



### Technical Cooperation in MENA

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## SECTOR BRIEF

# TECHNICAL COOPERATION PROGRAM AND THE STATES OF THE GULF COOPERATION COUNCIL

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For thirty years the Bank and the Arab States of the Gulf Region have been partners in the Technical Cooperation Program, supporting the rapid development of this closely linked group of distinctively characterised countries. Early requests for the Bank's technical assistance ranged from the development of infrastructure--such as the interstate Saudi-Bahrain Causeway--to industrial policy and economic planning. Outstanding regional progress was made through public investment in high quality infrastructure, and in the creation of multi-annual development plans with integrated objectives and goals.

Since 1981 TCP projects have supported key government commitments, especially in providing public services and planning economic advancement and social development. The Bank continues to assist across the entire range of governmental functions, including sectoral policy reform, economic integration, privatisation, public sector enhancement, labor market competitiveness, investment climate enhancement, e-government, soft infrastructures for developing a knowledge economy, macroeconomic management and effective long range planning. It is highly valued in the region for the objectivity and trust it brings to challenges in developing human resources, education, public/private partnerships, labor market competitiveness, public sector efficiency, environmental protection, health planning, trans-national cooperation, and a host of other issues. The World Bank's respect for client confidentiality contributes essentially to the necessary trust and openness that collaborating on such complex and broad issues requires.

The world is increasingly a place of networks. In line with that reality and the liberalised trading environments they require, the TCP has become a regional marketplace for linking global expertise and best practices with the region's special needs. In recognition of the importance of the technical cooperation with the Gulf countries, and following the independent review by our Quality Group who has made a number of recommendations to develop and strengthen the program and further enhance service quality, the Technical Cooperation Unit at the World Bank has been elevated to a Department level. To this end, Dr. Hossein Razavi has been appointed Director.

### Synthesizing Knowledge to Support Government Decision Making and Action

Governments needs frequently cluster in two critical areas—those areas that are of determining importance to the strategic and policy framework of the state, and those that of empowering importance in the state's operational effectiveness, such as in programs for the regulatory environment, the economy, and societal development. With its clients,

the TCP has developed support strategies in five major areas to meet these needs.

### **1 Public sector efficiency and governance**

The weight of the public sector constitutes for many countries a serious impediment to more rapid growth. Importantly the large expenditure burdens it requires does not always translate into an efficient and equitable distribution of services. Weak governance can also limit growth and sustain bad practice. Increasing public sector efficiency is now increasingly understood as one of the most effective leverages for sustaining competitiveness and securing equity in society.

### **2 Private sector development and employment creation**

When public sector growth exceeds sustainable limits, the private sector must be energized as an engine of economic growth. Repositioning the public sector to facilitate and support the full expression of private sector development, and reorganizing it to ensure availability of the necessary infrastructures becomes a major imperative.

### **3 Education for global change**

Large expenditures on education may not produce a competitive workforce. Evaluating quality in educational systems requires practical knowledge of the real environments its graduates will face. Continuous learning and technical training becomes increasingly important when change in those environments is rapid, and when knowledge has become the determining factor for future economic competitiveness.

### **4 Water**

More than in anywhere else, the water gap in the Middle East and North Africa Region makes the management of this scarce resource critical to human welfare, economic growth and regional stability.

### **5 Gender**

Women play a key role in the family sphere, but issues relating to their broader role in society and any economy need to be planned for, structured and managed to ensure that the greatest potential in their contribution is constructively harnessed.

## **Country and Sector Driven Programs in Action**

Implementation experience drives the design of TCP activities. Program agreements are continually managed through collaboration and by mutual agreements. Projects are shaped at the client's request with specific deliverables on the basis of pre-determined funding. Best results and delivery occur within annual or multi-annual basis, although the program also responds to ad hoc requests. All projects are carried out within a collaborative framework involving program experts and local counterpart teams working closely together and managed according to client and Bank agreements.

TCP projects are guided by the strategic and policy objectives set by the client government and managed within budgets, timelines, and parameters developed through mutual agreements. The Bank acts as an agent of client governments to develop and secure advice on reforms, organisational structuring, sectoral strategies and policy development, as well project supervision and implementation.

Over three decades' experience in the Gulf has shown the added value of an integrated, holistic approach at the centre of government as the context for TCP requests. When that framework exists, sectoral and other reforms are synergised, and the comparative advantage and particular strengths of the Bank in access to research information, data, live experience and knowledge for decision-making can be maximized. Integrated contexts also increase flexibility in allowing complex, country wide solutions to be achieved through individually tailored projects designed to be responsive to local challenges as well as agencies' unique stressors and characteristics.

## **Total Project Management**

The Bank's Technical Cooperation Program is a "full service" approach to project requirements and the client's brief. It provides project design, planning, management,

implementation, procurement, and quality control. The Bank's broad resources enable it to bring knowledge equity and experience required to move any project from initiation to completion. Annual program agreements allow pre-planning, so that teams can frequently be on the ground within two weeks of client request. Team experts are well-briefed on specific client requirements, and can usually provide a detailed work scope and schedule very quickly. On-going and detailed communication with the client counterparts through meetings, reports, email, video-conferences and aide memoirs insure that work remains practical and on target.

### **Capacity Building**

If knowledge changes competitive balance in a rapidly developing world, capacity becomes a factor in determining its sustainable success at every level. Such capacity is a critical prerequisite for engaging and succeeding in knowledge based economies. High performance there depends essentially on well-developed human resources at state, ministry and enterprise level, and the value of these resources is not replaceable. The TCP's can extend expertise in capacity building to every aspect of vital human resources, through institution building, education development, academic and technical training, knowledge management and dissemination, and on-going, interactive collaborations.

Training can be administered through the World Bank Institute or may come from teams developed with the Bank's many partners in academic institutions throughout the world. TCP training is designed to meet client specifications and local conditions through workshops, conferences, on-site or video options, custom designed training courses or links to the World Bank's Global Distance Learning Network.

### **Consensus Building and Communication**

Achieving consensus is vital for sustaining change and development. The TCP provides and integrates products, services and expertise from the World Bank Group's internal groups such as the International Bank for Reconstruction and Development, the International Finance Corporation, the Multilateral Investment Guarantee Association, and Foreign Investment Advisory Services. In addition, it partners with countless institutions and private sector consultants and firms around the world. The knowledge and synergy this network creates ensures the Bank's reputation for quality advice, which remains an unsurpassed asset for development.

In planning for and implementing change, communication links at all levels to stakeholders, to society, and to those affected by change are vitally important and often determine success or failure. The TCP's technical mission is available to assist governments to constructively present the reasons for change, to prepare the environment for change, and to create public awareness of the benefits of change

### **Value Building vs. Value Trading for the Future**

Natural resource patrimonies for GCC countries have traditionally funded comprehensive public investment and social programs. But even abundant natural wealth can come under pressure. High population growth and downstream requirements together with the stabilisation of oil values have injected new constraints into regional economies. The challenges of employment generation, economic growth and societal advancement in changing demographic contexts can only be addressed through productive investment and value building. The climate for investment is therefore critical for governments who need a strategic direction that has at its core an economic concentration on value building rather than value trading. The testing challenges brought about by these progressions constitute an ideal area where TCP support can synthesize knowledge streams to assist governments in developing policy and solution options.

Value building is likely to require more complex choices that focus on specializations and clusters as investment priorities for the future, but inevitably it can only excel where there is a networked approach, with effective links to education and strong support from public sector efficiency and the regulatory environment. The challenge may begin with investment, but can only be secured through measures that embed value-building sectors

and create a context where they can thrive. The World Bank has developed an extensive skills portfolio appropriate to these deeper economic challenges, which require the multiple skills and practical experience combinations that are always available to Technical Cooperation Program project teams.

#### **Contact Information**

For further information on the full range of products and services that can be developed to meet your needs through the World Bank's Technical Cooperation Program please contact:

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