5. Building Out the House: Implementing Country Strategies

**Highlights**

- The Bank’s country strategies and the interventions supported by its lending and nonlending (advisory and technical assistance) portfolio broadly reflect the poverty-reduction strategies and development priorities of country clients.

- The Bank portfolio often deviated from formulated strategy for good reason: in response to the changing external and internal environments. But it sometimes deviated because of a partner country’s weak commitment to poverty reduction, limited implementation capacity, or legislative constraints.

- When the Bank’s lending and nonlending instruments complement each other, support tends to be more effective and better calibrated to country needs.

- Government commitment to poverty reduction and capacity constraints are often main factors that keep budget execution in line with formulated country poverty strategy.

The impact of strong analytic work and a robust strategy are lost if they do not translate into consistent strategy implementation. Hence, implementation is absolutely needed for impact on poverty reduction along the results chain. The Bank operates in a complex environment, and the choice of portfolio is conditioned by both the strategic focus of a government client and the Bank’s comparative advantage. Therefore, along the results chain, strategy implementation—which involves allocating resources and choosing beneficiaries—is inherently the most political stage. Given this, strategy implementation is highly context-dependent and complex, often less transparent, and challenging for an institution like the World Bank Group, which historically has avoided direct engagement in political culture.

Due to these factors the discussion of strategy implementation relies primarily on the 10 country case studies. The chapter seeks to identify patterns and raise issues that the Bank confronts with efforts to tighten the link between strategy and implementation. This report’s limitations should also be kept in mind. While the case studies allow for a deeper investigation of portfolio choice and execution, the report does not address the question of impact and efficacy given the very difficult challenge of attribution—although individual project evaluations can address this at the micro level.
CHAPTER 5
BUILDING OUT THE HOUSE: IMPLEMENTING COUNTRY STRATEGIES

Consistency between Bank Portfolio and Formulated Country Strategies

Although the poverty focus of the strategy is important as a starting point, the implementation of the strategy and the use of Bank instruments determines the impact of Bank support for poverty reduction. In general, differences in implementation capacity, political commitment, political cycles, and the Bank’s own strategy and technical quality explain much of the cross-country differences in the Bank’s performance and the effectiveness of its support to the poverty reduction strategies, as reflected in the evaluative assessment of the 10 country case studies.\(^1\)

As indicated in the Operations Policy and Country Services guidelines,\(^2\) the CAS should take as its starting point the country’s own vision of its development goals and its strategy for achieving them, as set out in a PRSP for IDA-eligible borrowers or a national development strategy for IBRD-eligible borrowers. It is natural to expect that the CAS and the country’s development strategy are well aligned, and if the Bank portfolio faithfully implements the CAS, it is also natural to expect strong alignment between the Bank portfolio and the CAS. However, challenges lie in the scenario in which the government’s priorities are not consistent with the Bank’s goal of poverty reduction. In this case, even if the poverty focus is well stated in the CAS documents, the alignment among the three and the poverty focus of the strategy implementation (or Bank portfolio) can often be reduced.

**Implementation under Changing Circumstances**

The portfolio and its implementation may need to adjust to changes in internal and external factors. Changes in the strategy focus during implementation can be a sign of the Bank’s flexibility, and therefore are not always a bad thing. In some cases, deviation is strategic and necessary to match the lending portfolio to new circumstances. What is important is that the actual implementation of the Bank’s country strategy remain focused on poverty and its key income and non-income dimensions despite the volatile and complex environment in which the Bank operates.

Deviations often occur because of changes in the external environment. After the 2008–2009 recession, for example, the Bank substantially increased its support for social safety nets as part of its response (box 5.1). In the Philippines, the Bank increased the value and coverage of conditional cash transfer programs (Pantawid Pamilyang Pilipino Program, for example) to support the vulnerable.\(^3\) In Senegal, the Bank provided development policy loans (DPLs) to help sustain budgetary expenditures on health, education, and infrastructure and financed new interventions to provide social protection to the most vulnerable. These additional programs and activities were usually integrated into the ongoing Bank strategies.
and generally financed by delaying, reprogramming, or cancelling some previously envisioned activities and by making additional resources available.

**Box 5-1. The Bank’s Response to the Great Recession and Support for Social Safety Nets**

Recent IEG reports examined the World Bank Group’s response to the global crises of the late 2000s (IEG 2011c, 2012a, and 2011d). Chen and Ravallion (2009) estimate that an additional 53 million people worldwide fell into poverty in 2009 because of the financial crisis. As part of its response, the Bank increased its social protection lending and advisory services to four times the pre-crisis levels. Social protection services can include social safety nets (SSNs), active labor market programs, social investment, and pensions. Several of the country cases reviewed for this evaluation (including Bangladesh, Guatemala, Nigeria, Malawi, Romania, Senegal, and the Philippines) drew on social assistance initiatives to respond to the effects of the rapid rise in food and fuel prices and the recession of 2008–2009. The majority of the Bank’s support to social protection programs went to SSNs (though lending to active and passive labor market programs also increased).

Many countries had SSNs that were not fully prepared to respond to the impacts of the crisis. A survey of Bank staff conducted as part of an IEG review of the Bank’s support to SSN programs during 2000–2010 showed that only 16 percent of country SSNs were positioned to respond to the crises by identifying and reaching affected poor households. Weak country institutions and inadequate data were the constraints most commonly identified for Bank support to SSNs, particularly in lower-income countries (IEG 2011c).

Data inadequacies included limited information on poverty and labor market outcomes and on the crisis-affected poor and vulnerable. The lack of data led many countries to focus their SSN programs broadly on the poor. This lack of data will make it difficult to assess the impact of the Bank’s support to households directly affected by the crisis. At the time the SSN evaluation was completed, the impacts of social protection interventions on households were still unknown, because many crisis-generated investment loans had not yet closed and their ex post evaluations had not been completed (IEG 2011b).

Deviations often occur because of changes in the internal environment, too. When the Bank resumes policy dialogue with a new government administration in a country, there can be natural reasons for some changes to the strategy and implementation plans set before. In Peru, the formulated strategy (as written in CPS 2012) had a strong link to poverty issues and social inclusion, reflecting the findings and recommendations of the Bank’s diagnostic work. The new administration came into power and affirmed its commitment to social inclusion, and in recent years the implementation of the Bank strategy is even more strongly focused on poverty, with a clear set of interventions in the social sector to reach the poor.\(^4\)
CHAPTER 5
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IMPLEMENTATION WITH WEAK GOVERNMENT COMMITMENT

The government commitment to poverty reduction is often a key factor in the fidelity between implementation and the formulated country strategy. As discussed in chapter 4, when commitment to poverty reduction is embraced by the government, the alignment between country strategy formulation and poverty diagnostics is often strong. Similarly, when commitment to poverty reduction is embraced by the government, the alignment between strategy implementation/choice of portfolio and strategy is often strong. For example, in Lao PDR, the country team achieved a high degree of alignment between what was planned and implemented for its 2005 CAS and 2012 CPS.  

When there is weak government commitment or strong vested interests, implementation is much harder, and the results chain between analytic work and priorities breaks down. In Egypt, a middle-income country with strategic importance in the Middle East and North Africa Region, the relationship between the Bank’s formulated country strategy and its implementation during the review period (2004–12) offers a useful illustration of the tough choices that the Bank faced when an important client gave priority to areas other than poverty reduction. The choice is often between disengaging from significant lending or engaging in significant lending but in areas that may be only tangentially related to poverty reduction despite high national or regional poverty and the lack of shared prosperity (box 5.2).

Another example is Romania. After accession to the European Union (EU) and a change in the governing coalition, interest in borrowing from the Bank waned as Romania rapidly adjusted its financing strategy toward increased use of market finance, investment loans from the European Investment Bank, and Structural and Cohesion grants from the EU. Because of declining political commitment, the 2006 Romania CPS period was marked by a halt in Bank lending: only 8 of 19 planned operations were implemented.  

Box 5-2. Country Assistance Strategy Formulation and Implementation: Airport Project in Egypt

The statement of the poverty focus was clear and well-argued in both the Egypt Country Assistance Strategy (CAS) 2001 and CAS 2005. However, the choice of projects designed and financed by the Bank suggests that the relevance of the implemented portfolio to the Bank’s poverty-reduction strategy was weak. On the nonlending side, substantially less analytic and advisory activities were undertaken than proposed, and the core diagnostic of a Public Expenditure Review was notably absent. In order to meet its lending target and stay engaged with the authorities, the Bank agreed to a government request to finance projects that were not part of the original CASs, including the Cairo Airport in 2004. Furthermore, the inclusion of such infrastructure projects brought the levels of lending close to what was planned (OED 2005b). The project was rated highly satisfactory by the project team and the Independent Evaluation Group, because it was generally well managed, performed well, and reflected a close working partnership with the government. But it is hard to make a strong direct linkage between such projects and reduction of poverty in areas with high and persistent poverty such as the rural areas or Upper Egypt (IEG 2009). The recent Country Partnership Framework indicated that the Bank Group strategy going forward is to focus on selectivity and for the Bank to refrain from lending in those areas that can attract private sector investment, such as airports.

a. The 2001 CAS planned nine projects during 2002–2004, totaling $500 million. However, only three of the planned projects were approved, totaling $68 million through May 2004. To maintain lending levels, the Bank agreed to finance a number of projects that had not been part of the original CAS, including the Cairo Airport project, which totaled $335 million. The airport project was included in the subsequent 2005 CAS, which cited a close linkage with development of tourism.

IMPLEMENTATION WITH CAPACITY AND LEGISLATION CONSTRAINTS

Several country case studies show that weak implementation capacity and legislation against borrowing for recurrent expenditures were factors in the deviation of implementation from the formulated CAS. Box 5.3 discusses an example in Guatemala. In Peru, the government is not allowed to borrow externally for recurrent expenditures, although many of the most productive expenditures in the social sector may be recurrent. This limitation made it difficult to operationalize efforts to use sector-wide approaches in the social sectors.

Box 5-3. Implementation Capacity and Legislation Constraints: the Case of Guatemala

In Guatemala, the portfolio implemented for the 2008 CPS was quite different from the one proposed: new lending was $767 million, substantially lower than the planned $970 million. Besides the unforeseen external circumstances, legislation requirements and problems with project implementation weighed heavily on this lending decline. This led to long delays in project execution and a backlog of undisbursed funds that reduced both legislation and government interest in preparing investment loans. The immediate cause of the cancellation of the Enhancing Opportunities (conditional cash transfer) loan was the failure of the Guatemalan Congress to ratify the loan and government indifference to project...
implementation difficulties. Development Policy Lending (DPL) was favored over investment lending for its fast disbursement: more than 80 percent of the new loans during the 2009–2012 CPS period were DPLs. Although the loans are widely seen as financing fiscal deficits and recurrent costs (appropriate to bridge temporary shortfalls), it is difficult to justify them if they are not accompanied by reforms to generate a strong economic framework.

a. There was increasing opposition in the Guatemalan Congress to government borrowing, especially to finance recurrent expenditures.
b. If the Emergency Social Services Project was also considered to be budget support, almost 100 percent of the total new lending in this CPS period would have been in the fast-disbursing category.

Complementarities in Implementation

TRENDS IN POVERTY-FOCUSED LENDING

Although most of the Bank’s interventions contribute to poverty reduction either directly or indirectly, it is difficult to identify the right balance of “direct” and “indirect” between targeted investments and general growth promotion (targeted or not). The focus here is on Bank work with a direct poverty focus, recognizing the critical importance of growth for poverty reduction.

The current coding and classification system is imprecise and inadequate to identify the poverty focus of the Bank’s interventions. To address this methodological limitation and broadly gauge the poverty focus of the Bank’s interventions, this evaluation uses information from the Bank’s thematic and sector coding systems to create a weak proxy of direct poverty focus. It calculates the extent to which different instruments—specifically DPLs and investment lending—directly focus on poverty reduction as a share of total lending (annex G). Using the rationale outlined in box 1.1 in chapter 1, the evaluation identified 31 themes (out of 84 total) that specifically and directly focus on the poorest or most vulnerable populations; these were then used as a proxy for “direct poverty focus”. Both direct and indirect interventions can support poverty reduction. This distinction is indicative, not judgmental, and the appropriate emphasis will vary by country.

During FY2000–2012, aggregate trends suggest variation in the poverty focus of investment lending. The share of investment lending allocated to themes directly focused on poverty was about 50 percent for all Bank country clients (roughly twice the share of development policy lending allocated to themes directly focused on poverty), with a high of 58 percent in FY2003, and a low of about 35 percent in FY2008 (figure 5.1). The share of investment lending that went to areas directly focused on poverty was higher in IDA/Blend countries (about 60 percent) than in IBRD countries (about 25–30 percent). The share of investment lending to total
lending in IBRD countries declined from nearly 30 percent in FY2000 to about 10 percent in 2008, before picking up to about 20 percent in 2012.

In the same period, DPLs with themes focused directly on poverty increased slightly for all countries, with an average of nearly 23 percent, a high of more than 34 percent in FY2012, and a low of less than 11 percent in FY2008 (figure 5.2). There are indications that since the 2008–2009 Great Recession, policy lending in IBRD countries has focused increasingly on areas more directly related to poverty, but not in IDA/Blend countries. For IBRD countries, DPLs with themes directly focused on poverty rose during FY2008–FY2012. Despite lower absolute numbers, the share of DPLs with themes focused directly on poverty for IDA/Blend countries was greater than for IBRD countries for the majority of the 2000s, though it declined sharply in 2010.

**Figure 5.1. Share of Investment Lending with Themes Directly Focused on Poverty**

Note: FY= fiscal year; IBRD= International Bank for Reconstruction and Development; IDA= International Development Association; IL= investment lending.
The sharp increase in fast-disbursing policy lending in IBRD countries after the 2008 Great Recession, in level and as a share of total lending, is likely related to the efficiency of preparation and the fast-disbursing nature of policy lending. Total commitments for IBRD and International Development Association (IDA) lending more than doubled from $25 billion in 2008 to $59 billion in 2010. The composition of the Bank’s lending instruments also changed, with sharp differences between IBRD and IDA countries (figure 5.3). During FY2000–2012, the Bank deployed roughly one-third of its total lending to policy lending. For IBRD countries, the share of policy lending was about 40 percent (except for a peak of 65 percent in 2002). The ratio for IBRD countries declined until 2008, after which there was a strong increase during the years immediately after the crisis. In FY2010, the share of policy lending in total lending climbed to nearly 50 percent, up from roughly 30 percent in 2008. But for IDA/Blend countries, the share of policy lending fluctuated around 20–30 percent until 2008, and then declined to just above 11 percent in FY2011–2012. The DPL was the Bank’s instrument of choice during the crisis because it “was generally efficient in providing for rapid increases in loan sizes and disbursement amounts” (IEG 2011c).
During the crisis period, the preparation time for DPLs fell by roughly 30 percent to 5.9 months—3.2 months to appraisal and 2.7 months to Board approval (IEG 2012a).

**Figure 5.3. Share of Development Policy Lending in Total Lending**

![Graph showing share of development policy lending in total lending commitments from 2000 to 2012.](image)

*Note: DPL = development policy lending; FY = fiscal year; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IL = investment lending.*

**Portfolio Complementarity**

When the Bank’s lending and nonlending instruments complement each other, support to client countries tends to be more effective and more calibrated to local needs. What is important is not which instruments are most effective for poverty reduction—DPLs, investment lending, nonlending services—but how effectively they combined with the other instruments to address particular poverty challenges. Experiences in Bangladesh, Peru, and Malawi are good examples of synergy between instruments (box 5.4).

**Box 5.4. Synergy of Analytical and Financial Support in Bangladesh, Peru, and Malawi**

In Bangladesh, the Bank’s work on safety nets—its analytic work, policy lending, investment lending, and capacity-building technical assistance—improved social protection outcomes through better geographic and beneficiary targeting and by shifting...
mechanisms from food distribution to cash transfer. The Bank began its support during the 2006 CAS period with analytic and programmatic technical assistance. Building on this, the Bank supported a pilot version of the Employment Guarantee Program for the Poorest, using a $150 million investment loan in the first year of the 2011 CAS. A scaled-up, follow-on operation began in FY2012 with a $500 million loan for the program and four other loans under the Social Safety Nets for the Poorest Project. Analytical work continued to support the implementation of the safety net programs, improving the targeting of education stipends for girls, linking the stipends to quality improvements, and promoting access. The program was modified to include boys when analytic work demonstrated that boys from poor households were being left behind.

In Peru, there was strong synergy between the Accountability for Social Responsibility programmatic analytic and advisory activities and the Results and Accountability (REACT) Development Policy Loan (DPL) series, and between the REACT DPLs and the MIDIS (Ministerio de Desarrollo e Inclusión Social) DPL. The REACT and MIDIS DPLs supported the introduction of standards and monitoring stems to start strengthening beneficiaries’ “power” and hold providers more accountable. The designs of investment projects in health, nutrition, and education were consistent with the diagnostic work on poverty. Technical assistance provided support to the institutional capacity of MIDIS monitoring and evaluation across several programs (such as Juntos, the school feeding programs) and programs aimed at early childhood development.

In Malawi, the Bank tended to concentrate its development policy operations, including Poverty Reduction Support Credits, in sectors receiving lending and nonlending services, such as social protection and agriculture. The Community-Based Rural Land Development Project, which directly supported land reform, involved extensive nonlending services, including two impact evaluations essential to its success.

*Source: Country cases conducted for this evaluation.*

Several examples show how the Bank used its lending instruments to support poverty reduction in complementary ways. In Romania between 2009 and 2012, the Bank used investment loans and lending for budget support to provide needed resources to the health and education sectors, and to social protection. The complementarity between the two met the country’s need for reform and for resources to address the effects of the financial crisis. In Senegal, the Bank used DPLs and Poverty Reduction Support Credits to support a policy framework conducive to its poverty-related investment operations and projects. But there was less synergy between the budget support and the analytic work and technical assistance (IEG 2013).

**Scaling Up and Portfolio Implementation**

Bank-financed interventions that are explicitly focused on poverty are generally small in scale relative to the challenge of ending poverty and, in some cases, relative to the government’s own resources, particularly in middle-income countries. The impact of
Bank support for poverty reduction depends on how well the Bank can crowd-in external resources (including those from the client government, development partners, and the private sector) to help scale up and sustain successful interventions after Bank financing has ceased. Use of pilots to lead by example and leverage other funding helps to amplify impact. Assisting in the scaling up of projects with resources of national and local government or other development partners should be an important component of the Bank strategy to reduce poverty.

Some of the Bank’s highest-impact interventions go beyond financial assistance to provide knowledge and technical support to clients with solid analytics and practical advice. In many cases, particularly in middle-income countries, the balance of Bank instruments for reducing poverty and for capacity building and institutional sustainability in poverty-related areas would have been more appropriate with greater emphasis on nonlending services.

In many cases, pilots are used to strengthen the design, implementation, and scaling up of projects, and to enhance the poverty focus of the Bank’s projects. Early intermediate outcomes can attract additional resources leading to scaling up (box 5.5).

**Box 5.5. Piloting and Scaling Up: Two Projects in Malawi**

Two projects in Malawi show how positive intermediate outcomes can lead to scaling up. The early success of the Malawi Social Action Fund project,* indicated in a tracer on a small version of the program, was the basis for scaling up the public works component in response to macroeconomic shocks, notably the 2005 drought. The public works component was scaled up again in response to Malawi’s 2010 and 2012 foreign exchange crises, mitigating the impact of the shocks on poor communities.

The Irrigation, Rural Livelihoods, and Agricultural Development Project supported water management in poor rural areas—primarily through gravity schemes—to reduce over-dependence on rain-fed farming. The likely positive results of the intermediate outcome led to additional financing in both FY2012 and FY2013, including a scaled-up input-for-assets program to cushion the effect of the global and Malawian macroeconomic crises on the rural poor and enhance the developmental impact of small-scale irrigation.

*Source: Malawi country case produced for this report.

a. The project has a public works component that uses community targeting and self-targeting to provide up to 12 days of wages in the lean August–September period, providing income for agricultural inputs.

Scaling up requires not only clear planning and positive intermediate outcomes but also a deep understanding of the local context. In Nigeria, although the country strategies explicitly provided for scaling up, the Bank struggled to find financing modalities that actually produced service delivery results in the government structure. One such modality was community-driven development projects. These
projects have an explicit poverty focus aimed at raising incomes in supported communities and have been scaled up to the extent possible across the country with Bank funding. However, they are not yet supported by the government’s sizable resources, and there is little indication that the program will be scaled up through effective local government linkages, despite project components aimed at doing so.

**Future Fidelity between Portfolio and Strategy**

As the Bank embraces the time-bound twin goals, challenges become more daunting. Two emerging cross-country issues have already been observed as countries implement their development and poverty-reduction strategies: changes in income distribution and changes in the degree of inclusiveness of the overall growth process. Both will affect the pace of progress against poverty and the sustainability of results. Although this evaluation does not address trends and drivers of inequality and exclusion, it is an inescapable aspect of the changing poverty profile in many countries and an important parameter embraced by the World Bank through its twin goals. The new emphasis on shared prosperity is based on recent evidence suggesting that growth alone is highly unlikely to eradicate extreme poverty by 2030 in many of the Bank’s country clients.

*Inequality:* Sustained progress without shared prosperity is incompatible with long-term growth and stability: few countries have moved beyond middle-income status while maintaining high levels of inequality. Worsening distribution is a cause for concern not only on equity grounds but also because rising inequality can slow the pace of overall growth by creating or increasing political and social instability, and by reducing social mobility.

*Inclusion:* Ending extreme poverty and spurring shared prosperity require mechanisms that ensure that the poor and the excluded are integral to the growth process. Social development lies at the heart of meeting the unique though heterogeneous demands of disadvantaged groups (including women and youth, ethnic minorities, and others). How a society provides opportunities will be dependent on context and time, critically linked to the country’s political economy and power-sharing arrangements and whether poor and disadvantaged people have a voice in determining national or regional economic policies.

Inequality and inclusion are both very political. This points to even greater potential for a disconnect between strategy and implementation. Country commitment is critical to fidelity between the two. Ending extreme poverty and improving distribution will require mechanisms that ensure that the poor are integrated into the
growth process. In many developing countries, the better-off have living standards that are similar to the average in the developed world; it is the poorer segments of the population that lag behind. Focusing on protecting the vulnerable from extreme deprivation, particularly irreversible human capital damage, is critical for equitable and sustainable poverty reduction.

NOTES

1 Not surprisingly, the first year or two of the Country Assistance Strategy/Country Partnership Strategy (CAS/CPS) period often follows the program in the strategy document reasonably closely, because most activities in that program would have been already initiated, though they could still be modified. The later years of the program often diverge from the plan.

2 OPCS Guideline to Staff for CAS Products, April 2012. World Bank.

3 The program was piloted in 2008 and reached just 6,000 households. Following the various crises of 2008–2009, it was scaled up to 376,000 households. By the end of 2010, it had been scaled up to 1 million households, and by 2013, 3 million.

4 In 2012, the new government affirmed its commitment to social inclusion by creating a new Ministry of Development and Social Inclusion. The new strategy has a stronger link to poverty issues and social inclusion than the previous strategy, reflecting in part the findings and recommendations of the Bank’s diagnostic work, from connectivity and access for the rural poor to improved delivery of social services.

5 Though, to adapt to the global crises, the Lao PDR country team made minor changes to adjust to government requests, changing macroeconomic or sectoral circumstances, the 2008 food crisis, and revised development partner arrangements, the volume, composition, and poverty focus of the CAS /CPS remained unchanged.

6 Under the 2006 CPS, the Bank planned and approved Social Inclusion, Agriculture, Municipal Services, Knowledge Economy, Nutrient Pollution Control, Transport, Judicial Reform, and Avian Flu control projects. It dropped 11 of the 19 planned new projects, including 3 Human Development DPLs, a Rural and Regional Development project, two infrastructure projects (energy and transport), 3 Programmatic Policy Loans, and a Business Environment project.

7 Currently, the interventions coded as poverty possibly reflects only a small portion of the Bank’s work that has a poverty focus. There is an indication that efforts are underway to improve the coding system.

8 We use the thematic codes that are assigned to all Bank projects, which indicate approximately how much of the total loan amount is allocated to each of five possible thematic areas, to calculate a “thematically weighted” commitment amount for each project. This analysis includes all themes under Social Protection, Labor, and Risk Management; all themes under Social Development, Gender, and Inclusion; all themes under Human
Development; all themes under Rural Development; and the Urban Services and Housing for the Poor theme under Urban Development—a total of 32 themes out of 82—as more directly poverty focus. The percentage of the poverty-focused theme is used as the weight to be multiplied by that project’s total commitments. It is important to note that this does not imply that the interventions of the 32 themes selected above are supposed to, or in reality, have larger or smaller impacts on poverty reduction than those of other themes. The purpose is mainly to group broadly the activities that are more or less directly related to poverty reduction.

9 Development policy loans are designed to have impact at the national level via associated policy reform, even though they might not have a direct or immediate effect on poverty reduction per se. For this reason, it is inherently difficult to arrive at an objective assessment of a DPO’s “poverty focus.” In the figures, “poverty-themed” is used as shorthand for “directly poverty focused themed,” and “non-poverty themed” as shorthand for “indirectly poverty focused themed.”

10 IEG’s report (IEG 2012a) found that during the crisis, the Bank reliance on projects that were relatively easy to prepare and negotiate (such as standalone DPOs, additional financing, and simple or repeater projects) was somewhat heavier than on other projects. The quick preparation and disbursement were consistent with the need to stabilize national economies and mitigate the impacts of the crisis.

11 This excludes MIGA and IFC commitments (IEG 2011c).

12 Except for a peak of some 50 percent in 2002.

13 Specific institutional steps included in the DPLs involved enhancing the citizen identity registry to facilitate access to social services (including for children); performance budgeting for specific social program and regional entities; and reforms toward better articulating targeted programs to improve coverage and reduced leakages.