



OED REACH

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Social Development Matters

- Addressing relevant social development themes is strongly associated with successful project outcomes. Moreover, the more social themes a project addresses, the better its outcome, sustainability, and institutional development impact ratings.
- Good social development requires good information and experience on the ground. The Bank can make better use of its existing social development resources and more use of in-country social development capacity.
- Bank staff recognize the importance of social development, but a majority of country directors say that their client governments want *less* intensive attention to social problems in Bank-financed projects.

Based on an OED Review of Social Development in Bank Activities.

Increased attention to the social impacts of World Bank operations led to a build-up of social development staff and processes in the 1990s. The 1997 Strategic Compact provided additional resources for building social development capacity and executing regional social development action plans. In 2002, the scale and importance of social development work in and around Bank projects led management to commission a strategy for social development to guide Bank work in this thematic area. OED's study, a meta-evaluation of recent and ongoing OED evaluations addressing social development issues or processes, was designed to inform the preparation and review of the new strategy.

Findings

Social development matters for project success, and there is a strong positive association between greater attention to social development themes and project success. Using the Bank's social development business lines as a guide, the study identified 2,577 projects in 9 "portfolios" covered by recent OED evaluations, including: Community-Driven Development, Conflict, Culture, Gender, Indigenous Peoples, NGO/Civil Society, Participation, Resettlement, and Social Funds. Projects that

addressed at least one of these social development themes rated 3 to 4 percent higher on outcome, sustainability, and institutional development impact than the average of all Bank projects over a 30-year period. Projects that address multiple social themes concurrently perform even better on the three ratings.

The Bank's social development resources can be better used to support its social development goals. Task managers and country directors surveyed by OED were generally satisfied with the services provided by social development specialists, but noted the need for some improvement. Specifically, they stated that:

- Social development advice is often too theoretical for operational needs or is related to policy compliance.
- Social development specialists need to have a greater presence in the field.
- Operational support from social development staff should be available when it is needed.
- When social development staff are providing operational support they need to be more closely integrated with the task team and country office and to share and influence the team's agenda.

In many countries, the Bank can provide an increased social development capacity in the field by making greater use of in-country institutions. Although the staff surveys indicated that a stronger presence of social development specialists in the field would be desirable, this would be costly. Several OED evaluations highlighted the use of sub-national institutions as key to long-term sustainability. The Bank's traditional focus on developing institutions at the national level might therefore be supplemented with attention to using and developing existing local government and community institutions.

Country teams need consistent access to essential social information to build social development into project designs and ensure that social development concerns are addressed during implementation.

While the Bank has done a great deal to expand its social development activities in the past decade, incorporating best practices in social development is not yet routine. In part this is due to a lack of capacity within country and task teams, but it is also a function of the amount and quality of information available to support clear decision-making. Though social analysis has been improving, OED evaluations in seven of the ten thematic areas found that often the focus is off the mark, the timing is problematic, and the findings are not used. Several of the evaluations also pointed out that more can be done when the links between the various social development inputs and poverty reduction are more fully explored.

Bank mission and policy priorities related to social development receive uneven treatment across Regions, and gaps in skills and M&E lead to uneven treatment within countries. The only social themes that currently have any operational guidance are those covered by social safeguards, including involuntary resettlement and indigenous peoples. Rather than being the entry point for good social analysis, the special emphasis on safeguards (which cover a few of the possible social risks) seems to be crowding out other important social issues. This contributes to an observed unevenness in the intensity with which Regions address social development issues. The previously noted lack of social development capacity and information in country and task teams compounds the problem. Exacerbating this situation are the well known monitoring and evaluation deficiencies. Without data to show that local groups need more attention than they currently get, field needs have often been overshadowed by procedural requirements and the need to work with government staff in the implementing ministries.

The Bank needs to do more to convince its borrowers and even some of its own staff of the potential of social development. When country directors were asked whether the governments they work with are interested in confronting social problems in Bank-financed projects less or more intensively, 63 percent said *less* intensively. This challenge needs to be confronted. A supportive enabling environment is critical for a satisfactory social development outcome. Developing such an environment calls for sustained outreach to government leaders and public sector managers. The less powerful ministries, such as those that generally deal with social development themes, often need support. Further, a supportive legal framework and policy framework will help to improve implementation and the attainment of the Millennium Development Goals. The recent initiatives by social development staff on policy and macro-level work with civil engagement, social accountability, and analysis of the social impact of public expenditures and adjustment lending (which are not yet ready for evaluation), have the potential to fill these gaps by raising client awareness of social development's potential to enhance project outcomes.

Recommendations

- Since the study shows the strong positive interaction of some social themes, the Bank (through the Social Development Sector Board) should identify and promote the use of social thematic combinations that improve outcomes.
- The Bank's human capital and the borrowers' existing institutional capacity need to be better employed to provide task and country teams with the relevant social development expertise throughout the project cycle.
- Country teams need to have the capacity to identify critically needed social knowledge and to facilitate its flow.
- Sector staff need to ensure that stated Bank or policy priorities receive adequate treatment across Regions and countries, and Bank strategic planning needs to address current skills and monitoring and evaluation gaps.

Management Response

- Bank management generally endorses the findings and recommendations of this study, and intends to pursue the latter in the context of its forthcoming strategic priorities paper.

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