# Growth for the Bottom 40 Percent

## The World Bank Group's Support for Shared Prosperity

AN INDEPENDENT EVALUATION

This evaluation assesses the World Bank Group's record on implementing the shared prosperity goal since 2013, using the official definition of the goal of **fostering income growth of the bottom 40 percent**.

It also analyzes institutional requirements for effective implementation of the goal, and evaluates the extent to which the World Bank Group was already incorporating distributional issues in its various activities during the period 2005–13, before the adoption of the goal.

**Download the full report at:**

https://ieg.worldbankgroup.org/evaluations/shared-prosperity

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# Main Findings

The World Bank Group has made a significant effort to incorporate the shared prosperity goal – since its introduction in 2013 – into its various products and services, across regions, global practices and World Bank Group institutions. However, more needs to be done to translate these efforts into results.

## How is the World Bank Group Operationalizing the Shared Prosperity Goal?

**Knowledge is spearheading operationalization**

New data and analysis of shared prosperity have been produced through Systematic Country Diagnostics (SCDs).

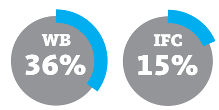
The most common pathways to boost shared prosperity identified in SCDs are building the productive assets of the bottom 40% and improvements in macro policies and institutions.

**Non-SCD diagnostics are lagging behind in implementing shared prosperity**

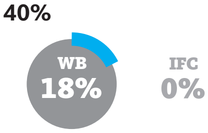
**20%** of non-SCD country diagnostics include an explicit analysis of Shared Prosperity issues.

**7%** of Country Partnership Frameworks describe the results chain leading to outcomes related to the bottom 40%.

**Few projects referred to the bottom 40% of the population**

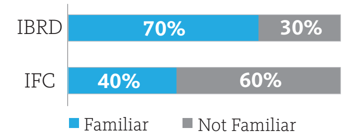



**Even fewer included a clear theory of change linking project interventions to benefits for the bottom 40%**

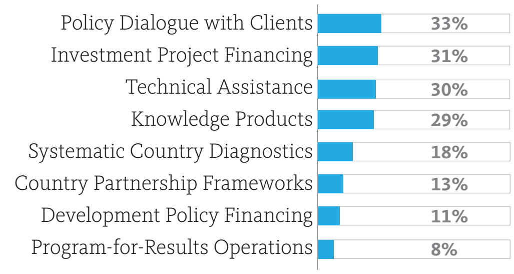



## Institutional Requirements to Successfully Implement the Shared Prosperity Goal

**How familiar are staff with the official definition of shared prosperity?**




**How do staff implement the shared prosperity goal?**




## How is the World Bank Group Influencing the Shared Prosperity Agenda at Global and Country Levels?

**Strong influence via:**

**Global actions**

Coordination with UN on global agenda

Sustainable Development Goals (SDGs), 2030 development agenda, Climate change, Data for poverty (SDG1) and inequality (SDG10), ICP, LSMS.

Working with G-7 and G-20 and G-24

**Country-level actions**

There is a strong World Bank effort to elevate the shared prosperity goal to policy agenda.

**Better Quality and Frequency of Distributional Data Are Needed**

Between 2004 and 2013

**81**

developing countries had comparable distributional data within a 5-year window and were thus able to compute the World Bank's shared prosperity indicator.

But

**74**

developing countries still lack data to measure changes in shared prosperity, especially among low-income countries,

and

**35**

countries in Sub-Saharan Africa still lack the comparable distributional data.

# Recommendations

1. Where there are knowledge and data gaps on the characteristics of B40 populations or on the drivers of B40 income growth, the World Bank (IBRD and IDA) and IFC should provide sufficient funding for analytical diagnostic work to close the knowledge gaps within the following country partnership framework cycle, and it should encourage country clients to ensure greater availability, quality and comparability of distributional data.

2. The Management of the World Bank Group institutions should ensure financed strategies and projects that explicitly aim to contribute to the shared prosperity goal also include clear descriptions of the results chains linking the respective interventions to outcomes for B40 populations.

3. World Bank Group–financed strategies and projects that explicitly aim at contributing to the shared prosperity goal should have clear results frameworks with indicators that permit measuring the World Bank Group's contributions to shared prosperity outcomes.

4. For projects in which it is possible to identify the geographical location of direct beneficiaries, the World Bank Group should monitor the extent to which the geographical distribution of beneficiaries and that of populations in the bottom 40 percent are congruent.

5. The management of the World Bank Group institutions should ensure that operational staff across all its institutions have a clear understanding of the shared prosperity goal and possess the skills needed for effectively incorporating and tracking shared prosperity–related objectives in World Bank Group–financed strategies and projects, where relevant.