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BRIEF FOR MR. CLAUSEN - CPS BRIEFING: Poverty & Employment, Pop. Health & Nutrition, Organization chart, Major CPS Functions, Budgets staff, Social Factors/Issues

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Briefing Papers for Mr. Clausen - Central Project Staff [CPS] - Briefings - Volume 3

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POVERTY AND EMPLOYMENT

Introduction

1. During the past three decades living standards have improved substantially in the developing world -- average income levels have doubled; average life expectancy has increased by over 30%; and the adult literacy rate has gone up from 30% to 50%. The distribution of these gains, has however, been rather uneven. An estimated 800 million people ^{1/} still live in absolute poverty -- a condition of life characterized by malnutrition, illiteracy and disease.

2. By the early seventies, it became increasingly clear that while "growth" was a necessary condition for poverty reduction, it was by no means sufficient and that the traditional growth-oriented strategies needed to be completed with direct poverty alleviation programs, e.g. creation of productive employment for the poor; provision of basic needs such as health, nutrition, and education; and reduction of inequalities in income and wealth. The Bank has played a leading role in this re-orientation of developmental efforts through its own operations and through its analytical contributions to this issue.

Bank Operations

3. The greater poverty orientation, focusing both on poor countries and on poorer people, is reflected in Bank lending operations principally in four ways:

(a) Shift Towards the Poorest Countries

The share of the poorest countries (per capita incomes of \$360 or less in 1978 dollars) in total Bank/IDA lending has gone up from 32% in 1970 to 37% in 1980. The share in IDA lending of the 31 "least developed countries," as defined by the UN, increased from 16% to 25% over that period.

(b) Shift in the Sectoral Mix

The lending program has given increasing emphasis to sectors which are of particular importance to the poor. Thus, reflecting the fact that over 80% of the "absolute poor" live in rural areas and are mostly dependent on agriculture, the lending share for agriculture and rural development has increased from about 29% in FY70 to 32% in FY80. Similarly lending for urban services, aimed primarily at slum upgrading, provision of sites and services for low-cost shelters

^{1/} About 400 million are in South Asia, 150 million each in East Asia and in Sub-Sahara Africa and the rest in Latin America, the Middle East and North Africa.

affordable by the urban poor, and water and sanitation, has increased from about 2% in FY70 to about 9% in FY80.

(c) Shift in the Sub-Sectoral Mix

Perhaps even more important, within the various sectors, emphasis has shifted towards sub-sectors important to the poor. Within agriculture, for example, current emphasis is on rainfed agriculture, subsistence food crops, and smallholder dairy production as compared to plantation agriculture and commercial livestock operations emphasized in the past. Similarly, increasing attention has been paid to investments in rural electrification, feeder roads, public transport, rural water supply, primary education, small industry, and primary health facilities.

(d) Changes in Project Design

During preparation and appraisal of individual projects much more attention is being paid to their distributional implications. This includes inter alia selection of labor intensive technologies (particularly in industry, agriculture and construction); explicit institutional arrangements for reaching the poor (in agricultural credit projects, for example, often special facilities are established for lending to small farmers); inclusion of components catering to the needs of the poor (e.g. public call offices in telecommunications projects, public standpipes in water supply projects); and adoption of pricing policies to make public services affordable for the poor (e.g. cross-subsidization of the poor in public utility projects).

4. It is estimated that as a result of this new focus on poverty issues, currently between one-quarter and one-third of the total Bank/IDA lending directly addresses the problems of the poor: about one-half of all agriculture and rural development and urban services and perhaps one-sixth of the rest. The total number of the poor directly benefitting from Bank/IDA lending for agriculture and rural development since 1974 is estimated at some 18 million farm families, or perhaps 90 million people.

Analytical Contributions

5. Research and policy work in the Bank, covering a wide variety of poverty-related issues, has helped bring these issues to the forefront of the debate on developmental priorities and strategies. Similarly, the analysis of poverty and employment issues now undertaken as an integral part of the Bank's economic and sector work, and the demonstration effect of poverty-oriented projects it has helped design and finance, have been influential in reshaping the domestic policies of many of the Bank borrowers, for example, with regard to small farmers and urban shelter. Lastly, the project evaluation methodology developed at the Bank has provided an important analytical tool for explicit recognition of distributional concerns.

Issues and Prospects

6. The increased awareness of the poverty issues and the general acceptance of "poverty alleviation" as a key developmental objective, represent important steps towards addressing this problem over the coming years. The improved understanding of the incidence and dimensions of poverty, and the operational experience gained over the past decade, provide, in addition, a much better basis for developing realistic policies and more effective programs for the future. The magnitude of the problem can, however, be hardly overestimated and even under the most optimistic scenarios the problem would still be with us by the year 2000. 1/

7. Some of the key issues and problems which need to be addressed in the coming years are summarized below.

(a) Unemployment and Underemployment

Almost axiomatically, the only asset at the disposal of the poor is their labor, and therefore the heart of the poverty problem is the problem of unemployment and underemployment. Any viable strategy for alleviation of poverty must involve creating more productive employment for these people. Considering the worsening land/man ratio and the limited scope for additional employment through agricultural intensification, the solution to this problem has to be mostly in non-agricultural employment. Despite various experiments with programs of agro-industries, rural public works, etc., most countries have not yet developed a workable strategy for productively employing the current labor force, let alone the 500 million new entrants expected over the next 20 years in the developing countries. Given the magnitude of the problem and the variations across countries as regards the natural resource base, asset concentration and ideological preferences, the problem requires a flexible approach and parallel efforts in several different directions, e.g., promotion of labor intensive development through pricing and investment policies, upgrading of skills through development of human resources, selective redistribution of assets such as underutilized land, and expanded programs for population control. Developing feasible strategies to deal with the employment problem will remain the single most critical development issue for the Bank and its borrowers for the foreseeable future.

(b) Socio-political Constraints

In view of the political difficulties associated with programs aimed at redistribution of assets most poverty-oriented

1/ The most optimistic projection is for a decline in the number of absolute poor to about 250 million by the year 2,000. Under less favorable assumptions, the current number may remain virtually unchanged. (In relative terms this would still be an improvement, however.)

programs limit themselves to redistributing the gains from future growth. However, even such reorientation often causes acute socio-political tension and attempts by vested interests to circumvent the main thrust of the reform program. Thus, oftentimes policies and programs designed to benefit the "poor" end up benefitting the "not so poor" who because of their political connections, as well as greater familiarity with bureaucratic procedures, are able to override any safeguards built to protect the poor. The problem is aggravated if at the highest levels of government there is not a full commitment to "poverty alleviation" as an objective. The Bank can only try to persuade sovereign governments, on the basis of an objective evaluation of the long run implications of their policies and programs. To the extent, however, that "leakages" from poverty-oriented programs result from breakdowns in implementation at the field level, the challenge is to design more robust policies, programs and institutional arrangements.

(c) Short-term vs. Long-term Trade-offs

An additional, and potentially serious, issue arises from the structural problems being experienced by many developing and developed countries for the past several years. The problems concerning balance of payments and budgetary deficits being faced by many of the developing countries may divert disproportionate attention to the problems of short-run economic management at the cost of long-run development programs aimed at poverty alleviation. The worsening of the aid climate due to similar structural problems in the developed countries may further endanger the prospects for the developing countries.

POPULATION, HEALTH AND NUTRITION

INTRODUCTION

1. The Bank's approach to basic needs and the development of human resources includes lending for population, health and nutrition. While separate sectoral goals for population, health and nutrition may be distinguished, these sectors share much common ground in terms of policy and program development and, as pointed out in World Development Report, 1980, each sector exerts considerable influence upon the others. In projects the distinction between sectors can be also artificial and is really a matter of emphasis in content and focus. Thus, population projects invariably incorporate health activities centered around maternal and child care; most health projects either include population components or constitute a necessary prelude to the establishment of family planning; the links between nutrition and health are extremely close.

POPULATION

2. Population growth remains a central concern for the prospects of social and economic development and national stability in many developing countries. World population reached 4 billion in 1976 and at the current pace of population growth (around 2.1% per annum) another billion will be added each decade for the next 20 years. The demographic momentum in the developing countries is such that in many their population will double within the next 25-30 years and in some much sooner. Population growth is outpacing economic development, is placing an unsupportable load on social services needed for human resources development, and is building up stress through high unemployment, high dependency ratios and overcrowding.

3. There have been significant achievements in the past two decades: first, there has been growing awareness of the problem; second, there have evolved specific policies to deal directly with it, principally through the establishment of national population programs; third, research has contributed to a better understanding of the relationships between fertility and development.

4. Most countries in South and East Asia now recognize the serious economic and social consequences of unrestrained population growth and have developed policies and programs to restrain it. Program performance has however been uneven. In Latin America some countries have induced a decline in fertility (Chile, Costa Rica, Colombia and, more recently, Mexico) but other Latin American and practically all African countries have not yet addressed the issue explicitly although the awareness of the problem is growing and some family planning services have been offered through the health system and through voluntary associations. The paradox is that while a sufficient body of knowledge and operational experience with national population programs exists, as the experience of several East Asian countries has shown, control of population growth on a national scale has been hampered by weak political commitment, organizational and institutional problems and by cultural, religious and ethnic concerns.

5. In 1968, the Bank decided to address the population issue directly by helping countries understand their population problems better and by financing population programs. There was growing international concern that the rapid increase of population had become a barrier to economic growth, social well-being and national stability, and growing recognition that development efforts needed to be accompanied by explicit attention to population. This meant emphasis in Bank economic work on the link between population and development and the identification of a program of loans and technical assistance. The sector was, however, politically sensitive and many governments were reluctant at that time to take an explicit policy position to moderate growth or accept foreign support for population activities.

6. The new Population Projects Department gradually evolved operational criteria for Bank population lending. The projects addressed the supply side (i.e., services), the demand side (creating awareness, providing information, etc.) and measures beyond family planning (e.g. incentives and disincentives aimed at encouraging smaller families). While promoting different delivery system approaches, they use the maternal child health services as a key system. While much of Bank financing has been for infrastructure development, the projects have demographic/population control objectives. The Bank has put greater emphasis on sector issues and on "software" components (e.g. information and education services, staff training, management, research and evaluation). Only in one case was the supply of contraceptives financed, as normally other sources are available. The policy has been not to promote particular family planning methods but rather to support those methods favored by the government.

7. Between 1970 and 1980, 23 loans were made in 14 countries ^{1/} for a total volume of \$400 million. Over half the Bank projects have been co-financed by other donors. Some of the projects are in large and populous countries with serious population problems but there are a number of these still to be covered where lack of government policy/program has precluded Bank involvement; in other cases, countries have preferred to avail themselves of grant funds which have been relatively freely available for population work from other donors.

8. The PHN lending program for 1981-85 has 29 projects. Of these, 10 will have explicit population growth control objectives and are mostly repeater projects. Many of the others will have varying degrees of emphasis and content of population/family planning activity. In most of the health projects under preparation, family planning will be included within the Primary Health Care Services - and in some there will be "demand creation" activities as well.

9. Because relatively slow progress of population lending and the disappointing coverage of population in the Bank's economic work did not match the perceived urgency of the problem and the Bank's pronouncements, management appointed three external review panels - in 1973, 1976 and 1978. Each of the panels generally endorsed the Bank's approaches and strategy and reaffirmed the

^{1/} Bangladesh, Dominican Republic, Egypt, India, Indonesia, Iran, Jamaica, Kenya, Korea, Malaysia, Philippines, Thailand, Tunisia, Trinidad and Tobago.

Bank's critical role in the sector. The Bank's contribution to developing broad-gauged sector and program analysis as a basis for financing projects and its efforts to develop co-financing with other donors were recognized innovations to the sector. However, the panels urged the Bank to improve performance, maintain the policy/program dialogue, focus on priority countries, sharpen project content, and use its general relations as well as its lending in other sectors for reinforcement. They criticized the Bank for over-optimistic demographic targets, complex procedures, long preparation times, high manpower costs and insufficient flexibility. The panels also emphasized the need for greater involvement of all Bank staff and managers in the overall population effort.

10. The Bank is continuing to seek opportunities to expand its lending for population. Follow-up lending to existing borrowers is planned in line with the requirements of their programs. New countries will be added to the portfolio as their governments become more concerned about population growth and more receptive to external assistance to moderate it; Pakistan has, for instance, recently approached us for assistance. It is expected that lending for health will offer further opportunities for dialogue on population matters with other countries.

Outlook for the future

11. Mortality declines over the past 30 years have resulted in an explosive situation -- in the next 20 years world population will increase by 2 billion, (by 50%) or an annual increase of from 78 million now to 100 million by 2000, practically all in LDCs. Several governments have yet to accept the facts of their demographic situation and others with falling fertility need to intensify their programs. Early development efforts have resulted in increasing population growth rates, especially in Africa. Globally a four-to five-fold increase in contraceptive use is needed over the next two decades to bring the net reproduction rate down to one (that is, to a net replacement level). A sharply focussed intervention strategy is urgently needed. This would include:

1. Efforts to increase commitment of governments to control population growth, including building up better awareness among both leaders and the general public;
2. Efforts to improve the effectiveness and demographic impact of national family planning programs;
3. Efforts to achieve greater impact on fertility variables by programs aimed at improving women's status (better educational opportunities, participation in productive employment, etc); and
4. Research for better contraceptives and on the social and behavioral factors affecting fertility.

12. In 1981, energy, financial constraints and other concerns have tended to push population into the background, at least temporarily. There is need to restate the seriousness and urgency of the problem and to find effective ways to

address it. The Bank has a comparative advantage as a development institution to address population as part of the overall development context. Failure to address the problem effectively will endanger all other development efforts.

HEALTH

13. Numerous studies have highlighted that health investments contribute to the development process not only through their obvious physical impact on labor productivity, thus raising incomes, but also through the positive role that a healthy population can play in introducing new ideas and actions that enhance economic performance. As noted in the World Development Report III, the 10 developing countries with the highest life expectancy in relation to income in 1960 subsequently attained growth rates that on average were 1.6 percentage points higher than those of all developing countries for which data were available. Bank support to the health sector also responds to the overall development objective of enhanced social equity.

14. The Bank's entry into health as a distinct area of lending has been gradual, from early support of health elements which were part of projects in other sectors to projects encompassing broad health policy, institutional and structural changes. Between 1975 and 1979 the Bank financed 70 such health components in 44 countries in projects dealing with rural and urban development, irrigation, education, and water supply and sanitation; most of our population projects have utilized health systems for delivery of family planning services. In 1979 the Board approved an expanded Bank role in the health sector on three key grounds: 1) organizational expertise in country programming and sectoral analysis will contribute to national health program development; 2) health projects are an integral part of poverty alleviation strategies; and 3) health sector support provides a vehicle for mobilizing governments to redress rapid population growth.

15. For the majority of the poorest countries the low life expectancies at birth of 50 years or less are related to infant mortality rates exceeding 100 per 1000 live births and the fact that cumulatively up to half of all children may die without reaching five years of age. Deaths in children under five years of age account for approximately half of all deaths annually in these countries, and can be attributed largely to a few principal causes -- low birth weight and malnutrition, neonatal tetanus, diarrhea and dehydration, measles, whooping cough, acute respiratory infections and malaria. Women in reproductive age groups are also at high risk of illness and death from pregnancy and related causes. The prevalence of these problems could be substantially reduced by organizing a system of health services delivered by community-based health auxiliaries using available inexpensive technology.

16. While more research is needed on the determinants of mortality, much evidence exists that major health improvements can be expected through general economic development and equity of access to basic social services. Recognition that health status both is affected by, and can impact upon, other key sectors guided Bank health policy over the last decade.

17. Since 1979, sector work has been emphasized to broaden our country-specific data base and overall sectoral knowledge preparatory to project development. The FY81-82 work program includes health sector analyses in about 20 countries. The first health projects are expected to be presented to the Board in FY82 and eight projects are being prepared for FY83. There is, in all, a pipeline of 16 projects representing \$420 million of lending over the FY82-85 period.

18. Our health component experience has underscored the need to plan health projects within an overall sector development strategy and the importance of institution building to support a system for delivering health services. Investments will be linked to specific targets for health status improvement. The nature of Bank lending will be determined by the stage of development of the health sector, the domestic investments planned, and the availability of other external assistance. The majority of health projects will develop the health system at the community level and include training of health manpower, construction/renovation and equipping of basic health facilities, and strengthening of supervision, logistics and supply. Central institutions will be developed to enhance the capacity to plan, implement and evaluate cost-effective health programs.

19. Effecting the desired policy, institutional and structural changes in the sector while holding down substantial increases in the recurrent cost burden will be dependent on two key factors: 1) more efficiently utilizing existing public resources through setting priorities and targetting of interventions; and 2) identifying and mobilizing additional domestic resources, beyond the national budget, primarily through enhanced community participation including institution of user fees and private sector involvement. In both these areas, the Bank's experience and achievements in other sectors should provide valuable insights/guidance.

20. To develop a successful health lending program, the Bank must overcome several obstacles. First, it must define a distinctive role for itself within the international health community to which it is a relative newcomer and in which there are already a number of agencies providing technical and financial assistance. Second, health projects with small capital investment, heavy emphasis on institutional strengthening and high local costs do not conform to the usual type of Bank project which is capital-intensive and more rapidly disbursing.

21. At the country level, the relative weakness of Ministries of Health within the government structure and their inexperience in developing Bankable projects (most projects currently in the work program represent the first Bank project for the Ministry) hamper project identification and preparation, yet highlight the importance of institution-building. Establishment of a sizeable lending program is impeded as well by the reluctance of some governments to borrow for health particularly given the ready availability of grant money from bilateral and multilateral organizations. Furthermore, in the current economic situation many governments favor productive investments with immediate returns over social sector development and its longer term benefits.

NUTRITION

22. Bank studies have concluded that: (a) malnutrition is a major problem that both contributes to and reflects underdevelopment; (b) the nutrition condition of the poor is no better (and in many countries worse) than a decade ago; (c) the problem is exacerbated during periods of economic stress; (d) although income and food supply are key factors in determining nutritional status the nutrition problem is not likely to be resolved in most countries solely through increased incomes and agricultural production within a generation; (e) the basic problem is caloric insufficiency; (f) the adverse effects on human resource development -- e.g. on productivity, on educability -- are considerable; and (g) most governments are not reaching the very poor with nutrition interventions.

23. A reassessment of the Bank's role in nutrition in mid-1979 emphasized the importance of malnutrition as a development problem and the need for the Bank to develop an effective program. This led to an operational work program in September 1980 that called for making nutrition an explicit and sustained objective. This did not imply a large lending program but rather the need to focus on food consumption issues in economic and sector work and to add explicit nutrition considerations in the Bank's lending in related fields such as agriculture, education and industry. Each region has now identified one to three countries on which to concentrate nutrition attention.

24. The Bank has been cautiously experimenting with "freestanding" nutrition projects. Since FY76, four have been approved. In addition, the Bank is supporting nutrition components in about 30 urban, population, and rural development projects. The major aim of this work has been to help countries better equip themselves to deal with the nutrition problem. Assistance is provided to build or strengthen institutions, train manpower, and gain a better understanding (through evaluation of operational components) of how best to reach people with better nutrition. In the process, sizeable numbers of the malnourished are expected to benefit.

25. Experience has demonstrated that nutrition projects are difficult and time-consuming to prepare and administer. Implementation has been hampered by institutional inexperience and by the difficulties governments have of handling multisectoral issues within traditional sectoral organizations. Notwithstanding these certain components exceeded appraisal expectations in terms of nutrition impact. In Brazil, for example, the incidence of serious childhood malnutrition in the project area appears to have declined substantially leading to a marked decline in school drop-out and repeater rates.

POPULATION, HEALTH AND NUTRITION LENDING

<u>Lending Program</u>	<u>Number of Projects</u>	<u>\$ Value (in million)</u>
FY82 (planned)	3	118.0
FY81 (estimated)	1	11.0
FY80	4	143.0
FY76-80 (annual average)	3	77.6
FY71-75 (annual average)	2	24.2

Projects under Supervision *
As of 7/1/80

21

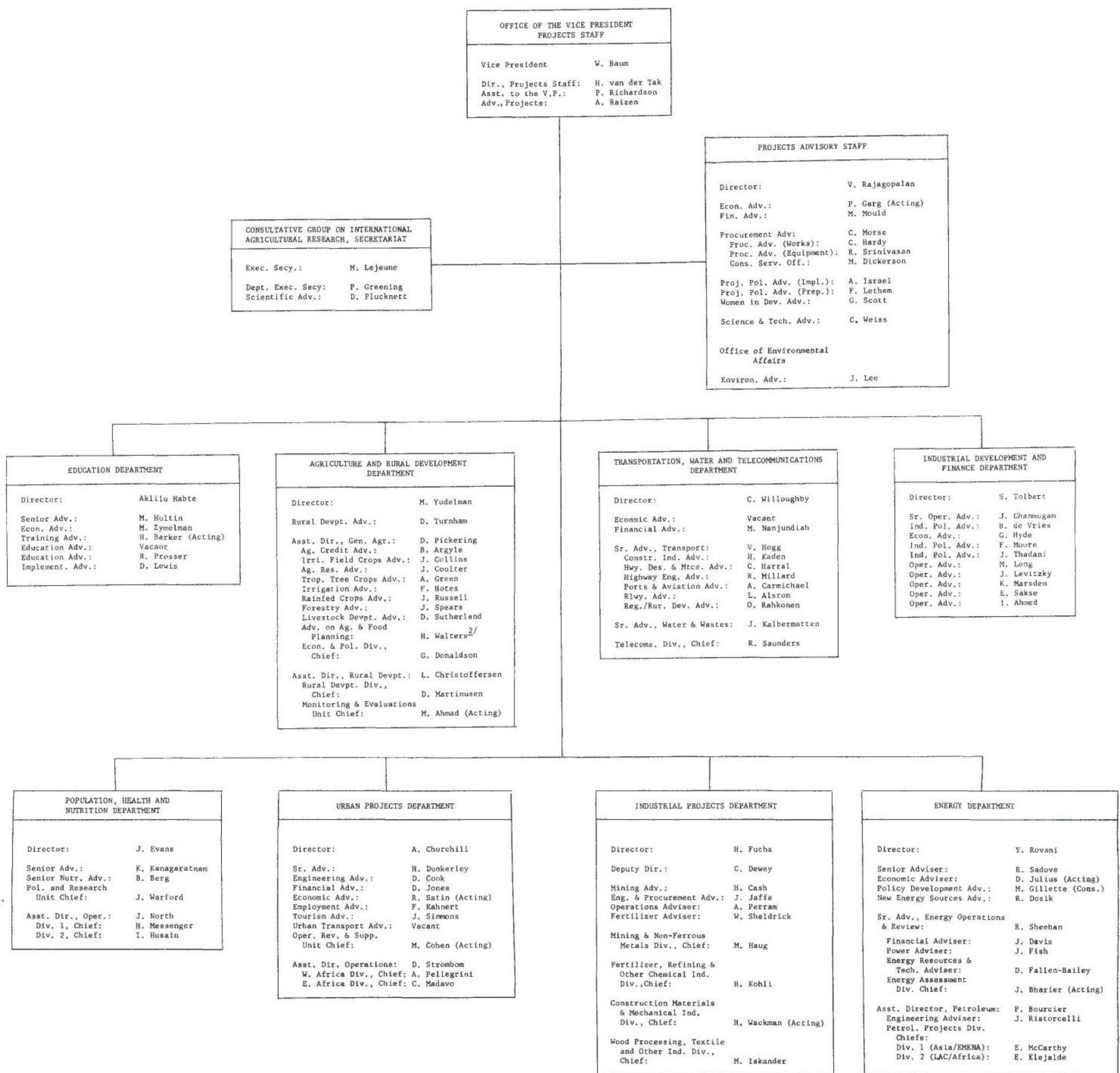
* Number of loans/credits approved between FY73 and FY80, inclusive.

Sources:

Table IVb: FY82 Lending Operations Monthly Report as of 12/31/80
 Table IVb: FY81 Lending Operations Monthly Report as of 12/31/80
 Table IV : IBRD & IDA: Country Lending Programs Through FY85
 as of 10/31/80.

Mr. Clausen

CENTRAL PROJECTS STAFF ^{1/}



^{1/} Staff at Level N and above, and Level M Advisers and Unit Chiefs as of 3/1/81.
^{2/} Temporary Assignment.

CENTRAL PROJECTS STAFF - MAJOR FUNCTIONS

1. When the Bank's operational complex, including most of its projects staff, was regionalized in 1972, the Central Projects Staff (CPS) was created with four broad purposes -- to:

- a. Provide professional leadership for all projects staff;
- b. Develop and maintain policies and standards in each sector;
- c. Retain the Bank's ability to apply its global experience to the work of each Region; and
- d. Remain responsible for those projects activities which it was impractical to decentralize.

2. In all sectors, therefore, CPS has nonoperational functions -- including responsibilities for research, policy formulation, quality enhancement and assurance, professional relationships with external sources of expertise (UN agencies, foundations, professional associations, academia, etc.), and the maintenance and development of Bank staff capabilities. In those sectors which were not regionalized, CPS also has "line" responsibility for operations. CPS, therefore, is a hybrid of "operational" and "staff" functions.

3. CPS has nine departments. Two of them (Industrial Projects; Population, Health and Nutrition) are primarily operational -- i.e. they contain the Bank's specialized staff and process all the Bank's projects in their sectors. Three (Education; Industrial Development and Finance; and the cross-sectoral Projects Advisory Staff) are nonoperational -- i.e. they perform a "staff" role, and operations in their areas of concern are decentralized to the Regions. Four (Agriculture and Rural Development; Energy; Transportation, Water and Telecommunications; and Urban) have mixed functions, with some line responsibilities in addition to primary staff functions. The various CPS functions are discussed more fully below. CPS departments or divisions whose primary responsibilities are operational are referred to as Central Operating Projects Departments (COPDs); those which work primarily in regionalized sectors are called Sector Departments.

Operational Work

4. CPS has operational responsibilities only with respect to fields where regionalization has been considered impractical -- usually for reasons of scale. The Bank's approach to new sectors of lending, for example energy or health, is typically developed and initial project work centralized in CPS. When a growing scale of operations and experience permit, lending operations are decentralized to the Regions on a division-by-division basis, as is currently happening with Urban Projects. CPS has at this time operational responsibility for all projects in industry and mining; population, health and nutrition; oil and gas; and telecommunications. It is also responsible for urban projects in Africa, for a small number of rural development projects

considered to have a significant "research laboratory" dimension; for work on major training components of projects in all sectors; and for housing certain "pooled" specialists who work on other departments' projects but are too few in number to be assigned to the regions (e.g. in fisheries, aviation, satellite imagery, etc.).

5. When a CPS department has operational responsibility, it typically manages a whole project throughout the project cycle from identification and sector work through supervision of the project while it is being implemented. In carrying out these functions it acts essentially under contract to the Region in which the project is located. The end-product must satisfy not only the CPS Director but also the Regional Vice President and the Region's Programs and Projects Directors. When CPS works on a project component or supplies a pooled specialist, the CPS staff is managed by the recipient projects division. Because the "COPDs" serve six regions, the programming of their resources and planning and scheduling of their work tends to be especially difficult.

6. CPS's COPDs will, in FY82, be responsible for bringing 52 projects to the Board and supervising 249 projects; they are also programmed to complete 21 major sector reports. CPS's operational work (i.e. lending, supervision, economic and sector work and direct support to Regions) is programmed to consume approximately 250 staff years or 65% of the total resources (exclusive of overhead and management and administration) that are being provided in the CPS budget. The COPDs also have nonoperational responsibilities in their sectors.

Nonoperational Work

7. With respect to the Regionally-administered sectors -- agriculture and rural development, development finance intermediaries and small-scale industry, transportation, power, water and wastes, education, and urban (other than in Africa) -- CPS has nonoperational responsibilities, sometimes called "functional control." Aside from external relations (e.g. staying abreast of what others active in the sector are doing and informing them of Bank activities), this work has three broad components -- (i) policy development and research, (ii) staff development, and (iii) operational advice and review. With regard to COPD sectors these functions are internalized within CPS.

8. Policy Development and Research. Efforts to improve the effectiveness of operations and policy advice in a sector entail evaluating Bank approaches and practices, identifying needs for and managing and carrying out Bank research, developing and modifying policies, establishing and refining standards, and providing guidelines and analytical tools (such as models, checklists and computer programs). These activities accelerate the Bank's collective learning process (especially in rapidly evolving sectors, e.g. urban and rural development, petroleum, health), reduce the burden of specific operational advice and review, and, over the long term, help improve the effectiveness of Bank projects staff. Together, research

and policy work absorb slightly less than one-sixth (approximately 65 staff years) of CPS's resources. The relationship fluctuates, but currently the policy portion is more than twice the CPS research portion. (Additional sectoral research is performed by the Bank's Development Policy Staff.)

9. CPS's research includes studies of such subjects as energy and power pricing, the effect of textbook availability on educational quality, improved technology for animal-powered agriculture, substitution of labor for equipment in civil engineering construction, appropriate technology for water supply and waste disposal, energy requirements of developing country agriculture, potentials for alcohol production from biomass, and the trade-offs among the costs of highway construction, maintenance and vehicle operation.

10. CPS policy work, at its broadest, involves development of "sector policy papers" -- most recently in education and health -- which establish the Bank's priorities, approach, and principal policies across a sector. Some of the policy work has a subsector-wide focus, such as recent papers on the Bank's role in forestry development, fisheries, the railroad industry, or domestic aviation. Most of the policy work, however, is focused more narrowly -- on such subjects as food security planning, water charges in agriculture, price as a factor in selecting consultants, means of assisting local construction industries, and studies underlying the World Development Reports.

11. CPS guidance material is extensive. (A catalog is available.) A wide variety of subjects is covered -- such as guidelines for specifying agricultural credit terms, the use of operational efficiency indicators in transportation projects, a handbook for project supervision, the use of mass media for education, architectural design standards for educational institutions, coal gasification technology and prospects, the economic analysis of rural road projects, and guidelines for developing small-scale enterprise projects.

12. Staff Development. CPS advisers in each field have an important role to play in providing professional leadership to their colleagues; promoting cross-fertilization among staff in different parts of the Bank; arranging or providing suitable professional training (including seminars and the dissemination of research results, policy, and guidance); and -- through recruitment and reassignment assistance -- helping the Bank achieve staff deployment patterns that closely match staff capabilities, and staff development needs with the Bank's work program needs. CPS advisers are expected to promote and lead informal groupings of Bank professionals, such as irrigation engineers or transport economists, in order to foster collegial dialogue and thereby help reduce the professional isolation felt by the practitioners of most of the projects disciplines in a Regionally-organized Bank.

13. Operational Advice and Review. CPS reviews and provides advice on country sector studies and specific lending operations managed by the

Regions. In the loan processing cycle, the CPS involvement begins as advice and assistance and ends as quality control. Although CPS devotes less than one sixth (just under sixty staff years) of its budgeted resources to this "advisory" and "quality enhancement" work, it entails an inherently sensitive relationship and tends to be the most controversy-prone of CPS's activities.

14. For its operational advice and review work, CPS has several comparative advantages. First, unlike any Region, CPS has a global purview that enables it to help ensure that each Region's projects reflect the experience of the Bank as a whole. Second, its advisers are (in many instances) "senior statesmen" in their field of expertise, knowledgeable not only about other Bank operations but also about relevant Bank research and policy work and thinking and expertise outside the Bank. Third, CPS advisers -- being off-line and not responsible for maintaining good country relationships or meeting Board schedules -- can remain detached from some of the pressures that bear on operational staff.

15. CPS's review during identification, preparation, and subsequent appraisal of a project, and in support of sector work, is essentially advisory. The purpose is to help Regional staff define project objectives, explore design options, specify further preparation requirements and more generally assure the technical, institutional, economic and financial soundness of the proposed project and its consistency with Bank policies and standards. Major substantive disagreements are expected to be referred to senior staff for early resolution.

16. The CPS advisers' review is selective both in its intensity and in the issues examined. Their review of draft appraisal reports can consume from a few hours to, exceptionally, several staff-weeks, depending on such factors as the project's complexity, the number of dimensions involved and reviewers needed, the lead adviser's confidence in the appraisal mission's and division chief's capabilities with respect to the project, the amount of advice sought, the condition of the draft, and the speed with which the issues are resolved.

17. Quality control, rather than advice, is the purpose of the Loan Committee review, the final management review before negotiations are authorized. As a permanent member of the Loan Committee, the CPS Vice President (or one of his two designees for this purpose) focuses principally on the President's Report -- the object of the Board's subsequent review -- to ensure that it clearly summarizes the significant features of and the analysis behind a demonstrably sound project that is consistent with Bank policies and standards. While at this stage it is usually too late for changes in project concept or physical design, it is not too late to address issues of negotiating posture, unclear or faulty analysis, unclear, inaccurate or inconsistent presentation, or such matters as the financial or institutional arrangements to be required of the Borrower.

18. Although ideally, at this stage, no issues should remain and few significant improvements should be possible -- given the Region's own

quality control safeguards and the prior CPS involvement -- it is not unusual for the Loan Committee review to result in suggestions for substantive improvements. Such suggestions have sometimes caused some CPS/Regional friction as deadlines at this stage tend to be tight and Regional management has certified that the project and its "Loan Committee package" meet Bank quality standards.

19. Such frictions may be considered a small price in view of the importance of high quality standards to the Bank's borrowers and its own reputation. Nevertheless, it would clearly be preferable to identify all issues and desirable improvements at the earlier stages of the review process, and progress has been made in this direction -- through a major shift "upstream" of CPS advisers' attentions and through Regional efforts to improve their own quality control. It would not be realistic, however, to expect that the review process could ever be made wholly painless.

Projects Advisory Staff

20. CPS has one department whose focus is not sectoral -- the Projects Advisory Staff. Devoted almost exclusively to policy and advisory work, it contains specialists whose expertise cuts across sectors -- i.e. in procurement; consulting services; environmental concerns; the role of women; science and technology; institutional development; projects economics; financial analysis; and the procedures and overall policies concerning project work (e.g. preparation, appraisal and supervision). In addition to developing policies and guidelines in its areas of concern and advising on Regionally-administered projects, this department provides an independent -- though non-technical -- review of the CPS (i.e. COPD)-developed projects.

* * *

In summary, CPS is a diverse collection of disciplines and concerns, but with a unifying and overriding objective -- promoting the "developmental quality" of the Bank's operations, which are rapidly evolving, complex and multi-faceted. The principal rationale for all of CPS's nonoperational activities is that, in the long term, the Bank's impact on development -- i.e. its success -- will be measured as much, or more, by the developmental quality of its work as by the volume of its lending.

FY82 CPS BUDGET AND STAFFING INFORMATION

	Office of V.P.	Projects Advisory Staff	Agriculture	Industrial Dev. & Finance	Education	Transportation Water & Telecoms.	Energy	Industrial Projects	Population, Health & Nutrition	Urban Projects	Total CPS
<u>Professional Positions (Total)</u>	<u>5</u>	<u>21</u>	<u>51</u>	<u>14</u>	<u>21</u>	<u>42</u>	<u>72</u>	<u>70</u>	<u>56</u>	<u>38</u>	<u>390</u>
Level N and Above Positions *	4	9	11	6	3	12	14	9	9	11	88
"Advisory" Positions	1	20	28	13	10	19	17	4	6	9	127
"Operational" Positions	-	-	17	-	9	19	50	59	44	25	223
Management & Admin. Positions	4	1	6	1	2	4	5	7	6	4	40
<u>Staff Years in Budget (Total SYs)</u>	<u>5.0</u>	<u>30.0</u>	<u>62.3</u>	<u>15.8</u>	<u>23.7</u>	<u>48.7</u>	<u>100.4</u>	<u>101.4</u>	<u>79.6</u>	<u>51.0</u>	<u>517.9</u>
Bank SY, Including Overtime	5.0	20.5	50.9	14.0	20.3	42.0	73.8	73.5	58.2	38.1	396.3
Consultant SYs	-	9.5	9.2	1.8	3.4	5.1	18.5	14.4	18.0	9.6	89.5
Support from Others	-	-	2.2	-	-	1.6	8.1	13.5	3.4	3.3	32.1
<u>Operational Work (Total SYs)</u>	<u>-</u>	<u>0.4</u>	<u>19.1</u>	<u>1.0</u>	<u>1.5</u>	<u>18.2</u>	<u>62.6</u>	<u>75.0</u>	<u>54.6</u>	<u>28.1</u>	<u>260.5</u>
Lending SYs	-	-	6.0	-	-	9.3	40.8	49.5	28.9	16.4	150.9
FY82 Projects to Board	-	-	1	-	-	7	19	18	3	4	52
Supervision SYs	-	-	5.5	-	-	6.2	13.9	18.8	15.0	9.4	68.8
Projects in 8 yr. Portfolio	-	-	11	-	-	37	60	97	21	23	249
Country Economic & Sector Work SYs	-	-	-	-	-	0.3	6.1	4.1	5.9	1.3	17.7
Support to Others	-	0.4	7.6	1.0	1.5	2.4	1.8	2.6	4.8	1.0	23.1
<u>Non-operational Work (Total SYs)</u>	<u>0.8</u>	<u>24.1</u>	<u>28.3</u>	<u>10.9</u>	<u>16.0</u>	<u>19.0</u>	<u>17.5</u>	<u>3.6</u>	<u>7.6</u>	<u>11.1</u>	<u>138.9</u>
Advisory SYs	0.8	10.3	11.9	4.0	9.8	9.1	7.1	0.3	0.8	5.0	59.1
Policy SYs	-	11.3	8.4	5.8	2.0	4.7	5.9	2.0	4.5	3.0	47.6
Research SYs	-	0.6	5.5	0.5	3.3	3.4	2.5	0.5	0.3	1.0	17.6
Other SYs (e.g. technical assistance)	-	1.9	2.5	0.6	0.9	1.8	2.0	0.8	2.0	2.1	14.6
<u>Management, Administration, Overhead SYs</u>	<u>4.2</u>	<u>5.5</u>	<u>14.9</u>	<u>3.9</u>	<u>6.2</u>	<u>11.5</u>	<u>20.3</u>	<u>22.8</u>	<u>17.4</u>	<u>11.8</u>	<u>118.5</u>

* Approved for FY81

CPSVT
3/17/81

SOCIAL AND BEHAVIORAL FACTORS AND THE ROLE OF WOMEN IN DEVELOPMENT

The Problem

1. As long as development projects focused mainly on infrastructure there did not appear to be any need to give special attention in the course of project work to human factors in general and to women in particular. At times, problems occurred: workers living in remote construction camps suffered a loss of morale; "unexpected" clashes occurred between labor and management; and there were times when it was necessary to decide on how to resettle large numbers of people who were displaced. But overall, the problems that arose did not come up often enough to merit systematic attention. Project managers were therefore expected to solve these problems as they did others.

2. The situation has now changed. Many development projects intended to benefit the poor are dependent for their success on the adoption of changes in life-style and habits by large masses of people. These changes, however, are not easy to achieve. For example, experience has shown that small farmers in Western Africa do not always want to abandon subsistence crops in favor of more profitable commercial crops. Women may continue drawing water from a polluted stream or well in their own backyard instead of using improved public water supplies. Health services may be underutilized by the sick. And, too often, plans and programs have been designed as if half of their beneficiaries, i.e., women, were invisible.

3. The problem for the Bank, therefore, is to ensure that its concern for the human aspects of development be widely known, that information about human behavior and society become an integral part of the project analysis and design process, and that the lessons of experience in this regard be communicated to Bank staff and the development community at large. To that intent the Bank decided:

- (a) to emphasize human factors in general in the design of projects;
and
- (b) to give special attention to the potential role and contribution of women in development, both as producers and as consumers.

The Bank's approach to both areas is discussed below.

Social and behavioral factors in project work

4. Bank experience. The Bank's contribution has been to promote the application of sociology, anthropology and other social sciences to solving the most important "social" problems encountered by development practitioners, i.e.:

- (a) whether the affected population really feels a need for what the project offers;
- (b) whether the project technology and institutional design are feasible in social and behavioral terms; and
- (c) whether the project will benefit the people as intended.

To this end sectoral studies have been conducted in water supply and sanitation, rural roads, forestry, livestock, and irrigation to assist project designers in

choosing between the three basic options open to them when any of the above issues arise:

- (i) modify the technological, financial, administrative/managerial or other aspects which could result in failure, or delay, in reaching project goals;
- (ii) include in the project information, motivation and education components to assist in accelerating the necessary change in attitudes and behavior; or
- (iii) postpone or reject the project.

These efforts have led to publication of an operational framework for the regular inclusion and consideration of the human factor in development projects (Staff Working Paper No. 397). A companion publication is intended to help design socio-culturally appropriate organizations based on the Bank's experience in rural development (Staff Working Paper No. 375).

5. The Future. Human factors and the search for ways to ensure that project benefits reach intended target populations must continue to be an important consideration in development work. While the Bank has increased the number of its staff with a background in the social sciences, much needs to be done in the development, application and diffusion of policy and practice in this area. Priority areas include (a) the handling of social consequences and implication of large construction, mining or industrial projects; (b) questions common to all sectors of lending, such as how best to use the media to help achieve project objectives (including behavioral changes), how to deal with tribal peoples located in the area of project influence, and how to consider customary rights (e.g., to land or water) in project design; and (c) further work in the design of organizations and the management of people in a "non-western" socio-cultural environment, with reference to such sectors as road maintenance and health.

Women in Development

6. Bank experience. The Bank is increasingly aware of both the untapped potential contribution of women to development and the risks that they may not benefit from development projects: potential female productivity in agriculture is hampered by lack of extension services directed to them and lack of equipment; investment in women's education may not be fully utilized; the relationship between women's educational and employment opportunities and the rate of fertility may be neglected; their central role in meeting basic needs may not be fully appreciated. This awareness, promoted by the Adviser on Women in Development in CPS/PAS, has resulted in a consensus on the need (a) to give specific attention to issues relating to women in project design and implementation; (b) to involve women more deeply in decisions regarding projects that will affect them; (c) to work out the operational implications in various sectors of lending; and (d) to make available to Bank staff and the development community at large the results of Bank's experience.

7. The widely distributed and quoted booklet "Recognizing the Invisible Women in Development: the World Bank's Experience" has made an essential contribution

towards meeting these objectives. Furthermore, the Adviser on Women in Development

- (a) provides systematic advice on individual projects to help identify the local circumstances that impede or encourage the participation of women; the contribution that women could make to achieving the project's objectives; the changes which the project will introduce that would be disadvantageous to women; and how to reflect these factors in the project's design;
- (b) prepares technical notes on regional or Bank-wide sectoral or crosssectoral questions relating to women such as in forestry (in view of women's interests in fuelwood plots, improved stoves, community participation, etc.); the use of appropriate technologies for women; and the implications for women of the Bank's education sector policy;
- (c) initiates staff development programs, and makes available reference material on women in the borrower countries, useful both for general sensitizing and for project specific advice; and
- (d) responds to the considerable interest outside the Bank in the Bank's efforts to take account of women in its operations. This includes follow-up of and responses to enquiries about international mandates, e.g., those of the World Plan of Action for Women and collaboration with Women in Development activities of other international, bilateral and non-governmental agencies.

8. The Future. It is necessary to maintain and reinforce the interest and sensitivity of Bank and borrower staff to women in development issues, and to continue to highlight the Bank's experiences in dealing with them, with a view to drawing guidance from them and indicating areas which need further study. This will include (a) economic studies, for example on the trade-off between the value of women's time released from carrying water, and the cost of water at the nearest distribution point; and how to measure and take account of the value of the domestic and informal sector contribution of women; (b) operational studies of the role of women in specific sectors or problems; and (c) evaluation of the effectiveness of project interventions regarding women. As a result of a request expressed during the 1980 Annual Meeting, the Bank is planning an international Workshop on Women in Development for the Fall of 1981.