>• Benefits more cost-effectively than providing the same service on a country-by-country basis</li> <li>• Benefits more cost-effectively than if the individual contributors to the program acted alone?</li> </ul>	<p>A modification of OED's efficacy criterion for the purpose of global programs (Table A.2). The first bullet also relates to MD eligibility criterion #3 (Table A.3) and DGF eligibility criterion #3 (Table A.4).</p>
	<p><b>10. Legitimacy.</b> To what extent is the authority exercised by the programs effectively derived from those with a legitimate interest in the program (including donors, developing and transition countries, clients, and other stakeholders), taking into account their relative importance?</p>	<p>A modification of OED's evaluation criteria (Table A.2) for the purpose of global programs.</p>

Evaluation Issues	Evaluation Questions	Reference
	<p><b>11. Governance and management.</b> To what extent are the governance and management of the programs:</p> <ul style="list-style-type: none"> <li>• Transparent in providing information about the programs</li> <li>• Clear with respect to roles &amp; responsibilities</li> <li>• Fair to immediate clients</li> <li>• Accountable to donors, developing and transition countries, scientists/professionals, and other stakeholders?</li> </ul>	MD approval criterion #5 (Tables A.3) and DGF eligibility criterion #5 (Table A.4).
4. Partnerships and participation	<p><b>12. Partnerships and participation.</b> To what extent do developing and transition country partners, clients, and beneficiaries participate and exercise effective voice in the various aspects of the programs:</p> <ul style="list-style-type: none"> <li>• Design</li> <li>• Governance</li> <li>• Implementation</li> <li>• Monitoring and evaluation?</li> </ul>	DGF eligibility criterion #8 (Table A.4).
5. Financing	<p><b>13. Financing.</b> To what extent are the sources of funding for the programs affecting, positively or negatively:</p> <ul style="list-style-type: none"> <li>• The strategic focus of the program</li> <li>• The governance and management of the program</li> <li>• The sustainability of the program?</li> </ul>	MD approval criterion #4. (Table A.3). The third bullet also relates to OED's sustainability criterion (Table A.2).
	<p><b>14. Institutional development impact.</b> To what extent has the program established effective institutional arrangements to make efficient, equitable, and sustainable use of the collective financial, human, and other resources contributed to the program.</p>	A modification of OED's institutional development impact criterion (Table A.2) for the purpose of global programs.
6. Risks and risk management	<p><b>15. Risks and risk management.</b> To what extent have the risks associated with the programs been identified and are being effectively managed?</p>	MD approval criterion #3 (Table A.3).
<b>Section IV. World Bank's Performance</b>		
7. Linkages to country operations	<p><b>16. Comparative advantage.</b> To what extent is the Bank playing up to its comparative advantages in relation to other partners in the programs:</p> <ul style="list-style-type: none"> <li>• At the global level (global mandate and reach, convening power, mobilizing resources)</li> <li>• At the country level (multi-sector capacity, analytical expertise, country-level knowledge)?</li> </ul>	DC criterion #3 (Table A.3), MD approval criterion #2 (Table A.3), and DGF eligibility criterion #2 (Table A.4).
	<p><b>17. Bank action to catalyze.</b> To what extent has the Bank's presence as a partner in the programs catalyzed, or is catalyzing non-Bank resources for the programs?</p>	DC criterion #2 (Table A.3) and DGF eligibility criterion #4 (Table A.4).

Evaluation Issues	Evaluation Questions	Reference
	<p><b>18. Linkages to country operations.</b> To what extent are there effective and complementary linkages, where needed, between global program activities and the Bank's country operations, to the mutual benefit of each?</p>	<p>MD approval criterion #1 (Table A.3) regarding "linkages to the Bank's country operational work."</p>
	<p><b>19. Oversight.</b> To what extent is the Bank exercising effective and independent oversight of its involvement in the programs, as appropriate, for in-house and externally managed programs, respectively.</p>	<p>This relates to DGF eligibility criterion #6 on "arm's length relationship" (Table A.4). Both questions 17 and 18 together relate to OED's Bank performance criterion (Table A.2).</p>
	<p><b>20. Disengagement strategy.</b> To what extent is the Bank facilitating effective, flexible, and transparent disengagement strategies, as appropriate?</p>	<p>DGF eligibility criterion #7 (Table A.4).</p>

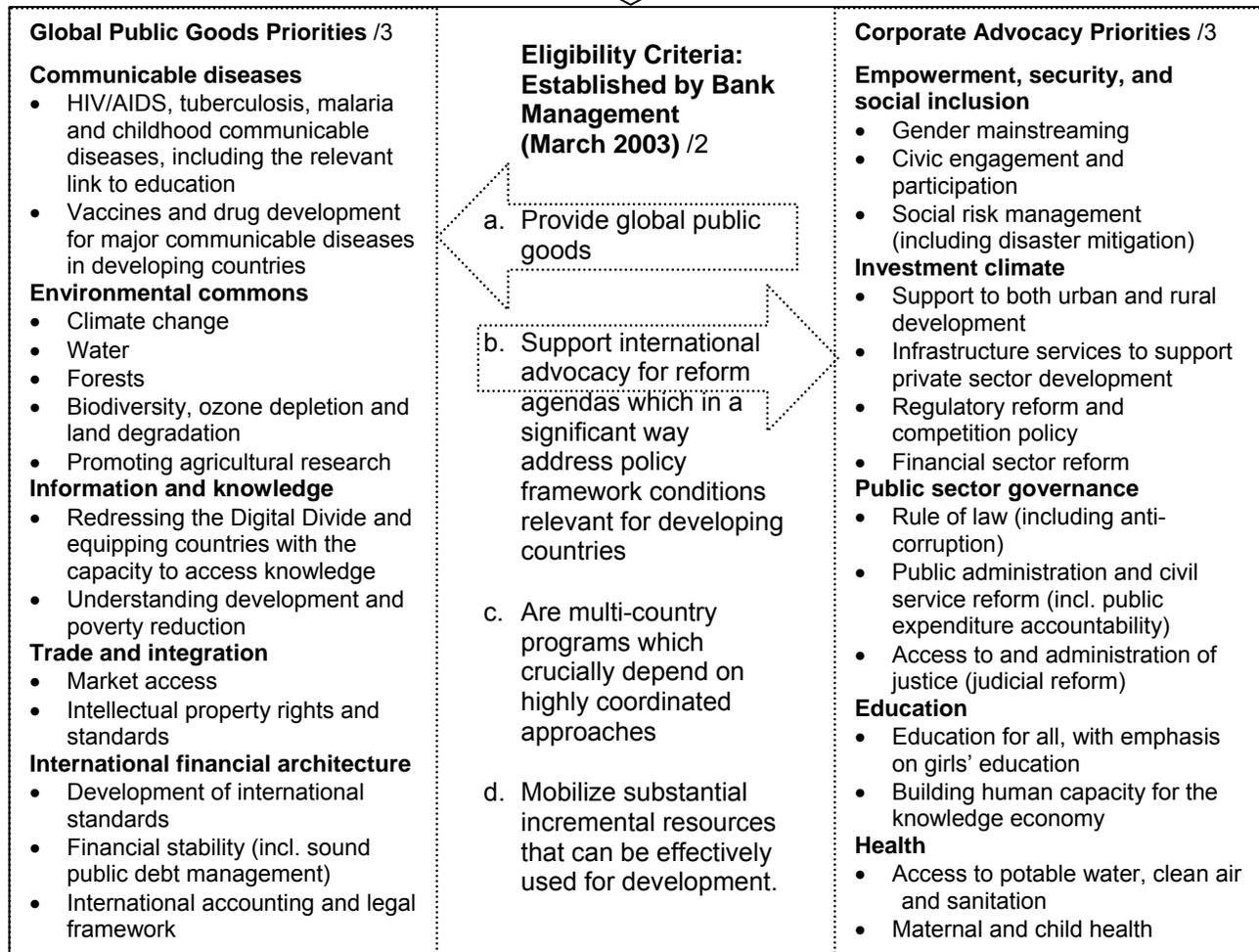
**Table A.2. Standard OED Evaluation Criteria**

Criterion	Standard Definitions for Lending Operations	Possible Ratings
<i>Relevance</i>	The extent to which the project's objectives are consistent (1) with the country's current development priorities and (2) with current Bank country and sectoral assistance strategies and corporate goals (expressed in PRSPs, CASSs, SSPs, OPs).	High, substantial, modest, negligible.
<i>Efficacy</i>	The extent to which the project's objectives were achieved, or expected to be achieved, taking into account their relative importance.	High, substantial, modest, negligible.
<i>Efficiency</i>	The extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives.	High, substantial, modest, negligible.
<i>Legitimacy</i> /1	The extent to which the authority exercised by the program is effectively derived from those with a legitimate interest in the program (including donors, developing and transition countries, clients, and other stakeholders), taking into account their relative importance.	High, substantial, modest, negligible.
<i>Institutional development impact</i>	The extent to which a project improves the ability of a country or region to make more efficient, equitable and sustainable use of its human, financial, and natural resources through: (a) better definition, stability, transparency, enforceability, and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. IDI includes both intended and unintended effects of a project.	High, substantial, negligible, modest.
<i>Sustainability</i>	The resilience to risk of net benefits flows over time.	Highly likely, likely, unlikely, highly unlikely.
<i>Outcome</i>	The extent to which the project's major relevant objectives were achieved, or are expected to be achieved, efficiently.	Highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, satisfactory, highly unsatisfactory
<i>Bank performance</i>	The extent to which services provided by the Bank ensured quality at entry and supported implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of the project).	Highly satisfactory, satisfactory, unsatisfactory, highly unsatisfactory.
<i>Borrower performance</i>	The extent to which the borrower assumed ownership and responsibility to ensure quality of preparation and implementation, and complied with covenants and agreements, towards the achievement of development objectives and sustainability.	Highly satisfactory, satisfactory, unsatisfactory, highly unsatisfactory.

/1 This represents an addition to OED's standard evaluation criteria in the case of global programs, since effective governance of global programs is concerned with legitimacy in the exercise of authority in addition to efficiency in the use of resources.

**Table A.3. Eligibility and Approval Criteria for Global Programs****Overarching Criteria: Endorsed by Development Committee (Sept. 2000) /1**

1. An emerging international consensus that global action is required
2. A clear value added to the Bank's development objectives
3. The need for Bank action to catalyze other resources and partnerships
4. A significant comparative advantage for the Bank.

**Approval Criteria: Established by Bank Management (April 2000) /4**

1. A clear linkage to the Bank's core institutional objectives and, above all, to the Bank's country operational work
2. A strong case for Bank participation based on comparative advantage
3. A clear assessment of the financial and reputational risks to the Bank and how these will be managed
4. A thorough analysis of the expected level of Bank resources required, both money and time, as well as the contribution of other partners
5. A clear delineation of how the new commitment will be implemented, managed, and assessed
6. A clear plan for communicating with and involving key stakeholders, and for informing and consulting the Executive Directors.

### Notes to Table A.3.

/1 From the Development Committee Communiqué issued on September 25, 2000. This represents the overall authorizing environment for the Bank's involvement in global programs.

/2 From the "Update on Management of Global Programs and Partnerships," memorandum to the Executive Directors, March 5, 2003. Each global program is only expected to satisfy one of these criteria, although a particular global program may satisfy more than one.

/3 These are the five corporate advocacy priorities and the five global public goods priorities (and bulleted sub-categories) from the *Strategic Directions Paper for FY02-04*, March 28, 2001.

/4 From the Board paper, "Partnership Oversight and Selectivity," April 28, 2000, and an internal memorandum from Sven Sandstrom to all Vice-Presidents, dated November 6, 2000. Global programs are expected to meet all six approval criteria. The Initiating Concept Memorandum in the Partnership Approval and Tracking System (PATS) was initially organized according to these six criteria.

**Table A.4. Eligibility Criteria for Grant Support from the DGF**

1. Subsidiarity	The program contributes to furthering the Bank's development and resource mobilization objectives in fields basic to its operations, but it does not compete with or substitute for regular Bank instruments. Grants should address new or critical development problems, and should be clearly distinguishable from the Bank's regular programs.
2. Comparative advantage	The Bank has a distinct comparative advantage in being associated with the program; it does not replicate the role of other donors. The relevant operational strengths of the Bank are in economic, policy, sector and project analysis, and management of development activities. In administering grants, the Bank has expertise in donor coordination, fund raising, and fund management.
3. Multi-country benefits	The program encompasses multi-country benefits or activities that it would not be efficient, practical or appropriate to undertake at the country level. For example, informational economies of scale are important for research and technology work, and operations to control diseases or address environmental concerns (such as protect fragile ecosystems) might require a regional or global scope to be effective. In the case of grants directed to a single country, the program will encompass capacity-building activities where this is a significant part of the Country Assistance Strategy and cannot be supported by other Bank instruments or by other donors. This will include, in particular, programs funded under the IDF, and programs related to initial post-conflict reconstruction efforts (e.g., in countries or territories emerging from internal strife or instability).
4. Leverage	The Bank's presence provides significant leverage for generating financial support from other donors. Bank involvement should provide assurance to other donors of program effectiveness, as well as sound financial management and administration. Grants should generally not exceed 15 percent of expected funding over the life of Bank funding to a given program, or over the rolling 3-year plan period, whichever is shorter. Where grant programs belong to new areas of activities (involving, e.g., innovations, pilot projects, or seed-capital) some flexibility is allowed for the Bank's financial leverage to build over time, and the target for the Bank grant not to exceed 15 percent of total expected funding will be pursued after allowing for an initial start-up phase (maximum 3 years).
5. Managerial competence	The grant is normally given to an institution with a record of achievement in the program area and financial probity. A new institution may have to be created where no suitable institution exists. The quality of the activities implemented by the recipient institution (existing or new) and the competence of its management are important considerations.
6. Arm's length relationship	The management of the recipient institution is independent of the Bank Group. While quality an arm's length relationship with the Bank's regular programs is essential, the Bank may have a role in the governance of the institution through membership in its governing board or oversight committee. In cases of highly innovative or experimental programs, Bank involvement in supporting the recipient to execute the program will be allowed. This will provide the Bank with an opportunity to benefit from the learning experience, and to build operational links to increase its capacity to deliver more efficient services to client countries.
7. Disengagement strategy	Programs are expected to have an explicit disengagement strategy. In the proposal, monitorable action steps should be outlined indicating milestones and targets for disengagement. The Bank's withdrawal should cause minimal disruption to an ongoing program or activity.
8. Promoting partnerships	Programs and activities should promote and reinforce partnerships with key players in the development arena, e.g., multilateral development banks, UN agencies, foundations, bilateral donors, professional associations, research institutions, private sector corporations, NGOs, and civil society organizations.

Source: World Bank, The Development Grant Facility: FY98 Annual Review and Proposed FY99 DGF Budgets, Oct. 28, 1998.

## **Annex B. World Bank's Disengagement from the Global IPM Facility**

The World Bank formally notified the Global IPM Facility in March 2005 that its partnership with the facility had lapsed and that the Bank did not intend to renew its partnership at the present time. This did not preclude the possibility for future cooperation between the Facility and the Bank's regional operations on a case-by-case basis.

The formal letter announcing this decision follows immediately below.

March 2, 2005

Dr. Peter Kenmore  
Coordinator  
Global EPM Facility  
Plant Production and Protection Division  
Food and Agriculture Organization of the United Nations  
Viale delle Terme di Caracalla  
00100 Roma  
ITALY

*World Bank's Partnership with the Global IPM Facility*

Dear Dr. Kenmore,

With this letter I am responding to your inquiries on the Bank's involvement in the Global IPM Facility, which were raised in discussions during a recent visit by an FAO team to the Bank led by Mr. Carsalade.

As you know the World Bank is one of the founders and co-sponsors of the Global IPM Facility. This association has been a significant input to the development of the Bank's IPM program and also kept the Bank in touch with the international development agencies interested in sustainable pest and pesticide management issues.

The main principle for the Bank's engagement in international partnerships is to promote an issue, which is emerging in the development agenda and to get access to cutting edge expertise in a particular area as well as to extend the Bank's experience to a wider development community. By nature most of these partnerships are time-bound, and need to have an exit strategy.

Recently the Bank's Operations Evaluation Department, OED, conducted a review of a set of international partnerships in which the Bank is involved, including the Global IPM Facility. That report recognized the benefits that arose from the partnership, but it also flagged a few concerns. The review stated that "the Bank's involvement in GIF calls for an independent assessment and redefinition of the objectives, governance, and management" (p. 81). It also rated two critical governance attributes, namely, transparency<sup>1</sup> and clarity of roles and responsibilities<sup>2</sup> as "Negligible". In order to rectify

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1. Transparency: "provision of information to shareholders and stakeholders in an open and transparent manner, such as accounting, audit, and non-financial but material issues"

2. Clarity of roles and responsibilities: "of the various offices and bodies that govern and manage the program, as well as clear mechanisms to modify and amend the governance and management of program in a dynamic context"

the deficiencies in the governance of the partnership and to support the Bank's decision-making for possible continuation in and support for the partnership, the Agriculture and Rural Development Department of the Bank requested an independent evaluation of the Global DPM Facility in the Governing Group meeting in December, 2001. Such an evaluation has not been carried out. Furthermore, the Governing Group of the GIF has not convened since 2001 and we have not received any progress reports from GIF since May 31, 2002.

The Bank recognizes the contribution of the GIF in promoting the issue of IPM in agricultural development. However, given the governance standards required in the Bank partnerships, and the fact that the Facility has not undergone an independent evaluation, which could have guided the Bank's decision making for continued participation, and the concerns raised regarding the governance of the partnership by the OED report, the Bank finds it difficult to justify continued partnership with the GIF. In line with the envisioned end date for the partnership in 2002 as stated in the original program document, the Bank considers that the World Bank's partnership with the GIF has already lapsed and does not wish to renew it. The Bank would like to stress that this decision does not exclude the possibility for future cooperation between the Facility and the Bank's regional operations on a case by case basis under separate agreements.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. H. Cleaver', with a long horizontal flourish extending to the right.

Kevin Cleaver  
Director

Agriculture and Rural Development Department