



Helpdesk Research Report

Regional development programmes and poverty reduction

Emilie Combaz

11.11.2013

Question

What evidence is there of the performance or impact of regional development programmes in reducing poverty at the national level? What aid delivery channels have been most effective in this regard?

Contents

1. Overview
2. Evidence base and causality issues
3. Performance and impact of regional programmes
4. Obstacles to successful performance and impact
5. Enabling factors for successful performance and impact
6. References

1. Overview

Regional programmes are widely seen as having the potential to support development and poverty reduction¹. Yet many authors note that achieving success in such programmes is typically complex (e.g. Puerta et al. 2012, p. xiii). So far, regional approaches have only taken up a very small portion of development funds – less than 3 per cent in 2007 (World Bank 2007, p. xv). This report looks into the actual performance, and possibly impact, of regional development programmes on poverty reduction and associated factors such as ‘good governance’.

¹ In this report, ‘regional’ refers to programmes that are either transboundary or multi-country with a transnational component (e.g. sharing and learning across different countries). Some ‘national operations may be called regional because they have regional effects’, such as some transport infrastructure, higher education or health institutions (expert comment). Similarly, many activities within global programmes support multi-country activities with some sharing of learning. Due to helpdesk constraints, this report focuses on readily identifiable regional activity.

The evidence base presents some strengths, such as the availability of diverse and rigorous evaluations, but also significant difficulties, most notably **the lack of clear data on impact, the weak connection made to poverty reduction, and the frequent lack of group-specific information (e.g. on gender)**. Crucially, in most cases, authors cannot attribute effects on national-level poverty or on associated factors to regional programmes only, due to the large complex of variables that shape programme impact. Nevertheless, the literature offers the following key points on what has and has not worked:

- Regional development programmes have generally yielded **performance and impact that are average – on par with national programmes – and highly variable** from one programme to another, in terms of relevance, effectiveness, sustainability and efficiency.
- Identified **obstacles** to successful performance and impact have included:
 - Diverging incentives and interests.
 - A lack of national ownership and consultation.
 - A lack of coordination and gaps in national-regional connections.
 - Sectoral segmentation.
 - Limited capacities for regional support.
 - Poor programming and execution, in planning, implementation, resource levels and allocation, and knowledge management (including on baselines and monitoring).
- Identified **enabling factors** that support successful performance and impact have included:
 - Broad consultations with national and regional actors (governments, international agencies, civil society), as well as national ownership.
 - Effective institutional arrangements, such as UNDP's regional service centres, and effective policy arrangements (e.g. taking time to set up accountability structures).
 - Linkages between national and regional programmes.
 - Identifying the value-added of a regional approach and agencies' comparative advantages.
 - Selecting the best funding modalities, such as a blending of aid and loans for large projects.

2. Evidence base and causality issues

Evidence base

There is a **very small but rigorous evidence base** on the performance or impact of regional development programmes in reducing poverty. Evidence is well grounded in **diversified data**, from a mix of quantitative and qualitative methods, multiple countries and regions worldwide, and consideration of several sectors. Rigorous evidence is **mostly available in the form of evaluations** of multilateral or bilateral programmes, mostly from regional development banks and international organisations.

However, the evidence base has a number of **significant limitations**. First, there is consensus that the **evidence base remains weak**. Data collection on results is poor in some cases (e.g. UNDP 2010, p. x). The contribution of development programmes to poverty reduction is often unclear with both national and regional projects. Second, **very often, 'no information exists at impact level'**, only at output and outcome levels (expert comment). Third, a significant part of the literature focuses on regional

integration as the main impact, rather than poverty reduction. Moreover, assessments often **focus on macro-level, quantitative indicators** on poverty, with little attention paid to meso- and micro-level effects and qualitative ones. Even with social development programmes, the focus tends to be on specific issues (e.g. in education or health), poverty reduction being an implicit concern (expert comment). Fourth, a number of donor references, though rigorous, are **internal assessments** rather than independent external evaluations². Fifth, there is a **dearth of academic literature** that specifically considers the effects of regional development programmes on poverty. This may explain why some qualitative methods appear to be underused, notably in-depth approaches such as ethnographies and longitudinal studies.

There are several **notable gaps** in the literature. **Sectors** are covered very unevenly, as regional programmes have typically focused on a handful of sectors, foremost trade and infrastructure. Some sectors are starkly understudied, such as civil society or governance. Similarly, some cross-cutting issues associated with poverty seem to be barely integrated in regional programmes. In particular, the literature is overwhelmingly silent on **inequalities and exclusion** affecting groups such as the extremely poor, women and girls, children, and persons with disabilities. For instance, one expert notes that UNICEF seems to have few regional programmes (expert comment). Lastly, based on a rapid literature review, general findings about regional **aid delivery channels** (e.g. NGOs, governments, regional secretariats etc.) are inconsistent: their context-specificity seems to preclude general conclusions.

Regarding **the consistency of findings, there seems to be a discrepancy between practitioner and academic literature**. Overall, there is agreement in practitioner reports, both in acknowledging the limited impact of regional programmes on poverty and in identifying positive and negative factors in that regard. However, academic literature brings forth different perspectives, some of which directly challenge underlying assumptions or findings from practitioner literature (e.g. Phillips 2010).

Elusive link from interventions to poverty reduction

The **chains of causality are very long** from regional development programmes to national-level poverty reduction, or even to intermediate factors such as changes in governance and social development. One expert notes that, unless projects have national components that will have a direct impact, ‘the result chain of regional project will be rather long’. Further, the expert emphasises that identifying **evidence of effects ‘depends on the specific result chains’**. For example, he observed that many regional activities are dialog-based – decreased poverty ‘can hardly be attributed to that’, although such programmes ‘may have a significant influence’. On the other hand, projects ‘on interconnectivity should have a high impact’ (expert comment). Authors cannot attribute general effects on poverty to regional programmes only, due to the large complex of variables that shape impact.

Causalities are also complex. For example, one expert indicates that, in regional programmes to facilitate trade, e.g. in the Caribbean, trade alone has not yet reduced poverty, and can in fact increase disparities. This has led to the addition of projects aimed at increasing productivity (expert comment). In addition, it is not always clear from references whether the (lack of) impact on poverty stems from the approach a programme adopted or the quality of its implementation.

All these issues with causality mean that identifying the impact of regional development programmes has been a long-standing but elusive goal in evaluations (expert comment). In practice, this means **reports sometimes cover issues of performance but sidestep the question of impact** (*ibidem*).

² Some donors also appear to conduct evaluations irregularly or to fail to publish them in a timely manner.

3. Performance and impact of regional programmes³

Global organisations

UNDP (United Nations Development Programme)

An internal evaluation of UNDP regional work from 2000 to 2010 looked at two types of programmes: support for cross-border initiatives (e.g. natural resources management, climate change, trade, migration, support for ‘regional public goods’) and direct assistance to several countries within a region on common issues with a networking component (UNDP 2010, p. ix)⁴.

Regarding **relevance**, UNDP has addressed critical cross-border concerns and issues common to several countries, such as human trafficking and environmental challenges (*idem*, p. xv).

In terms of **effectiveness**, despite modest resources, regional programmes have made numerous, significant and long-standing contributions to national-level development (*idem*, pp. xvi-xvii, p. xx). For instance, the Programme on Governance in the Arab Region was an effective cross-practice collaboration at the intersection of democratic governance, knowledge management, gender and capacity development (*idem*, p. 35); the Pacific Sustainable Livelihoods Programme successfully piloted a rural banking initiative through a public-private partnership (*idem*, 9). However, ‘interventions within regional programmes are **often thinly spread, poorly coordinated, and occasionally duplicative**’ (*idem*, p. xx).

Regional programmes have **brought together countries** with common problems for learning, ‘often developing networks along the way’ (*idem*, p. xx). In many instances, UNDP regional interventions ‘have made significant contributions’ to regional, sub-regional or inter-country cooperation, with many ‘demonstrable results’ (*idem*, p. xvi). For example, UNDP supported the drafting of the Nile River Basin Cooperative Framework through the financing of technical studies and the facilitation of intergovernmental dialogue (*idem*, p. xvi). Further, UNDP ‘has **enabled countries to dialogue and cooperate in new areas**’ (*idem*, p. xv). UNDP used the regional level to raise development issues, ‘such as corruption, gender equality, HIV/AIDS and human rights’, which would have been difficult to address in individual country programmes for country-specific reasons (*ibidem*).

UNDP has managed to **build partnerships** in all regions (*idem*, p. xx). Among others, it assisted new ASEAN members in their development and integration, to reduce disparities among countries. It helped address transboundary problems in the African Union (e.g. increased ratification of human rights instruments, set-up of an observatory for women’s rights, support to governance programmes). At the Regional Bureau for Arab States, it created partnerships with governments, NGOs and academic and policy institutions (*idem*, p. xviii). Regional UNDP presence has also **contributed to UN coordination**, for example in regional UN working groups on ‘social protection for the poor, disaster preparedness, violence against women, nutrition and food security or poverty reduction and the achievement of the MDGs’ (*idem*, p. xviii).

Unmet demand for UNDP regional services and limited resources make the **situation unsustainable** (*idem*, p. xvii). Moreover, UNDP ‘has had a limited impact on strengthening South-South cooperation’

³ For evaluations of bilateral donors’ regional programmes, see for example: Cox et al. (2011) and Laberge et al. (2011) on Canadian aid; and Costantini, Floridi & Floridi (2012) on Italian aid.

⁴ Further evaluations of UNDP programmes, published in 2013, are available for each UNDP region in the world. See: UNDP 2013a; UNDP 2013b; UNDP 2013c; UNDP 2013d; UNDP 2013e. These are among the few evaluations that discuss inequalities and exclusion such as gender.

(*ibidem*). There are sustained initiatives in that field, such as a programme on water governance in Arab States which included a transfer of expertise and capacity development. However, contributions have mainly consisted in workshops, exchanges and the creation of networks (*ibidem*).

In terms of **efficiency**, results from regional approaches were 'greater than the sum of the results from separate national interventions' in a number of cases (*idem*, p. xx). As not all country offices can be strengthened, technical support services from regional service centres has proven to be relevant, appropriate and efficient (*idem*, p. xvii). This was particularly the case with longer-established regional offices (e.g. Bangkok), which provided significant support in quality assurance, identifying regional experts or resource mobilisation. In addition, UNDP regional support in the fields of environment and sustainable development was particularly recognised (*ibidem*). Knowledge management has also improved as regional centres have more actively collected, codified and shared knowledge (*idem*, p. xviii). However, the 'cost recovery for advisory services has not been efficiently implemented' (*idem*, p. xix).

World Bank

A 2007 internal evaluation looked at support for regional development programmes by the World Bank from 1995 to 2005 (World Bank 2007). Most programmes 'have been or appear likely to be effective in achieving most of their development objectives', successfully protecting assets and benefiting all participating countries (*idem*, pp. xv-xvi). Examples include: hydropower capacity and access to electricity for several countries in West Africa; restored fisheries in Lake Victoria; knowledge on child protection in the Middle East (*idem*, p. xvi). But the programmes 'have not typically helped countries make the complementary policy changes [...] needed to sustain project outcomes or reach agreement on the use of shared resources' (*ibidem*). The programmes were relevant and aligned with national agendas; but they did not result from countries' prioritisation of regional needs (*ibidem*). In regional partnerships – distinct from regional projects –, country ownership, governance and sustainability have been weak (*idem*, p. xvii)⁵.

Regional organisations

African Development Bank (AfDB)

A 2012 internal evaluation looks at the performance and impact of the AfDB's multinational operations in 2000-2010 from the viewpoint of regional integration (Gakusi et al. 2012). These operations responded 'to compelling needs and generally achieved their objectives': they were satisfactory at 96 percent for relevance and 83 per cent for effectiveness (*idem*, p. vii). Efficiency and sustainability stood at percent, illustrating the difficulty for operations of adhering to costs and timelines, and of sustaining results after completion (*ibidem*).

Asian Development Bank (ADB)

A 2008 internal evaluation by the ADB looks at the Greater Mekong Subregion (GMS) programme, which is centred on subregional economic cooperation among Cambodia, the People's Republic of China (PRC), Laos, Myanmar, Thailand and Viet Nam (ADB 2008). A 1999 evaluation had found that progress from 1992 to 1999 had been satisfactory, but that the programme lacked focus and that ADB resources were limited (*idem*, p. i). The 2008 evaluation found that countries had benefited from the cooperation, but that 'significant regional economic impact has been slow' to materialise (*ibidem*). Progress has been limited 'in terms of regional public goods such as mainstreaming environmental concerns into planning,

⁵ For a detailed evaluation of the global and regional partnerships of the World Bank, see: World Bank (2010).

and addressing the social impacts of infrastructure projects and labor migration' (*idem*, p. ii). The GMS was deemed relevant, effective and efficient, with likely sustainability (*idem*, pp. iv-v). The impact is assessed as modest (*idem*, v). Assistance 'has resulted in some increased economic activity' and border communities have benefited from new livelihood opportunities (cross-border trade) as well as access to local health services. However, transport and trade have grown slowly, and the impacts of GMS transport, trade and tourism 'are a concern', in particular on the environment and resettlement (*ibidem*)⁶.

Inter-American Development Bank

A 2012 internal evaluation by the Inter-American Development Bank (IADB) examines the Bank's transnational operations in Latin America and the Caribbean in 2000-2011 (Puerta et al. 2012)⁷. The evaluation found the activities to have had limited relevance, in particular its Regional Public Good programme; technical cooperation is 'small and dispersed' (*idem*, p. xiii). Effectiveness has been low in technical cooperation – outputs have been 'unconnected to any strategic outcome' – while effectiveness has ranged from high to low in transnational projects (*ibidem*). Efficiency is limited, but the Bank mostly implemented technical cooperation for regional public goods successfully in terms of financial and physical execution (*ibid.*). Sustainability is uneven and, overall, 'compromised' (*ibid.*).

One of the few academic works about the impact of both national and regional programmes on poverty reduction (Phillips 2010) presents a **radically different perspective**. The author observes that evaluation by Inter-American institutions attribute the failure to reduce poverty to political and institutional problems that impede effective implementation. However, he argues this is partial: rather, he submits, the conceptual foundation of the poverty reduction agenda is the root cause of such failures, in two ways. First, in vertical poverty dynamics, 'adverse incorporation' into global production networks and their labour markets are the key problem: problematic inclusion, rather than exclusion, is the issue (*idem*). Second, the dominant focus on 'absolute' poverty in regional approaches and the Millennium Development Goals neglects the structural connections to 'relative' poverty, i.e. socio-economic, gender, ethno-racial and migration-related dimensions (*idem*).

4. Obstacles to successful performance and impact

The experience of regional development banks shows that '**regional projects are significantly more complex and costly** than national projects': 'Implementation times are longer and implementation challenges more likely' (Puerta et al. 2012, p. xiii).

Diverging incentives and interests

Transnational operations 'face a **pervasive misalignment of incentives**' (Puerta et al. 2012, p. xiii). For instance, 'Without concessional funds, countries have limited incentives to undertake these costly operations'. Similarly, aid staff's incentives are centred on national and sector priorities, with multi-sector and multi-country interventions *de facto* given low priority (*ibidem*).

The World Bank (2007, p. xvi) found that programmes on issues where countries' interests are compatible (such as HIV/AIDS prevention or regional energy markets) have been more successful than those on issues with conflicting interests (such as the sharing of water resources) and **requiring tradeoffs among countries**. In light of this, the World Bank and the AfDB note that option analysis, cost-benefit

⁶ For a detailed evaluation of the regional partnerships of the ADB, see: Asian Development Bank (2010).

⁷ An evaluation of EU regional programmes in the Caribbean is also available; see: Burgaud et al. (2012).

calculations and risk assessments for individual countries, as well as regional resolution of conflicting interests, matter a lot but have very often been inadequate (*ibidem*; Gakusi et al. 2012, p. viii).

Lack of national ownership and consultation

National ownership 'is critical to the effectiveness and sustainability of multi-country initiatives' (UNDP 2010, p. xvii). However, **countries tend to prioritise national operations**, while agencies implementing regional programmes need to spend substantial time and resources in coordinating with each national government (Puerta et al. 2012, p. xiii). UNDP (2010, p. xx) found that its 'absence of a systematic framework for gauging demand and identifying opportunities' has constrained its regional work, making it supply-driven. Similarly, in the Greater Mekong, member states have depended on the ADB for driving regional-level activity (ADB 2008, p. ii).

National ownership and consultation with partner countries and organisations have generally been weak, among others at UNDP (UNDP 2010, pp. xvi-xvii, p. xxi) and the IADB (Puerta et al. 2012, p. xii). For example, a UNDP regional project in natural disaster preparedness carried out in Kyrgyzstan, Tajikistan and Uzbekistan failed to build upon country-level disaster risk reduction (UNDP 2010, p. xvii). Poor consultation mechanisms have reduced the relevance of UNDP action and 'led to missed opportunities for regional interventions, especially in innovative areas where only such broad consultation will reveal new needs and challenges' (*idem*, p. xxi). In particular, broad regional consultations with civil society have proven challenging to accomplish (*idem*, p. xxi). In some cases, the complementary role of the private sector in value chains, financial markets and regional capacity-building has not been duly considered (Gakusi et al. 2012, p. viii), or private sector involvement has remained limited (ADB 2008, p. ii).

Adaptation of programmes to the context and its changes has been lacking at UNDP (UNDP 2010, xx) and the AfDB (Gasuki et al. 2012, p. viii). Donors have often failed to engage in strategic policy dialogue to promote countries' adoption of accompanying measures and policy reforms, for example at the AfDB (Gasuki et al. 2012, p. viii) and the ADB (2008, p. vii).

Lack of coordination and gaps in national-regional connections

A **clear definition of the regional dimension** of programmes – distinct from the national one – is often lacking (ADB 2008, pp. vi-vii; Gakusi et al. 2012, p. vi). UNDP had 'no consistent set of criteria' to choose **whether to use regional or national programming** as the appropriate modality (UNDP 2010, p. xvi). Certain issues, such as human rights, have been treated mainly on a national level when they could have benefited from a regional approach. Conversely, some issues that were treated regionally did not necessarily require a regional approach (*ibidem*). Similarly, the ADB (2008, p. iii) found that a number of benefits from the Greater Mekong programme were national rather than regional.

In addition, **coordination and synergies remain limited between regional and country programmes**, with 'a lack of understanding of both national governments and country offices of how to access or complement regional programmes' (UNDP 2010, p. xvii). In the Caribbean region, the linkage between regional and national programmes 'has been too poor to create significant synergies' (expert comment). In the Greater Mekong, coordination at the country level between the regional programme and national projects has been deficient (ADB 2008, p. iv).

Arrangements for regional programming 'are **not conducive to responding to cross-regional cooperation**' at UNDP (2010, pp. xv-xvi) and at the AfDB (Gasuki et al. 2012, p. ix). For example, UNDP missed opportunities for interregional programmes, addressing 'both common challenges and cross-border issues between neighbouring countries that happen to fall within different UNDP regions' (*idem*, xxi). Further, UNDP regional programmes have not adequately engaged with new South-South groupings,

such as IBSA (India, Brazil, South Africa) or the BRICs (Brazil, Russian Federation, India and China). South-South cooperation could support the transfer of lessons and increase effectiveness (*ibidem*).

A **lack of coordination among donors** has often impeded regional governance bodies (World Bank 2007, xvii). The World Bank (*ibidem*) found that, in ‘all of the 17 programs reviewed that have more than one major donor, coordination among donors has been weak; in over half, the programs were seriously hampered by problems such as earmarked and tied support, unpredictable financing, and differing individual donor requirements’. A lack of coordination among UNDP programmes also lead to lower efficiency (*idem*, p. xix). In some cases, not having UNDP regional centres collocated with other UN agencies’ regional centres hampered coordination (*idem*, p. xviii).

Sectoral segmentation

Sector-specific segmentation remain a longstanding challenge, identified in UNDP evaluations at country, regional and global levels (UNDP 2010, p. xvii), at the AfDB (Gasuki et al. 2012, p. ix) and the ADB (2008, p. iv). In many cases, poor cross-practice collaboration results from ‘weak institutional arrangements and incentives, and implementation mechanisms that impede interaction and coordination’ (UNDP 2010, xvii). Gasuki et al. (2012, p. ix) note that sectoral silos have led ‘to a focus on sectoral outputs rather than broader development outcomes’. Some sectors and aspects can become dominant while others are neglected: in the Greater Mekong, building physical infrastructure has been strong, whereas agriculture has been largely unaddressed (ADB 2008, p. ii). At the same time, without an integrated approach, ‘the impact of spreading individual projects across several sectors has been modest’ (ADB 2008, p. vii).

Limited capacities

When **programme demands exceed national and regional capacities**, failure is more likely. This was the case with the first phase of the Arab gender network with regard to advocacy and networking (World Bank 2007, pp. xvi-xvii), with the broad mandate of the AfDB’s Regional Integration and Trade Department (Gasuki et al. 2012, p. viii) and with some sectors such as agriculture in the GMS (ADB 2008, p. v). This affects partners as well: the IADB worked primarily with NGOs that had limited capacity (Puerta et al. 2012, p. xiii). Yet capacity development has been modest and very uneven by sector, e.g. at the ADB (2008, pp. iii-iv).

Demand for good-quality regional support is high, particularly from country offices with limited capacity (UNDP 2010, p. xvii). However, UNDP notes it has had ‘limited capacity to respond to this need’, even from its fully staffed regional centres. This has been due to structural weaknesses, including: problems with staff role allocation; uneven workload between advisers; high staff turnover; and ‘consequently uneven quality of support’ (*ibidem*). As an alternative, rosters of regional consultants ‘have facilitated the exchange of technical expertise’, though consultants with experience working with UNDP and the human development perspective have been the exception (*ibid.*).

Poor programming and execution

Poor planning and implementation

Weak programming, noted as a significant problem at the IADB (Puerta et al. 2012, p. xii), seems to be a recurring issue. At the AfDB, multinational operations lacked ‘strategic focus in addressing the soft constraints of regional integration’, such as institutional, regulatory and administrative bottlenecks (Gakusi et al. 2012, p. vii). Areas for the provision of regional public goods were too broadly defined,

lacking anchors in sectors and in the issues of regional infrastructure and institutional capacity-building (*ibidem*). Conversely, at the IADB (Puerta et al. 2012, p. xii), interventions on regional public goods 'have been small, with a project-logic centered on relatively short-term activities'. At UNDP (2010, p. xx), planning cycles for regional programmes are different from many country programmes, often making integration and coordination difficult. Confusion about roles and responsibilities within aid agencies has led to **limited accountability for development outcomes** (e.g. Gakusi et al. 2012, p. viii). There was limited consideration of the agencies' strengths and value added (*ibidem*).

Poor implementation has also led to lower efficiency (UNDP 2010, p. xix). The UNDP evaluation (*idem*, p. xx) found cases where regional programmes financed 'single-country interventions with no significance for other countries'. Some multi-country projects have failed to add adequate regional dimensions to national interventions 'in terms of networking and knowledge sharing' (*ibidem*).

Problems with resource levels and allocation

At the World Bank (2007, p. xviii) and the AfDB (Gasuki et al. 2012, p. viii), **resource allocation has remained geared towards single-country activities**, providing no coherent and adapted incentives and capacities to support regional programmes. **Delays appear to be endemic** in regional programmes, based on donor evaluations. With the GMS, there were 'above-average delays' in loans, grants and technical assistance (ADB 2008, p. iv). UNDP regional programmes were 'often hampered by long delays in releasing funds to beneficiaries' and 'spreading the portfolio thinly' (UNDP 2010, p. xix).

UNDP programmes were **not anchored enough in the general business model of the agency** (UNDP 2010, xxi). UNDP was missing a holistic business strategy that would address critical capacity in country offices, supplementary technical support to country offices, management of regional programmes, support to regional UN coordination, and the rooting of its positioning in regional knowledge (*ibidem*).

UNDP observed that a lack of funding lowered the overall efficiency of its regional programmes (UNDP 2010, xix). UNDP (2010, p. xix) also notes that **potential financial resources have not been fully tapped** in some regions: the 'ratio of UNDP regular to other resources is 1:6, whereas for the regional programmes in 2009 it ranged from 1:1 to 1:3'. Similarly, UNDP regional presence and knowledge of development 'has not been leveraged': the regional centres do not consistently prioritise the codification of knowledge from the regions for policy use, limiting the contribution of regional centres to knowledge and policy at headquarters and between regions (*ibidem*).

Planning for financial sustainability beyond the end of external support has not been done consistently, the World Bank found (2007, p. xvii). In a number of cases, countries have not been willing to pay for continued regional-level activities, except through self-generating resources such as fees (e.g. in an Eastern Caribbean telecommunications programme) (*ibidem*). The IADB found the same (Puerta et al. 2012, p. xii). In fact, the IADB notes that turning its regional technical cooperation programme into a regional lending portfolio has been 'a persistent challenge' (Puerta et al. 2012, p. ix).

Deficient monitoring and knowledge management

Poor monitoring appears to be a frequent problem. There is often a lack of clear baselines or benchmarks for regional outputs (*ibidem*; ADB 2008, p. iv). At the AfDB, lack of clear definitions and lack of responsibility for lesson-collecting have made assessments and learning difficult (Gakusi et al. 2012, p. vi, p. viii). At UNDP, 'Results matrixes and monitoring were generally weak, often reflecting a lack of focus' (UNDP 2010, p. xx). At the ADB (2008, p. vii), tools to assess partners' regional impact needed strengthening.

Donor knowledge management has not taken full advantage of interregional knowledge-sharing (UNDP 2010, p. xviii), or it has been weak in monitoring and learning from regional experiences (World Bank 2007, p. xviii). At UNDP, knowledge management has increased within regions, but not always among regions and with headquarters (UNDP 2010, p. xviii). Guidelines about information on resources and results in regional programmes are unclear (*idem*, p. xix).

5. Enabling factors for successful performance and impact

Having broad consultations and national ownership

The ADB (2008, p. vii), echoing a point often expressed in the literature, insists on the ‘need to strike the proper **balance between supply** (strategic focus) **and demand** (the region’s changing needs)’. Indeed, all references emphasise the centrality of country commitment and ownership in success (e.g. Gakusi et al. 2012, p. vii). The World Bank (2007, p. xv) specifies that success requires ‘consensus among participating countries on the distribution of program benefits and costs and strong country voice in governance arrangements’. Strong country commitment to regional cooperation requires attention to ‘the political economy of relations among countries’ to gain their acceptance of any obligations (*idem*, p. xvi). UNDP regional interventions have included ‘good examples of broad consultative processes’ with country offices, governments and intergovernmental organisations that help programmes perform well, such as consultations on HIV/AIDS in Asia (UNDP 2010, xxi, p. 31).

However, in IADB experience, ensuring country ownership has led to **elaborate governance that has added to administrative costs** (Puerta et al. 2012, p. xiii). Further, a totally demand-driven program has limited the alignment of regional public goods to sector priorities and country strategies (*ibidem*).

Setting up effective institutional and policy arrangements

Practitioner literature unanimously stresses the importance of **implementation and governance arrangements** and of a **conducive policy environment** for success (e.g. Gakusi et al. 2012, p. vii).

Accountable governance arrangements are essential to country ownership, but take time to establish, observes the World Bank (2007, p. xvii). For example, its West Africa HIV/AIDS and transport programme took two years to prepare. The time was spent in part on countries agreeing on the institutional governance and management. Stakeholders view that time as well spent, because it resulted in a structure ‘with country voice and high-level government participation’ (*ibidem*).

In UNDP’s experience, ‘**regional service centres** provide a useful space to anchor regional activities and provide technical support to country offices’ (UNDP 2010, p. xxi). These centres, located within regional bureaux, have often supported UNDP practice and ‘more holistic cross-practice approaches’ (*ibidem*). They also have many advantages when supplying technical support ‘compared to headquarters, including proximity, language and time zone’ (*ibid.*). They have improved cross-sectoral collaboration (UNDP 2010, xvii). Useful measures have included ‘the co-location of practice or thematic units’, joint work plans, shared knowledge management units and joint missions to country offices (*ibidem*). The efficiency of regional centres is shaped by how the responsibilities of project management and advisory support are combined, ‘as the skills required differ’ (UNDP 2010, p. xix). **Shared operational services** between regional centres and country offices have worked well in several locations like Bangkok (UNDP 2010, p. xix).

Linking national and regional programmes

Based on successes such as the Lake Victoria environmental management, the World Bank (2007, p. xv, p. xvii) identifies clear **'delineation and coordination of the roles of national and regional institutions'** as crucial to implementation and sustainability. The best practice is generally to rely 'on national institutions for execution and implementation at the country level, and on regional institutions for supportive services that cannot be performed efficiently by national agencies, such as coordination, data gathering, technical assistance, dispute resolution, and monitoring and evaluation' (*ibidem*).

The UNDP evaluation found that, through 'its **long-term engagement at the country level**, UNDP is able to contribute a unique perspective that makes it a desirable partner' for designing and implementing regional activities (UNDP 2010, p. xv). The UNDP's advantages included its decade-long and close relationships with governments, civil society and development partners, its pivotal role in country-level coordination of UN work, and its people-centred perspective on development (*ibidem*).

UNDP has **worked with subregions that have shared concerns**, enhancing the relevance of its regional programmes (UNDP 2010, p. xv). Examples include the small-island developing states of the Caribbean and the Pacific, a small hub for the UNDP water initiative in Central Asia, and multi-country offices in the Caribbean and Pacific with responsibilities for both country and regional programmes (*ibidem*).

Identifying value added and comparative advantages

UNDP found that, in a number of instances, **having regional rather than national programmes** resulted in the efficient delivery of activities, 'particularly where economies of scale could be achieved within a subregion' (UNDP 2010, p. xix). For example, regional initiatives in the Pacific and Central Asia provided 'technical backstopping services to widely dispersed project sites more efficiently than a country-specific approach' (*ibidem*).

The performance of the World Bank (2007, p. xviii) 'has been **most effective in its traditional areas of comparative advantage**', i.e. fostering country interest in regional programmes through analytical work, mobilisation of donors and financing of country-level investments. It has been 'relatively ineffective' in areas such as helping to solve conflicting interests, delineating the roles of national and regional institutions, planning for sustainable outcomes, and improving donor interaction (*ibidem*).

Matching capacities and programme

Based on its experience, the World Bank (2007, pp. xvi-xvii) recommends **matching the scope of programme objectives to national and regional capacities** to deal effectively with the complex coordination challenges of implementation. For example, its Central Asia biodiversity programme focused on initial interventions that fit with country and regional capacities, leaving more demanding activities for later (*ibidem*). The IADB took this path, with mixed results (Puerta et al. 2012, p. xiii). Its commitment to work in the early stage of regional public goods, 'where institutional development was limited, has meant that it worked with less experienced and weaker regional institutions.

Selecting the best funding modalities

The World Bank (2007, p. xv) argues that programmes need to **mobilise adequate packages** of grant, credit, and loan financing for the extended preparation and implementation typically required' by regional objectives. In this regard, one expert states that one aid modality 'has particular advantages for regional development': blending 'aid and loans to finance national and regional programmes', an approach the European Investment Bank (EIB) has adopted. The expert notes this is 'considered an

effective way to leverage in more funds for big projects that would otherwise be underfunded', such as a large infrastructure like a dam that would benefit several countries (expert comment).

6. References⁸

- Asian Development Bank (2008). *Greater Mekong Subregion: Maturing and Moving Forward* (CAP: REG 2008-73). Operations Evaluation Department, Asian Development Bank.
<http://www.adb.org/sites/default/files/CAP-REG-2008-73.pdf>
- Asian Development Bank (2010). *Financing Partnership Facilities* (Special Evaluation Studies, SES: OTH 2010-74). Independent Evaluation Department, Asian Development Bank.
<http://www.adb.org/sites/default/files/SES-OTH-2010-74.pdf>
- Burgaud, J.-M. (team leader) et al. (2012). *Region Level Evaluation. Caribbean Region. Final Report. Volume I: Main Report*. Commissioned by EuropeAid Development and Co-operation Directorate General, European Commission. <http://www.oecd.org/derec/ec/caribbean.pdf>
- Costantini, G., Floridi, M., & Floridi, A. (2012). *Fronteras Abiertas: Interregional Network For Cross-Border Cooperation And Latin American Integration. Evaluation*. Commissioned by General Directorate for Development Cooperation, Italian Ministry of Foreign Affairs.
<http://www.oecd.org/derec/italy/italy1.pdf>
- Cox, P. (team lead) et al. (2011). *Synthesis Report. Evaluation of CIDA's Regional Inter-American Program (2004-2005 to 2009-2010)*. Commissioned by the Evaluation Directorate, Canadian International Development Agency. <http://www.oecd.org/derec/49910404.pdf>
- Gakusi, A.-E., with others (2012). *Fostering Regional Integration in Africa: An Evaluation of the Bank's Multinational Operations, 2000-2010*. Operations Evaluation Department, African Development Bank Group. http://www.afdb.org/fileadmin/uploads/afdb/Documents/Evaluation-Reports/CODE%20Mutinational%20Operations%20-%20ENGLISH_web.pdf
- Laberge, J. (lead) et al. (2011). *Canada Fund for Africa: Summative Evaluation Executive Report*. Evaluation Directorate, Strategic Policy and Performance Branch, Canadian International Development Agency. <http://www.oecd.org/derec/50341343.pdf>
- Phillips, N. (2010). *Poverty Reduction and the Role of Regional Institutions*. In Mace, G., Cooper, A. F., & Shaw, T. M. *Inter-American Cooperation at a Crossroads*. Basingstoke: Palgrave.
- Puerta, J. M., Atuesta, L., Costas-Perez, E., Corrales, M. E., Sekkel, J. (2012). *Evaluation of Transnational Programs at the IDB*. Office of Evaluation and Oversight, Inter-American Development Bank.
<http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=37120813>
- UNDP (2010). *Evaluation of UNDP Contribution at the Regional Level to Development and Corporate Results*. Evaluation Office, UNDP. <http://www.oecd.org/derec/undp/47865492.pdf>

⁸ The following relevant article was also identified but could not be accessed: Wesseling, C., Aragon, A., Elgstrand, K., Flores, R., Hogstedt, C., & Partanen, T. (2011). SALTRA: A Regional Program for Workers' Health and Sustainable Development in Central America. *International Journal of Occupational and Environmental Health*, 17(3), 223-229. <http://dx.doi.org/10.1179/107735211799041878>

UNDP (2013a). *Evaluation of the Regional Programme for Africa (2008-2013)*. UNDP.
<http://erc.undp.org/evaluationadmin/downloaddocument.html?docid=6836>

UNDP (2013b). *Evaluation of the Regional Programme for Arab States (2010-2013)*. UNDP.
<http://erc.undp.org/evaluationadmin/downloaddocument.html?docid=6854>

UNDP (2013c). *Evaluation of the Regional Programme for Asia and the Pacific (2008-2013)*. UNDP.
<http://erc.undp.org/evaluationadmin/downloaddocument.html?docid=6806>

UNDP (2013d). *Evaluation of the Regional Programme for Europe and the CIS (2011-2013)*. UNDP.
<http://erc.undp.org/evaluationadmin/downloaddocument.html?docid=6805>

UNDP (2013e). *Evaluation of the Regional Programme for Latin America and the Caribbean (2008-2013)*. UNDP.
<http://erc.undp.org/evaluationadmin/downloaddocument.html?docid=6819>

World Bank (2007). *The Development Potential of Regional Programs. An Evaluation of World Bank Support of Multicountry Operations*. Independent Evaluation Group, World Bank.
[http://lnweb90.worldbank.org/oed/oeddoclib.nsf/DocUNIDViewForJavaSearch/CCF1954AF9781F2A852572A6007A014D/\\$file/regional_program_evaluation.pdf](http://lnweb90.worldbank.org/oed/oeddoclib.nsf/DocUNIDViewForJavaSearch/CCF1954AF9781F2A852572A6007A014D/$file/regional_program_evaluation.pdf)

World Bank (2010). *The World Bank's Involvement in Global and Regional Partnership Programs: An Independent Assessment*. Independent Evaluation Group, World Bank.
https://ieg.worldbankgroup.org/Data/reports/grpp_eval.pdf

Key websites

- African Development Bank Group – Evaluation Reports – Sector, Thematic and Policy Reviews:
<http://www.afdb.org/en/documents/evaluation-reports/sector-thematic-and-policy-reviews/>
- Asian Development Bank – Evaluations – Regional cooperation and integration:
<http://www.adb.org/site/evaluation/resources/194,1318>
- Inter-American Development Bank – Regional integration – Technical notes:
<http://www.iadb.org/en/publications/publications,4126.html?publicationCover=0&searchLang=en&keyword=&selectList=All&topicDetail=0&tagDetail=0&jelcodeDetail=0&docType=Technical%20Notes&docTypeID=TechnicalNotes&topic=RECO>
- OECD – DAC Evaluation Resource Centre – Regional Programmes:
<http://www.oecd.org/derec/publicationsdocuments/regionalprogrammes/>
- UNDP – Evaluation Resource Centre – Regional programmes:
<http://erc.undp.org/evaluation/viewevaluations.html?unitId=0&evalCountryList=&evalType=9&completionYearFrom=0&completionYearTo=0&countryUnitId=0&fundsAndProgrammeUnitId=0&hqUnitId=0®ionId=0&focusArea=0&keyword=&button=Search>
- World Bank – Independent Evaluation Group – Global Program Reviews:
[http://ieg.worldbankgroup.org/ieg-search?f\[0\]=field_document_categories%3A333](http://ieg.worldbankgroup.org/ieg-search?f[0]=field_document_categories%3A333)

Expert contributors

Dietrich Busacker, ECO Consult
Albert-Enéas Gakusi, African Development Bank
Siân Herbert, GSDRC
Mohamed Manai, African Development Bank
Urs Nagel, UNICEF
Michael Reynolds, UNDP
John Weiss, University of Bradford

Suggested citation

Combaz, E. (2013). *Regional development programmes and poverty reduction* (GSDRC Helpdesk Research Report 1023). Birmingham, UK: GSDRC, University of Birmingham.

About this report

This report is based on four days of desk-based research. It was prepared for the UK Government's Department for International Development, © DFID Crown Copyright 2013. This report is licensed under the Open Government Licence (www.nationalarchives.gov.uk/doc/open-government-licence). The views expressed in this report are those of the author, and do not necessarily reflect the opinions of GSDRC, its partner agencies or DFID.

The GSDRC Research Helpdesk provides rapid syntheses of key literature and of expert thinking in response to specific questions on governance, social development, humanitarian and conflict issues. Its concise reports draw on a selection of the best recent literature available and on input from international experts. Each GSDRC Helpdesk Research Report is peer-reviewed by a member of the GSDRC team. Search over 300 reports at www.gsdrc.org/go/research-helpdesk. Contact: helpdesk@gsdrc.org.