



The World Bank

Operations Evaluation Department

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Contact: eline@worldbank.org

REVIEW OF WORLD BANK POVERTY REDUCTION PROGRAMS FINDS MIXED RECORD OVER MORE THAN A DECADE

Washington, May 19, 2005 - The World Bank must further customize its programs to different countries in order to reduce poverty, according to an annual review released by the independent Operations Evaluation Department (OED). Focusing on 15 years of Bank assistance, the Annual Review of Development Effectiveness (ARDE) concludes that the Bank has refocused its mission and strategy to help contribute to poverty reduction. But it has paid insufficient attention to issues of growth, and without growth, no sustainable poverty reduction is likely.

The 2004 ARDE looks at the growth and poverty reduction experience of client countries and assesses the contributions that Bank interventions have made, taking as its framework the Bank's 2001 poverty reduction strategy. The study finds that the Bank's poverty reduction strategy is appropriate, but at the country-level, the Bank could better articulate the links between specific interventions and their results. The Bank needs to demonstrate better the results of its interventions in order to ensure that its work is focused on those activities with the highest poverty reduction payoff.

"The Bank's two pillar model for poverty reduction – growth and social development – needs to be better balanced," said Ajay Chhibber, Acting Director General of Operations Evaluation. "The Bank should give more attention to growth and to the interactions between growth and social aspects of poverty reduction. To do this, it will need to pay more attention to infrastructure, rural development and agriculture than it has so far."

Added Chhibber, "The Bank's biggest challenges are at the two ends of the development spectrum, the very poor and conflict-ridden countries as well as the middle-income countries where the Bank needs to make special efforts to help them reach their very poorest citizens."

"The Bank has successfully put governance issues, particularly the corrosive effects of corruption, into the spotlight. So far, though, it is difficult to see how the Bank's programs might be helping improve governance." said Chhibber. "It's time for the Bank to set some monitorable goals for itself."

In addition, the ARDE notes that the Bank has encouraged its client countries to increase their levels of education and health expenditures as a key poverty-reduction measure. Unfortunately, social services often don't reach the poorest. The Bank has also promoted the empowerment of the poor by supporting social development activities. Although the Bank has been more successful where it has supported those

activities that are home-grown, it needs to be more realistic about its potential to affect long-standing relationships that underpin poverty.

The report is posted on the Operations Evaluation Department website:

<http://www.worldbank.org/oed/arde/2004/>

For more information, background information on the ARDE, or to obtain a hardcopy of the report, please contact Shonar Lala at 202-458-2880.

Background: World Bank Operations Evaluation Department

The Operations Evaluation Department (OED) is an independent unit within the World Bank; it reports directly to the Bank's Board of Executive Directors. OED assesses what works, and what does not; and the lasting contribution of the Bank to a country's overall development. The goals of evaluation are to learn from experience, to provide an objective basis for assessing the results of the Bank's work, and to provide accountability in the achievement of its objectives. It also improves Bank work by identifying and disseminating the lessons learned from experience and by framing recommendations drawn from evaluation findings.