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DEVELOPMENT Outreach

PUTTING KNOWLEDGE TO WORK FOR DEVELOPMENT  OCTOBER 2004

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SCALING UP POVERTY REDUCTION

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Report on the
Shanghai Conference

WORLD BANK INSTITUTE

Promoting knowledge and learning for a better world

ABOUT THIS ISSUE

The interactive global learning process that started one year ago did not end with the closing of the Conference. The Shanghai meetings and discussions were only the starting point from which to launch global scaling up activities toward the achievement of the Millennium Development Goals.

This issue of *Development OUTREACH* is part of the ongoing process. It summarizes key concepts and their implementation, and serves as a reminder of the work ahead. Mr. Wolfensohn, in his introductory note, defines the concept of "scaling up" as "taking successful programs, policies, or projects and expanding, adapting, and sustaining them in different places and over time."

The guest editors for this issue, Frannie A. Léautier, Mohini Malhotra and Michele E. de Nevers, illustrate how to leverage one country's successful experiment in poverty reduction in order to accelerate the process in another country. Roberto Zagha gives us a factual overview of poverty reduction in the East Asia and Pacific Region. From the article of Minister Liu Jian, we learn about the government initiatives that lifted millions of Chinese from poverty. Mark Malloch Brown discusses the role of government and external donors in planning and implementing poverty reduction programs. President Benjamin William Mkapa of Tanzania writes about the operational implications of the lessons learned in Shaghai. Also included are an account by David de Ferranti of the field visit to Brazil, and another one by Alan Piazza and Natia Turnava of their visit to China. The community-driven approach to poverty reduction is showcased in the Yemen country study, highlighted here by Yasser El-Gammal. The article by Han Fraeters paints a lively picture of the role technology played in making ideas reach across borders and cultures—in this case, the GDLN videoconference. No less important was the role of the youth delegates from around the world in bringing home the message, as described in the article by Michael Jarvis.

The aftermath of the conference is a time for action. The lessons learned indicate that only with redoubled efforts by both the rich and the poor countries will we be able to stimulate economic growth, reduce poverty, and bring stability to the world.



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SUNETRA PURI
EXECUTIVE EDITOR

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MANAGING EDITOR

MOIRA RATCHFORD
PUBLICATION DESIGN

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World Bank Institute www.worldbank.org/wbi
Frannie A. Léautier, Vice President www.worldbank.org/devoutreach
The World Bank devoutreach@worldbank.org
1818 H Street NW
Washington, DC 20433, USA



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REDUCING POVERTY

South-South Knowledge Exchange Points to New Ways of Doing Business

BY JAMES D. WOLFENSOHN

THE SHANGHAI CONFERENCE ON SCALING UP POVERTY REDUCTION was the only international conference I have attended where the communiqué was not written in advance. Until the very end, we struggled to come up with conclusions, not based on what we thought they should be, but on what had actually emerged from the discussions.

Several heads of state, more than 80 ministers and heads of agencies, along with some 1,000 development specialists, public and private sector executives, academics, and civil society representatives, came to this conference as “students,” with the belief that they had something to learn from each other. As a result, this meeting produced a shared understanding that we will never achieve large-scale poverty reduction unless we work together and with mutual respect and tolerance.



▶▶▶▶ James D. Wolfensohn, President of the World Bank; HE Wen Jiabao, Premier of the State Council of the People's Republic of China; HE Luiz Inacio Lula de Silva, President of the Republic of Brazil; and HE Begum Khaleda Zia, Prime Minister of the People's Republic of Bangladesh.

on a LARGE SCALE

We began our discussions recognizing that in our world of six billion people, one billion have 80 percent of the income and five billion have less than 20 percent. We started with the proposition that in the next 25 years, two billion more people will come onto the planet, and all but 50 million of them will be in developing countries. In the year 2025, seven out of the eight billion people on this planet will be in developing countries, and by 2050, it will be eight billion out of nine. This issue of global imbalance is at the core of the challenge to scale up poverty reduction.

Although the proportion of people living in extreme poverty was reduced by half between 1981 and 2001, most of the Millennium Development Goals in education, health, the environment and other areas, will not be met in 2015 by most developing nations. To reach these targets, we need to take action now: we need to find a new way of doing business—a new paradigm for scaling up.

“Scaling up” means taking successful programs, policies, or projects and expanding, adapting, and sustaining them in different places and over time. This requires learning more about what works and what doesn’t. When we first started planning for this conference, the central idea was clear. This was not going to be a conference to reinforce the Washington Consensus, but rather a forum for the exchange of ideas and experiences. We therefore, designed a nine-month learning process leading up to the conference, consisting of case study development, field visits to project sites, interactive videoconference discussions, and other forms of dialogue, to help build a knowledge base and a learning space for an ongoing South-South exchange of ideas.

There is no better example of scaling up than that of China, which has taken three or four hundred million people out of poverty in the last 20 years. So, China is where we began our search for lessons. This is a country that has addressed the challenge of reducing poverty from a long-term perspective, spanning 50 years through 10 five-year plans. The government is now looking at the 11th five-year plan. China’s experience shows that scaling up requires time, management, and adaptation.

The more than 100 case studies prepared for the conference looked at very different countries and very different experiences. Yet a number of common success factors emerged: good governance of projects and programs, as well as good economics; a clear focus on client needs; communication and transparency to guard against corruption; a spirit of learning and experimentation; and a culture of monitoring results that can be

communicated for adoption elsewhere. There are also messages for aid-givers and partners, including the critical importance of beneficiary ownership of development projects and programs—lasting solutions cannot be imposed from the outside. And the importance of the quality as well as the quantity of aid.

The most important lesson we learned from the Global Learning Process and the Conference is that success does not depend on the amount of money we spend on a project, but on taking the right approach to achieving our strategic targets. And the right approach is not to turn poor people into objects of charity, but rather into active participants, into productive assets, into owners of their own destinies. We need to engage those people who are seeking a better life in the search for solutions. As lenders and donors, we can help provide them with the infrastructure and the financial resources; but we also have to leverage the human capital such as of the young people, women, and disenfranchised groups who want nothing better than to be part of the solution.

At the end of this nine-month learning process, we have come away with many remarkable lessons. And based on those lessons, I want to make two general comments. The first is that we have to work politically to ensure that the alleviation of poverty is high on the global agenda. The issues that confront the world today—terrorism, the war in Iraq, Afghanistan, strains in the Trans-Atlantic Alliance, budget deficits – all consume a great deal of our energy. Less attention is given to the equally inevitable, and equally dangerous, problems that come with poverty. And yet, without social equity and social justice, there can be no peace.

My second comment is that if we are to be effective in advocating the case for poverty reduction, and hopefully poverty eradication, it is not enough simply to talk about economics, social justice, empowerment of people, and ways of scaling up. We have to do it with a sense of moral principle, a sense of ethics, and the conviction that what we are doing is right.

The fight against poverty represents the greatest challenge of our time. For the sake of our children and our children’s children, we must meet this challenge.

James D. Wolfensohn is President of The World Bank



QUOTES BY HEADS OF STATE AND PREMIERS

Development-oriented poverty reduction must be pursued with a view to strengthening the capacity of the targeted population to fight poverty and attain prosperity. With guidance and enabling schemes, we have made the masses in the poverty-stricken areas the principal players of the anti-poverty campaign.... With continued actions in poverty reduction and consistent pursuit of peace, development and prosperity, China will contribute its share in maintaining world peace and promoting common development. Eliminating poverty in a country of 1.3 billion people is in itself a major contribution to the global cause of poverty reduction.

—HE Wen Jiabao, Premier of the State Council of the People's Republic of China

The commitment we made when we adopted the Millennium Development Goals is a political and moral imperative for the whole international community, an imperative that applies equally to rich countries and to poor countries.... We must work with the UN and the International Financial Institutions and within mutually agreed guidelines to achieve each of the MDGs. We must work under the guidance of local authorities in the developing countries to achieve coordinated use of international assistance. We must overcome rivalries and ideological quarrels to achieve more flexible and innovative use of the whole range of development instruments and players, whose synergies must be given greater recognition.

—HE Jacques Chirac, President of the French Republic

There is a consensus among all countries that poverty reduction is conducive to growth and peace. Poverty reduction needs not only the hard work of developing countries but also the joint efforts of the developed countries and international organizations. The Chinese Government favors and supports the efforts of international organizations and bilateral agencies to take poverty reduction in developing countries as their major objective and task.

—HE Hui Liangyu, Vice Premier of the State Council of the People's Republic of China

The solution is fairness and opportunity for all—a genuine compact between poor countries and rich ones, bilaterally and through multilateral institutions. The poor countries must continue to embrace democracy and open markets, and the rich must ensure that the people in poor countries find that democracies and open markets are better than dictatorships and closed markets. Democracy and open markets will only be accepted for what they deliver, not for what they promise.

—HE Benjamin William Mkapa, President of the United Republic of Tanzania

The international agenda has focused excessively on security issues. We must re-balance the international agenda to pay more attention to social issues. Hunger is actually the worst of all weapons of mass destruction, claiming millions of victims every year. Fighting hunger and poverty and promoting development are the truly sustainable way to achieve world peace. Humanity's security is indivisible. We cannot dissociate political, economic, social, environmental aspects from the issue of security. There will be no peace without development, and there will be neither peace nor development without social justice.

—HE Luiz Inacio Lula de Silva, President of the Republic of Brazil

Reforms are necessary, but they are not sufficient for eradication of poverty. The poor need opportunities to participate on equal terms. They cannot at all enter the highly competitive global market unless they are given access to education, health, roads, electricity, and information highway. At present, investment in infrastructure in most developing countries is too low to support rapid economic growth.... What is needed is a new global financial arrangement that can ensure fair play, justice, and compassion for the poor.

—HE Begum Khaleda Zia, Prime Minister of the People's Republic of Bangladesh

SHANGHAI AGENDA FOR POVERTY REDUCTION

After an unprecedented south-south knowledge exchange on worldwide poverty reduction efforts, the Shanghai consensus established that achieving the Millennium Development Goals will depend not only on increasing resources but also on a renewed commitment to adapting and accelerating successful approaches. Following are excerpts from the agenda unanimously adopted at the conclusion of the conference.

Highlights

As the review of the Millennium Summit in 2005 approaches, and with only a decade left until the target date for achieving Millennium Development Goals in 2015, taking forward the lessons learned here in Shanghai is of the greatest urgency. Achieving the MDGs will depend not only on increasing resources but also on renewed commitment to adapt and accelerate implementation of successful approaches across and within countries.

The Shanghai Conference on Scaling up Poverty Reduction brought together, for the first time, development practitioners from around the world to discuss practical ways to accelerate poverty reduction and to

scale up successful poverty reduction programs and activities. This was a Conference about ideas, and complements the discussions we have had in other fora. The systematic learning from experience and the exchange of ideas, practitioner to practitioner, has shown that good ideas and good evaluation of outcomes can have powerful impacts within and across countries.

The learning process and the discussions over the two days of the Conference have highlighted lessons that together constitute the Shanghai agenda for poverty reduction:

- ▶ A long-term vision and targets that stretch beyond immediate constraints are the starting points for scaling up;
- ▶ Scaling up takes time and a comprehensive approach, but must be sequenced opportunistically;
- ▶ A strong management focus is key for scaling up, and requires the build up of capacity and long term administrative and management functions;
- ▶ Sustained growth is critical for job creation and poverty reduction;
- ▶ Partnership between all stakeholders—the government, the private sector, civil society, and donors—under the genuine leadership of the country is needed to leverage and scale up a country's development efforts;
- ▶ Large scale, long-term programs cannot be undertaken without adequacy and certitude of financing, and in some cases, without adequate debt reduction to achieve sustainable debt levels;
- ▶ Openness to trade and the successful completion of the Doha Round is essential for global poverty reduction;
- ▶ Poor people are assets and agents of change—so respect for, empowerment and involvement of poor people are necessary for successful results;
- ▶ Inclusion is critical in all aspects of scaling up. Special attention must be given to the plight of the ultra-poor, to gender disparities, to the participation of youth and to the disadvantaged and disabled;
- ▶ The scourge of HIV/AIDS must be aggressively tackled;
- ▶ Poverty and environmental sustainability are closely interlinked. Addressing the constraints of water, sanitation, and power, and developing renewable energy are crucial for long-term poverty alleviation;
- ▶ Experimentation, measurement and focus on results, and systematic evaluation are key to successful scaling up; and
- ▶ Culture and history are essential elements in differentiating programs, and must be given due respect.

The learning process that has been embarked upon and the discussions at the Shanghai Conference are a beginning, not an end. Continuous learning and the development of networks for the exchange of ideas will be the enduring contribution of this Conference by ensuring that the lessons we have learned are built upon and translated into results for accelerating growth and poverty reduction.



Experimentation and Learning for Development Results

Experience from the Shanghai Global Learning Process

**BY FRANNIE A. LÉAUTIER,
MOHINI MALHOTRA,
MICHELE E. DE NEVERS**

HOW CAN DEVELOPING COUNTRIES accelerate progress in reducing poverty to reach the Millennium Development Goals? How is it possible to take successful policies, programs and projects and “scale them up” to raise people out of poverty more quickly and to expand the coverage to areas where poverty persists? Is it possible for countries to learn from successful experiences within their own country and from other countries, and to adapt conditions to their own circumstances, to increase poverty reduction results? What can international partners do to catalyze more effective solutions to poverty reduction? How can national leaders provide the impetus for success?

These are some of the questions we hoped to explore through the one year long Shanghai Global Learning Process. The idea of exploring the process of HOW countries achieve poverty reduction results on a large scale came out of a conversation between World Bank President Jim Wolfensohn and the Mayor of Shanghai in May 2002. Shanghai is symbolic of the impressive progress that China has achieved in lifting 400 million people out of poverty since 1981, and it seemed like a good idea to invite policymakers and people working on poverty programs in other developing countries to come learn from China’s success. Almost immediately it became clear that creating a forum to showcase a range of successful experiences from around the world, including but not limited to China, could offer an unusual opportunity for countries to exchange notes and learn from each other. Thus the Shanghai Global

Learning Process was launched, initially as a partnership between the World Bank and the Government of China, but eventually encompassing 117 countries, a host of development agencies and a wide range of representatives from civil society.

The learning process included the preparation of 103 case studies, prepared largely by practitioners, that became the starting point for uncovering HOW policies and programs that have led to poverty reduction went to scale. Eleven of these cases focus on how countries have accelerated national poverty reduction through implementing broad based and inclusive growth—stimulating economic policies. The remaining 92 cases covered interventions to increase poor people’s access to education, land, infrastructure, finance, markets, water, legal services, and health services, among others. Using these case studies, more than 2100 people participated in 29 video and e-dialogues where practitioners from different countries discussed a sub-set of the cases and shared their experiences on scaling up. To experience the cases first-hand, more than 350 people participated in eleven field trips to eight countries to ‘unpeel the onion’ on what really led to the scale of that particular intervention—how did the Yemen Social Fund for Development become a nationwide program in seven years, how did Uganda sustain an annual growth rate of six percent for over a decade, and how is the Kecamatan Development Project (KDP) community driven development program of Indonesia reaching over 35 million poor households in its seven year life span? The learning process culminated in a conference in Shanghai that attracted more than 1,200 participants from 117 countries.

A distinct feature of this learning process was that the experiences discussed were grounded in practice, and rooted

in the experience of countries of the South. There was no pre-conceived notion of the right formula for getting to scale, although the work was guided by a broad conceptual framework that certain factors, such as political leadership and commitment, a culture of experimentation and learning, institutional change, and a supportive external environment likely underpin the process of getting to scale.

What are the lessons coming from this interactive learning process?

THE FIRST LESSON is the value of the *process* of generating the *content*—practitioners from the South were in the drivers' seat. The cases were developed, presented and discussed by the owners of these experiences, resulting in a rich south-south,

and south-north learning exchange. The exchange between Cambodia and Rwanda for example, on how to advance a nationwide community driven development program in a country recovering from a genocide, is one example of the many valuable exchanges that took place during the learning process. In addition to the process facilitating south-south exchange, the grounding of the conversations and sharing among practitioners, allowed the transfer of ideas at the practice level. Experience has shown that practice level knowledge sharing is the most difficult to attain as it is highly contextual and highly tacit. The Shanghai Global Learning Process achieved the right balance to make this happen.

The second body of lessons is the good news that many different kinds of interventions can be scaled up, and that *stories of success do travel and get adapted elsewhere*, as evidenced by



the case body. Examples include systems of cash transfers to targeted poor families in Mexico and Brazil, and increasing poor people's access to quality financial services in Kenya, Mongolia, and Egypt. Also clear is that *country specificity matters*—there is no real blueprint for how to scale up—ideas and principles travel, but as the cases illustrate, getting to scale is achieved through learning-by-doing, and adapting ideas to local contexts. And finally, scaling up is not a short, smooth, linear process—*building institutions is critical* but the process is long, arduous, and unpredictable.

The third body of lessons is that despite the uniqueness of the individual cases, three common veins ran through: getting the focus on clients right; getting the policies and processes right, and getting the management right.

Getting the focus on clients right—and keeping the focus on clients. A simple principle borrowed from the management literature of customer service—providing products and services that people want—leads to participation, ownership, and purchases by clients, and underpinned all of the success stories and led to scale. Examples include how:

- the Bhoomi land titling program in India computerized 20 million land ownership records and became financially sustainable thanks to user charges, as well as reduced corruption by breaking up village accountant's monopoly hold on issuing land records;
- the Equity Building Society of Kenya and the National Development Bank of Egypt scaled up and reached financial profitability by providing quality financial services to poor people, mostly women;
- Egypt and Bangladesh sharply narrowed gender disparities in school enrollment by overcoming practical challenges that were keeping girls out of school—increasing parental demand

for girls' education through community awareness campaigns, reducing the distance girls travel by building schools closer to where families reside, paying poor families to send children (especially girls) to school, providing sanitation facilities and increasing the number of female teachers.

And, keeping the rules of the game transparent empowered clients to demand their due. Uganda increased the amount of money reaching primary schools from 13 percent to over 80 percent by publicizing information on the transfer of public funds to local governments through newspapers and notice boards. In Indonesia, the KDP transfers budgets directly to communities to invest in projects of their choice, has public billboards in each KDP village outlining the investment being undertaken in that village including contracting mechanisms and budget amounts, and gives the media a blanket and unedited license to report on corruption.

Getting the politics and processes that underpin the economics right. There is little disagreement on the broad set of economic policies followed by China, Korea, Chile, Poland, Uganda and the other countries featured in the case studies. But each illustrated the challenge of getting the politics, and the timing and sequencing right. Strategies included:

Fostering policy commitment, continuity, stability, and consistency. China, Uganda, Costa Rica, Korea, and Malaysia allowed reforms to take root, produced visible results, and widened the buy-in and commitment to the reforms. Importantly, the East Asian countries also systematically avoided episodes of slow growth—Korea has had only one year of negative per capita growth since 1961, during the crisis in 1998.

Following an early win with phased and sequenced reforms that mirror citizen priorities. Uganda first addressed security, critical after civil conflict, in preparation for the more difficult agenda of economic reforms for sustained growth in the second phase of reforms, followed by the third phase of reducing poverty.

Stimulating competition to encourage adaptation, innovation, and better service delivery. China shows how the local government in Wenzhou worked with the private sector to protect individual property rights and create a hospitable environment for private enterprise to induce competition and boost farm incomes from RMB 113 per capita in 1979 to RMB 4,680 in 2001. And the dramatic growth of the Kenyan horticulture industry—led by smallholder farmers, making Kenya the second largest flower exporter in the world—is a story of innovation and competition driving quality standards and attracting local and foreign private investment.

Getting the implementation right—the devil is in the details. The heart of the lessons on scaling up are management lessons, particularly those related to managing for long-term results. Institutions were able to *foster a culture of continuous learning and calculated risk taking*. Brazil's land reform program was piloted and refined over two years before scaling up to 14 states. Similarly, BRAC, one of the largest NGOs in Bangladesh,



piloted 22 one-room schools before scaling them up to the 34,000 it now operates.

Successful institutions placed a *premium on investing in their staff's capabilities to implement*, as well as the wider set of institutions involved. K-REP Bank in Kenya trains its staff in financial service delivery, and as the first commercial micro-finance bank in Africa, it trained Kenyan bank regulators on microfinance principles so that the banking regulations could be adjusted for this service delivery model, opening up the regulatory space for a whole cast of such institutions. The Yemen Social Fund for Development seeks to build the capacity of a nascent civil society sector to leverage itself and hasten service delivery. They also *spread the word* on what's working—the massive information campaign to get AIDS in the public eye in Thailand, through the media, student peer education programs, and the Business Coalition on AIDS—built a solid foundation for prevention messages, reducing prevalence rates dramatically.

And finally many used 'private sector practices' of *cost sharing or full pricing to keep themselves responsive and sustainable*, but equally to subject themselves to the acid test of the market as verification that the services are truly demanded by the people they are aimed at. The cases range from communities providing matching grants up to a certain percentage of total costs to full cost recovery by microfinance institutions.

The fourth set of lessons

THE FOURTH SET OF LESSONS is particularly relevant to the international donor community on how best to support the scaling up effort. The key message was to recognize and support leadership and political commitment to reform where it emerges—leadership evidenced itself at all levels, from Rwandan President Paul Kagame focusing on creating a national Rwandan identity following the genocide, to Egypt demonstrating its commitment to universal primary school enrollment and to gender disparity in enrollments by increasing the resources for education in a shrinking budget. And once this leadership and political commitment is in place, one should address the binding constraints to scaling up—are they financial? Are they about an accountability framework that puts the client at the center? Are they about capacity to implement, evaluate, adapt?

When finance is the constraint, and it was in many of the cases, especially in Africa, ideally, this financing comes in multiyear commitments, and in predictable and timely disbursement streams so that countries and institutions can launch longer-term strategies. For many countries, coordinating external financing with their budget cycle was particularly useful. And the importance of sustained commitment is illustrated by the experience of river blindness, defeated in large parts of West Africa through a concerted international partnership formed in 1974, providing the long-term commitment for a disease that takes up to 20 years to interrupt its transmission. Domestic finance was critical too and in many cases external assistance was used to leverage significantly larger amounts of domestic capital. The Chinese in particular

emphasized the idea of "self-reliance"—finding the resources to support poverty reduction within the country, moving resources from better endowed to poorer areas, and not relying exclusively on external financing. The World Bank's investment in Brazil's community-driven development in the Northeast is leveraged tenfold with state budget allocations.

Accountability was a key feature of many of the success stories featured in the cases, and this finding reinforced messages from the 2004 WDR on Delivering Services to the Poor. A framework of responsiveness to clients—whether targeting recipients, placing resources directly in the hands of local communities, or guaranteeing transparency in funds flows—helped to ensure that funds achieved the intended benefits. When the constraint is capacity—human or institutional, funding and support should be made available for investing in building it. In many of the cases, training loan officers, community health workers, and teachers helped scale up the development effort, as did support to institutional development. And as part of building capacity, *support for learning is key*. The cases are rich in examples of how countries have learned from each other in creating these experiences, and donors have often facilitated that process. An important lesson for donors from all of this work is that they need to support good processes and learning, rather than supporting a "project" that is exactly specified in advance.

Donor harmonization facilitates the scaling up process.

The approach used in Bangladesh with Grameen, BRAC and other institutions, of establishing donor consortia and program finance rather than project financing helps reduce the transaction costs of the donor/partner relationship and puts everyone on a similar page from which to move forward.

The way forward

A VERY HOPEFUL MESSAGE is that successful poverty reduction programs are being scaled up to benefit millions of the world's poor. And while we are a long way from attaining the Millennium Development Goals, we see that the development process can be aided by bringing together practitioners to learn from each other and to build upon each other's successes. El Salvador's EDUCO education program has its spin-offs in Nicaragua and Honduras; Mexico's cash transfer program was then adapted in Brazil; and the original microfinance beacon inspiring adaptation and innovation worldwide are testaments. The Global Learning Process has shown that scaling up is possible and that when practitioners learn directly from each other, we can speed up the effort of reaching poverty reduction at scale. This is a message of hope to many of the world's poor.

Frannie A. Léautier is the World Bank Institute Vice President. Mohini Malhotra is the Adviser for Sector and Thematic Programs, The World Bank Institute. Michele E. de Nevers is Director of Regional Knowledge for EAP and ECA, The World Bank Institute.

THE LEARNING PROCESS

Over 100 cases representing most economic and social sectors served to illustrate and analyze successful and not so successful attempts to take poverty reduction initiatives to scale. The Country Case studies discuss and analyze poverty reduction from a countrywide perspective, while Thematic Cases present examples of poverty reduction in specific sectors.

In addition, field visits to relevant case study sites enriched the learning process through interviews with experts, and dialogues with program beneficiaries and other stakeholders. An important objective of the field visits was to add a human dimension to the case studies by providing the views and opinions of the poor themselves.

To further extend the reach of the learning process, global dialogues designed to promote cross-border learning and the exchange of knowledge and practical experience were held by

videoconference. These dialogues gathered a selected group of participants including World Bank staff and outside partners with specific knowledge of both country and thematic case studies. Their objective was to peer review the draft case studies, to discuss the conceptual approach to "scaling up," and to help build a global community of learning. Usually in every dialogue two case studies from the same sector but from different countries were analyzed. The lessons learned from the dialogues were then incorporated in the case studies presented at the conference. The dialogues were held through the Global Development Learning Network (GDLN). Most dialogues are available on line via streaming video (B-Span).

Other important resources developed during the Learning Process were Video Documentaries, Case Study Videos, and a Multimedia Presentation.

at a glance

▶ COUNTRY CASE STUDIES

Chile
China
Costa Rica
El Salvador
Indonesia
Korea
Malaysia
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The Key to Success

Development Lessons from the East Asia and Pacific Region

BY N. ROBERTO ZAGHA

EAST ASIAN ECONOMIES mounted an unexpectedly vigorous recovery in the second half of 2003. Growth in many economies accelerated so quickly at this time that, despite the shock of the SARS epidemic in the April-June quarter of last year, regional output for the year as a whole increased by 5.7 percent. Partly in consequence, the numbers of people living below the \$2 a day poverty line in East Asia are estimated to have fallen by almost 50 million during 2003—up from an estimate of 33 million six months ago.

Early data suggest that, if anything, the pace of expansion accelerated in the first quarter of 2004: at the level of city-states, Singapore's GDP increased 7.3 percent from a year earlier, while, at the continental scale, China grew 9.7 percent over the same period. Not all parts of the region are growing at such fierce rates, but the trend toward improvement is widespread. More importantly perhaps, this recent expansion is the continuation of well established long term trends in the region which this note seeks to explain by looking at four success cases.

China, Indonesia, Korea, and Malaysia have improved indicators of well being—life expectancy, infant mortality, school enrollment, incidence of poverty—at a faster rate than virtually any other developing country. In three decades, these four East Asian countries lifted more people out of poverty than all other developing countries combined. Four case studies on these countries have been prepared by local researchers for the Scaling up Poverty Reduction Conference, which took place in Shanghai last May, to understand the



reasons for these accomplishments and to draw lessons. This article builds on these and other sources to put these country experiences in a broader perspective, which highlights three features of their success: a) growth that has been not only rapid but, more importantly, sustained over time; b) prosperity that has been shared; c) and institutions that strike a balance between stability and adaptation to the changing needs of increasingly sophisticated, urbanizing and globalizing societies.

Sustained growth: An exceptional achievement

WHAT SETS CHINA, INDONESIA, KOREA, AND MALAYSIA apart is less the fact that they achieved high levels of growth in some years—which other developing countries have also been able to do periodically—than the fact that they have systematically avoided episodes of slow growth. Over the long haul it is the ability to avoid downturns that helps explain East Asia’s “miracle” growth relative to other developing countries (Figure 1), and in turn this performance largely explains the equally dramatic reductions in poverty in these countries (Figure 2 on China).

Avoiding volatility and sustaining growth over several decades is not an easy task. The more developed countries manage it quite well, but only 17 developing countries out of a sample of 116 have managed to exceed the US long term per capita growth rate of 2 percent per year for the last two decades.

The reasons for success are complex and quite varied across countries. However, underlying their strategies were a focused determination to pragmatically adjust policies whenever growth started to falter, a commitment to shared, broad-based growth, and an ability to implement new policy directives effectively.

Importantly, the pursuit of growth as a central objective of policy has perhaps meant that downturns have been perceived as creating opportunities for reforms that strengthened economic foundations rather than as excuses for inaction. The oil shock of the 1970s, for example, was an opportunity for Korea to open its economy, and expand exports, a sustainable longer term strategy. Korea’s response to the 1998 financial crisis was to relax restrictions on foreign direct investment. Each of the external shocks Indonesia faced, provided stimulus to strengthen the policy regime. With the fading of the second oil boom in the early 1980s, Indonesia introduced two devaluations and micro-economic reforms that helped diversify exports and strengthen productivity growth. In multi-ethnic Malaysia, the response to the racial riots of 1969—which could have destabilize the country for decades and reduced growth far below its potential—was a New Economic Policy aimed at sharing wealth equitably for all Malaysians through growth. When growth began to falter in China in the late 1990s, the government response was to expand public investment and rationalize the export regime. More recently, the 1997 financial crisis provided the opportunity to introduce much needed institutional reforms in banking and corporate governance in Korea, Malaysia, and Indonesia. In each of these countries, economic reforms have also been accompanied by political change fostering democracy and accountability at the highest levels of government.

The centrality of shared growth

ENSURING THAT THE BENEFITS of growth reached all segments of the population directly, without the need for “distribution” by government or other agencies, was part of the growth strategy. In Indonesia and Malaysia, in particular, the natural resource rents did not give rise to a small privileged elite which designed policies for its own benefit—as has been the case in other developing countries—but the rents were invested in growth and service delivery. What stands out in the East Asian case study countries is that the growth rate of the incomes of the bottom 40 percent of the population has generally been higher than the average growth rate for the economy as a whole (Figure 3) and has been quite rapid over the last twenty years.

The emphasis on growth has had an influence on the type of initiatives the four East Asian governments have taken to ensure more equitable distribution. Instead of granting direct income transfers or subsidizing specific commodities, as has

FIGURE 1: PER CAPITA GDP GROWTH 1961–2002

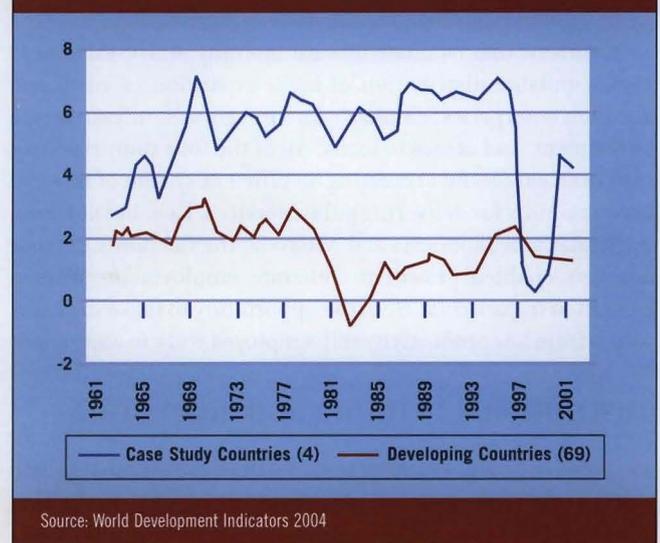


FIGURE 2: POVERTY REDUCTION—CHINA

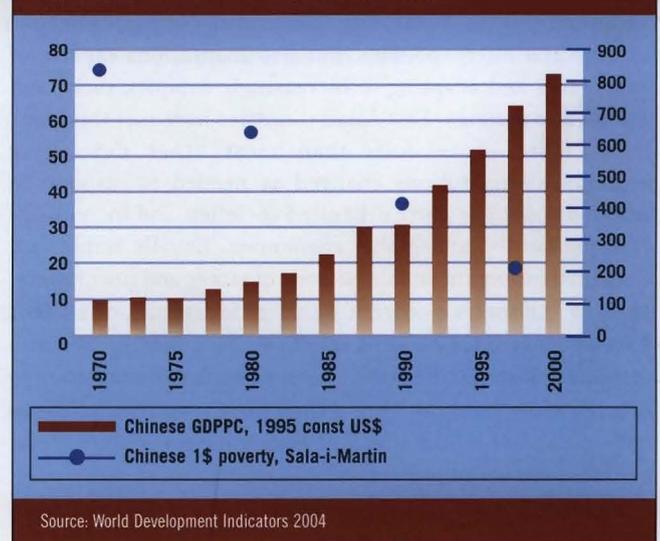
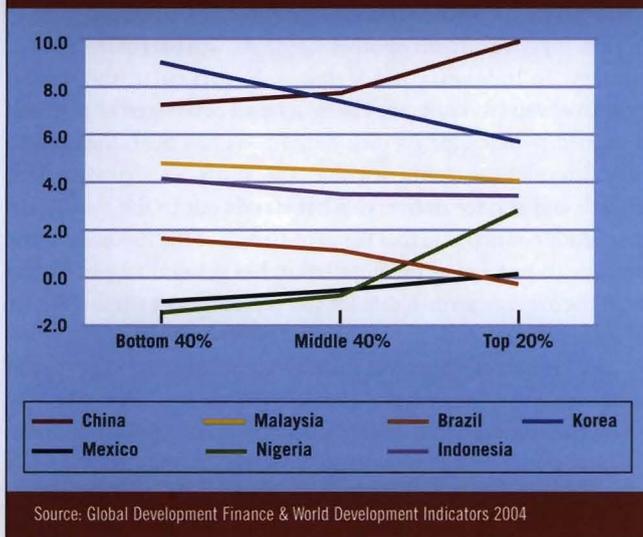


FIGURE 3: AVERAGE ANNUAL GROWTH OF PER CAPITA INCOME OF DIFFERENT INCOME GROUPS, 1980-MID/LATE 1990S



been common elsewhere, the four countries have favored mechanisms that facilitate upward mobility: universal education, equitable distribution of land, expansion of small and medium enterprises, emphasis on rural growth, infrastructure investment, and access to loans. All of the four countries have also been successful at creating an efficient system of internal accountability for delivering public services. Last, but not least, particularly in Indonesia and Malaysia, the flexibility of labor markets enabled growth to generate employment. Women benefited in particular from the opportunity to make the transition from low productivity self-employed work to wage labor.

Institutional learning and adaptation

IN LOW-INCOME ECONOMIES, positive growth shocks can easily become growth episodes. Examples include: adoption of new agricultural technologies, investments in infrastructure, or subsidizing private sector risk taking. The challenge of development is to transform these growth episodes into sustained growth—a challenge that requires not only effective macro- and micro-policies, but also institutions capable of supporting and adapting to increasingly complex social and production systems. East Asian countries have met this challenge more successfully than most other developing economies. Institutions changed as needed to respond to demands posed by more urbanized societies, and increasingly sophisticated and global economies. Equally important, notwithstanding inevitable periods of stress and uncertainty, such as Indonesia's current democratic transition, all four East Asian economies were able to strike a balance between stability and standardization to reduce costs and adaptation to emerging needs. At the same time, new institutional issues have emerged—in the areas of corporate governance, legal systems, and social protection.

Like most other East Asian countries, these four countries

have understood that there is no such thing as *development first, institutions later*; development is the development of institutions, and have met institutional challenges as successfully as the economic ones. In Indonesia, the country's economic policies were managed by a group of technocrats, isolated from politics, alert to opportunities to drive structural reforms. Notwithstanding problems with corruption, Indonesia has been able to establish a system of delivery that takes public services to virtually all areas of this large and fragmented country, including the most remote ones—explaining Indonesia's improvements in school enrollments and health indicators. Indonesia also illustrates East Asian countries ability to rise to new challenges, including deep institutional ones. Indonesia is the one East Asian country where the 1997 financial turmoil has had the longest lasting effects. It experienced a 12 percent per-capita GDP contraction in 1998 and it is only in 2004 that incomes are expected to exceed their pre-crisis levels. Much of Indonesia's slow recovery is attributable to the weaknesses of its institutions. Under Soeharto, the country's financial, legal and political institutions did not keep pace with Indonesia's increasingly complex and open economy, and made the country vulnerable to shocks. Lack of appropriate controls and oversight weakened the financial sector. Following the 1997 crisis, absence of strong institutions made recovery more difficult and more costly. Institutions to manage the crisis—banking supervision, commercial courts—could not be isolated from the weak institutional environment, and were only partially effective.

THE KEY TO SUCCESS
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China's Comprehensive Approach to Poverty Reduction

BY LIU JIAN

DUE TO HISTORICAL REASON, the majority of the poor population lives in rural China. In 1978, just prior to the reform and opening to the outside world, China had 250 million poor people, who were inadequately fed and clothed, representing a poverty incidence of 30 percent. Thanks to unremitting efforts, over the past 25 years the poor areas have witnessed

significant improvements in their production and living conditions and the number of inadequately fed and clothed poor has decreased to 29 million, representing a poverty incidence of 3 percent.

In the poverty reduction and development process, China has followed/explored out a poverty reduction road adapted to the Chinese reality, and characterized by "the leading role of government, social participation, self-reliance of the poor,



development-based poverty reduction, and all-round coordinated development”.

The leading role of the government

The Chinese government considered it its consistent mission to assist the poor and achieve common prosperity for all. It therefore aimed to incorporate poverty reduction and development into the overall economic and social development plans, on various government levels, to develop special support policies, to strengthen organization and leadership, and to intensify inputs for poverty reduction.

In 1984, the Chinese Government released nationwide the Circular for Helping the Poor Regions to Change Their Backward Situations As Soon As Possible. Also in 1994, the Chinese Government developed the National 8.7 Poverty Reduction Plan, and in 2001 it promulgated the Rural China Poverty Reduction and Development Program. These important initiatives guided the poverty reduction work across the country and had a tremendous impact on reducing rural poverty in China. Over the past two decades, the fiscal grants earmarked for poverty reduction, allocated by the central government, increased from 1 billion yuan in 1980 to 12.2 billion yuan in 2004, totaling 114.78 billion yuan. Under the leadership of the central government, the local governments on all levels have seriously honored the local governor responsibility system. The local governments followed a principle: the provincial governments would take the overall responsibility, while county governments would implement the projects and target poverty interventions directly to the poor villages and households. Practices have proven that strong commitments on the part of local governments and increasing investments in poverty reduction are the fundamental guarantee for success.

Social participation

SOCIAL PARTICIPATION was also instrumental in the poverty reduction process. China took advantage of the strengths of the socialist system and mobilized the efforts of different social forces. These included the eastern coastal provinces and cities



and party and government organizations on various levels.

Over the years, the eastern coastal provinces have actively participated in the east-west poverty reduction cooperation program, under which they have rendered support to the western provinces, autonomous regions and municipality. Since 1996, social donations of funds totaled 740 million yuan, and donations of materials amounted to 840 million yuan, making an important contribution to the development of the poor western regions. The central party and government organizations have seriously forged partnership with poor counties and have rendered practical and substantial supports and assistance to the poor regions. Statistics show that since 1994, the central party and government organizations, enterprises and institutions have donated 5.4 billion yuan of funds and materials to the poor regions.

Over the years, under the strong advocacy and leadership of the government, the democratic parties, social groups, NGOs, private enterprises and individual volunteers have actively participated in poverty reduction and development initiatives in poor regions. These diversified projects have made outstanding contributions to alleviating and eradicating poverty in China as well as to promoting the growth and development of the poor regions.

Self-reliance of the poor

IN THE PROCESS OF POVERTY REDUCTION and development, we have encouraged and supported poor people to work hard in order to change their situation through their own efforts. With the support of the state and arduous work on the part of the poor themselves, the poverty situation has rapidly changed. Poverty reduction work in the new era emphasizes the poor villages as the basic poverty reduction unit, applying lump sum planning methods, distributing funds by year, implementing poverty reduction projects by phase, and solving the poverty problems village by village. The needs and will of the poor people are respected, and the poor are mobilized to participate in the entire process, from plan development to implementation.

Development-based poverty reduction

SELF-RELIANCE WOULD NOT BE ENOUGH without developmental poverty reduction. This means to reduce poverty through development efforts, focusing on economic construction to mobilize and organize poor people to increase income, and improve self-accumulation and self-development capacities. Emphasis is placed on applied agricultural technologies and helping the poor to develop special agriculture based on the reality of rural China. Special priority is placed on expanding and popularizing plastic farming technology and implementing the Food and Clothing Program in poor rural areas, contributing to effectively resolve the food and clothing problems of the poor regions. Along with the increasing of rural surplus labor, we will strengthen skill training and help poor people to transfer to off-farm industries and earn more cash income. In order to facilitate agri-

cultural restructuring in the poor regions, we encourage dragonhead agro-processing enterprises to set up bases there, to expand new technologies, and to develop "order agriculture" in an effort to increase farmers' income. For those poor people living in areas with inadequate basic production and living conditions, the local governments will organize resettlement on a voluntary basis. According to statistics, approximately 4 million people have got rid of poverty through voluntary resettlement from 1983 to 2003.

All-round coordinated development

ANOTHER COMPLEMENTARY STRATEGY is all-round coordinated development. Poverty is a complex social phenomenon and its causes are diversified; therefore, poverty must be tackled comprehensively. We have consistently adhered to integrating economic development with development of science and technology, education, and health of the poor regions in an effort to raise the general qualifications of the poor and to reverse the situation whereby people become poor because of inadequate education and health services. We have adhered to combining poverty reduction and development with the building of grass-roots organizations, stressing the importance of strengthening the capacity of the officials in the poor regions in leading the poor people to fight against poverty. We have adhered to combining poverty reduction and development with the family planning initiative, encouraging the poor to bear fewer children and get rich more rapidly. We have also adhered to integrating poverty reduction and development with the western development strategy for further improvement of infrastructure and eco-environment of the western poor regions. The comprehensive rehabilitation effort has laid a sound foundation for their eventual eradication of poverty.

Challenges ahead

CHINA IS A POPULOUS DEVELOPING COUNTRY and its development is unbalanced. Poverty reduction and development is a prolonged and arduous historical mission. Currently, China still has 29 million rural poor inadequately fed and clothed. As compared with the past, the income gap between these poor and other farmers is wider, indicating that they are increasingly vulnerable in the development process; The survival and development environments of these poor are worsening, their educational and technical qualifications are lower, meaning that their development room is significantly constrained. The distribution of these poor is more scattered and the composition of these poor is more complex. This leads to greater difficulty in targeting and poverty reduction work, and to increasing costs.

Poverty reduction and development in China face new challenges in the new era. Following profound changes in the supply and demand chain of farm produce, a brand new topic for discussion has emerged: how to help poor farmers to increase their income under the circumstances of strong competition on the farm produce market. Along with the improving market econo-

my system, the mechanism of poverty reduction work needs to be further explored and innovated.

Against this background, while adhering to the existing successful experience and practices, we will stress four future areas:

Firstly, we are dedicated to establishing a more effective poverty reduction mechanism and adhere to the human-based development strategy. We will start setting up a dynamic monitoring system of the poor population. It is aimed at working out ad hoc measures to help the inadequately fed and clothed poor to solve their food and clothing problems, and to help the low-income population to increase income and create conditions for a well-off society. In particular, if other conditions are similar, special attentions and support will be given to special groups such as poor women, children, ethnic minorities, disabled people, and AIDS-infected people and patients.

Secondly, we will place priority on improving basic production and living conditions, raising general qualifications of the poor, and increase their income. We will take the implementation of poor village development plans as an entry point to improve the basic production and living conditions of the poor regions; take the labor training and labor migration as an entry point to raise the general qualifications of the poor farmers; and take the development of dragonhead enterprises as an entry point to facilitate agricultural restructuring in the poor regions and to increase income for the poor farmers.

Thirdly, we will further increase investments in poverty reduction. While continuing to increase the amount of fiscal grants for poverty reduction, we will encourage and support financial organizations of various kinds to deliver credit services in poor regions through development of preferential policies. At the same time, we will actively explore new effective ways to make sure that poverty credits directly target poor villages and poor farmers.

Fourthly, we will continue pursuing the practice of developing and expanding exchanges and collaboration with international organizations on poverty reduction. Over the years, we made great progress in collaborating with the World Bank, the United Nations Development Program, and with bilateral governmental organizations and non-governmental organizations. These collaboration initiatives not only have had direct and important impacts on reducing poverty in China, but also have brought in with them poverty reduction experience and scientific methodologies of the international community, which helped to improve the overall quality of the Chinese poverty reduction work. The convening of the Global Conference in China provided a valuable opportunity for us to draw on poverty reduction experience of different countries and to expand international cooperation.

Liu Jian, Minister/Head, State Council Leading Group Office of Poverty Alleviation and Development, People's Republic of China

This article is based on Mr. Liu's presentation at the Scaling up Poverty Reduction Conference in Shanghai, May 2004.

Financing and Scaling Up Efforts

Domestic and External Approaches

BY MARK MALLOCH BROWN

THE GOOD NEWS, as the world approaches the fifth anniversary of the Millennium Declaration, is that since the commitment to increased development assistance made in that document and later transformed into the eight Millennium Development Goals, the world has started to make some real progress. At the Monterrey International Conference on Financing for Development in 2002, world leaders affirmed a new global deal to help meet all the MDGs, and in particular the overarching target of halving extreme poverty by 2015, where sustained political and economic reform, more private investment, and better governance by developing countries would be matched by direct support from the rich nations in the form of scaling up development assistance, dismantling trade barriers and deepening debt relief. Since then, the near decade long decline in Overseas

Development Assistance (ODA) has reversed, rising to \$68 billion in 2003, up from \$52 billion in 2001, with commitments of further increases in the future.

The bad news is that even if those commitments are fulfilled, the total will still fall far short of the estimated additional \$50 billion per year minimum needed to achieve the Millennium Development Goals—even assuming developing countries maximize the use of available domestic resources by pursuing good macroeconomic policies, boosting the private sector and tackling corruption. But while there are a number of potentially innovative solutions on the table for financing development, such as the UK's International Financing Facility proposal, the real question for the world's poor is not how resources will be raised, but when: the next 12 months leading to the UN heads of government summit will be critical to ensuring world leaders follow through on delivering the resources needed to accelerate progress on the MDGs.

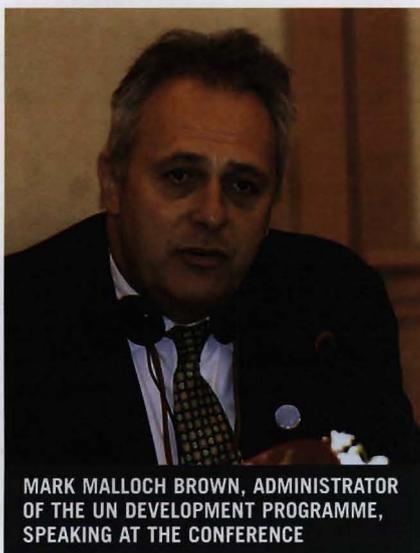
While resources are critical to reducing poverty and achieving the MDGs, what was clear from discussions at the roundtable on financing and scaling up efforts for poverty reduction in Shanghai is that they are just one part of the equation. Just as essential is the ability of developing country governments to utilize resources effectively; not just the importance of good aid, but rather how aid can support good, accountable, efficient and focused government in reducing poverty. In essence, the question is: if 2005, when Heads of State and Government meet at the UN to review progress in the Millennium Declaration,

does prove to be the turning point for development that we all hope it might be—that is we secure more ODA resources, a development and growth-oriented trade round, reform in aid procedures to allow more budget support and fewer projects, wider, deeper debt relief; and above all reforms in developing countries themselves—are we actually ready for success?

Scaling up for poverty reduction: the critical role of capacity development

AS THE WORLD GEARS UP to achieve the MDGs, a key issue emerging as the next frontier for the development community is that great bottleneck to translating policies and programs at the country level into the large-scale development successes: lack of capacity. A well-grounded strategic approach to capacity development, one that extends to the private sector as well as civil society, is a vital challenge if countries are to be readied to absorb the expanded volume of budget support they will require to meet the MDGs.

In addition to the leadership role governments need to play in capacity development, perhaps the most critical touchstone issue to emerge from Shanghai was the role of government itself. Even if everything else changes but the vision of government remains the same, it may not be possible to meet the MDGs, because, even with the



MARK MALLOCH BROWN, ADMINISTRATOR OF THE UN DEVELOPMENT PROGRAMME, SPEAKING AT THE CONFERENCE

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TIME FOR ACTION

A Perspective from Tanzania on Operational Implications

BY BENJAMIN WILLIAM MKAPA

"ENOUGH OF DELIBERATIONS, we need to act now". These were the concluding remarks made by Mr. Shengman Zhang, Managing Director at the World Bank, at the end of the Operational Forum in which I participated as one of the lead speakers during the Shanghai Poverty Conference. The objective of the Operational Forum was to deliberate on the operational implications for development partners—partner governments, donors, private sector, civil society and beneficiaries—as they seek to "internalize" and "operationalize" the lessons and insights distilled from the preparatory case studies, field visits, and global dialogues undertaken over a period of nine months, culminating in the Shanghai Conference.

The Conference provided a unique opportunity for all development practitioners and partners, in the North as well as in the South, to exchange views drawing on our varied experiences in our quest to scale up economic growth and poverty reduction. It offered everyone the opportunity to be introspective, to look back for inspiration, and to look forward with renewed vigor and determination.

We learnt from each other about what has worked, where and how. We also learned about what has not worked, where and why. We were, yet again, beckoned to recognize the importance of local conditions as we change and formulate policy and as we design programs. We were reminded of the need to value and utilize local knowledge, capacity and expertise in spurring economic reforms and institutional innova-



tions that are locally owned and driven to ensure their durability and sustainability. We observed that many well-intentioned programs and projects have not been as successful as had been envisioned—even where financial support from development partners has been available—precisely because they lacked local ownership, which we all now know is a key ingredient to success.

We have, likewise, learnt that there is no single blueprint for economic growth and poverty reduction; that the mistakes we made were not in vain. Experimentation affords us the space to test, to learn and to adapt our policies to the ever-changing local and global environment.

In Shanghai we also gathered that sustained commitment and political leadership are crucial factors in engendering and sustaining successful reforms. We observed that where political commitment faltered, reforms went out the window. We recognized that accountability of all development partners—be it with regard to good governance by partner governments, to corporate responsibility by the private sector, or to accountable behavior by civil society and donors—is an integral part of the necessary equation to ensure successful development outcomes.

The Shanghai Conference was truly a global learning process and a knowledge sharing opportunity. It brought to the fore the need to recognize the cultural dimension of development as well as the fact that different country circumstances warrant different approaches. The case studies, field visits, and the broader discussion at the Conference all reinforced the importance of “homegrown” programs, country ownership, participatory and bottom-up approaches, as well as the importance of “political space”—as a necessary condition for success and sustainable economic development.

Operational implications: Opportunities and challenges

THE CHALLENGE FACING US NOW is on how can we—as governments, civil society, and the private sector in conjunction



H.E. BENJAMIN WILLIAM MKAPA SPEAKING AT THE CONFERENCE ON SCALING UP POVERTY REDUCTION

with our development partners—internalize and operationalize the insights distilled from the Conference, and the learning opportunities that preceded it. How do we move forward what we started in Shanghai in a pragmatic fashion? What type of actions must we take to achieve our objective?

A few ideas come to mind from the Tanzanian experience and perspective. Firstly, a key step the development community must unequivocally commit itself to is a re-affirmation to support country-led and country-owned approaches to development. We have to encourage greater creativity and effectiveness in programs and project work, and we must ensure that development activities that donors support are those that developing countries have themselves identified as their priorities. Country priorities articulated in the Poverty Reduction Strategies Paper (PRSP) must be respected in practice. The PRSP process must in practice be a framework for development and an instrument that drives policy dialogue between the developing country and its partners. In this regard, the PRSP, which is derived from a participatory approach, should be regarded as an evolutionary process that moves in line with the changing needs of the country.

The framework should, therefore, provide flexibility to reflect the valuable knowledge from international experience and global innovations while accommodating the realities of the changing circumstances in a particular country. Similarly, the support provided by donors, be it financial or technical, should be provided in the most transparent and effective manner, and be consistent with our needs and priorities. At times this will mean scaling up programs and projects based on our perspective of a successful experience—for example, the Tanzania Social Action Fund (TASAF) in my country, Tanzania—or based on successful experience elsewhere. It will also mean that donor support will have to be provided in a more flexible form.

Secondly, a deliberate effort will need to be undertaken by donor partners, including the World Bank, to reexamine internal incentives—from institutional attributes to development results. This would encourage staff and management to seek and adopt innovative approaches to development. In addition, it would encourage a candid discourse between the staff and management on what works and what does not work. It might even encourage staff to borrow a leaf from local “best practices”. To accomplish this, donor partners will need to carry out periodic systematic reviews of their programs in a number of countries, and subject their planned activities to the following tests: i) is each planned activity consistent with the priorities set by the country? ii) do the planned activities utilize local knowledge, capacity and expertise? and iii) is the institution using the most flexible, effective, and harmonized modalities?

I would, therefore, urge development partners to conduct this review collaboratively, in consultation with the partner government concerned and with the participation of other independent teams. The results of such a review should then be made publicly available and open for discussion. In my view, this collaborative approach will make a powerful statement about our seriousness and willingness to implement the lessons from the Shanghai Conference. It would also be a powerful statement to staff in the development business—

those at headquarters and those in the field—that they must translate high-level political support for improved aid effectiveness and harmonization into reality on the ground.

Thirdly, I wish to offer Tanzania's experience in ownership, aid coordination, harmonization, and accountability modalities, as an example for consideration by others. Our experience has shown that independent monitoring can play an important role in helping the authorities of developing countries that are highly dependent on donors and donor resources to confront behaviors that are counterproductive in pursuing our shared commitment to poverty reduction, in enhancing accountability and in harmonizing processes for effective aid delivery.

In 2002 we, in Tanzania, along with the donor community, jointly appointed an Independent Monitoring Group (IMG) to review progress in aid relationships and to report to the next Consultative Group (CG) meeting. The initiative was precipitated by deterioration of relations between the Tanzanian Government and donors that had reached a low point in the early 1990s. In order to address the situation, an independent group of experts led by Professor Gerald K. Helleiner of the University of Toronto was appointed to study the situation and make remedial recommendations. Based on their report, and following a change of government, we began a concerted dialogue with donors in 1996. Subsequently, the evaluation reports were presented to CG meetings in December 1997, in March 1999, and in May 2000. At the latter meeting, we agreed that the monitoring and evaluation processes and systems used were beneficial to both sides, and needed to be institutionalized. This was done.

Through the IMG, both the government and the donors are now subject to periodic performance evaluation based on a mutually agreed set of criteria and actions. The IMG has helped bring about some welcome balance in government-donor relations. It has fostered transparency, enhanced cooperation, built mutual trust and underlined a partnership approach between government and its donors. This is evidenced by newly established consultative mechanisms between the Tanzania government and its development partners.

For example, the government-led Tanzania Assistance Strategy (TAS) provides a framework for partnership and helps delineate the role of external resources for development. To this end, the IMG has become an embodiment of an accountability framework for the government and its donors, and an instrument that fosters a partnership approach to development. I urge donors, partner countries, the private sector and civil society to establish such joint mechanisms in each and every country, and that findings of such mechanisms be discussed at every CG meeting or equivalent forum. It will require political will, but it will increase overall accountability on all sides and reduce the tendency for us to instinctively and precipitately point the finger away from ourselves.

Finally, donors should "reward" countries that are steadfast in implementing appropriate policies that promote growth and reduce poverty, and those that accelerate progress towards achieving Millennium Development Goals (MDGs). This can be accomplished through establishing a "fast-track tier" that would provide additional but non-debt creating

resources in a timely fashion to countries that have "earned the right" to belong to the "fast-track tier." This will be an explicit development "dividend."

It is my view that countries that have established a track record of implementing appropriate policies and undertaking the requisite structural reforms should not be constrained by lack of financial and technical resources from moving their development threshold to the next level. With political will, the world can provide the resources. It is high time for action on this point. I encourage donors to move quickly to provide additional resources and to improve the quality and quantity of Official Development Assistance. It is high time for countries that are doing the "right things" to attract an explicit 'dividend,' thereby demonstrating to the rest of the world that poverty reduction efforts are recognized, that they can be successfully scaled up, and that they can produce tangible results.

I believe that if these things are done, and done quickly when the iron is still hot, Shanghai will be a milestone in development cooperation and scaling up poverty reduction. In this way the Conference will be saved from the dismal fate of many of its predecessors.

Benjamin William Mkapa is the President of the United Republic of Tanzania

FINANCING AND SCALING UP
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resources, the delivery will not be there.

What marked so many of the success stories shared in Shanghai was strong national government combined with a high level of social organization and capital at the community level. This points the way, particularly in Africa, to envisage a new three-way partnership between government, civil society and the private sector where national government would set priorities and direction and monitor results, but it might consider franchising much of service delivery in areas such as health and education first to civil society, whose closeness to community makes it so often the more effective choice, and second to the domestic private sector that must not only drive the economic growth and jobs that will buoy up MDG performance, but—within a framework of strong regulation and tariff-setting that addresses the specific needs and constraints of the poorest—has real potential to provide critical local services such as water, sanitation and energy.

But while it is clear that resources are critical in the fight against poverty, poverty reduction is about much more than money. Just as important is political will and consistency, innovative partnerships and ideas, learned from, applied, and taken to scale.

Mark Malloch Brown is Administrator of the United Nations Development Programme and is also the Chair of the United Nations Development Group, a committee consisting of the heads of all UN funds, programs and departments working on development issues.

Integrated Efforts to Reduce Poverty

WHAT DO COMMUNITY-DRIVEN DEVELOPMENT, LAND REFORM, SLUM UPGRADING AND BASIC EDUCATION HAVE IN COMMON?

The Brazil Field Visit in the context of the Global Learning Process on Scaling up Poverty Reduction aimed to demonstrate how a state in the country's poorest region has been integrating efforts on these fronts to scale up poverty reduction.

This sixth field visit in preparation for the Shanghai Conference was led by Managing Director Mamphela Ramphela and focused on the State of Bahia's Poverty Reduction Program. The delegation included LAC Vice President, David de Ferranti, Brazil Country Director, Vinod Thomas, six Executive Directors, representatives from Angola, Bulgaria, Egypt and Vietnam, five donor representatives (DFID, JBIC, UNDP, KfW, and GTZ), and several Bank and government staff.

Vice President David de Ferranti shares his impressions of the visit in the following article.

STATE OF BAHIA. PEELING MANIOC ROOT...



BY DAVID DE FERRANTI

THE PROGRESS THAT BAHIA HAS MADE over the last ten years in improving the lives of poor people makes it a very valuable example of the potential of scaling up. Ten years ago the state's social indicators were below the national average. Today, 98 percent of Bahia's children are in school, infant mortality has dropped by one-third, and literacy has risen faster than in the rest of Brazil. In two days of rather complex logistics, the Bank/donor delegation visited sites participating in the state's community-driven development (CDD) and land access programs in remote areas of Bahia's semiarid

region, as well as urban re-development and education projects in the outskirts of the capital city of Salvador.

Ten years of scaling up rural poverty reduction

NORTHEAST BRAZIL HAS A LONG HISTORY of being one of the poorest and most socially deprived regions anywhere in Latin America. But recently the region has built a more enviable 10-year record of successfully piloting and scaling up innovative mechanisms for decentralized, participatory rural poverty reduction. Following several stages of scaling up, the

overall CDD program has by now benefited approximately 7.5 million rural poor people, and incorporated 35,000 community associations and 1,500 representative municipal councils in the nine states of the Northeast.

The Bahia CCD Program focuses on rural areas and small towns (with up to 7,500 inhabitants). Its funds help establish community facilities and physical infrastructure (electricity, rural telephone systems, housing improvements), while providing support for small enterprises and farms through crop mechanization and small-scale irrigation projects.

In the municipality of Conceição do Coité, located some 210 kilometers from Salvador, our delegation met with the entire Municipal Council. We heard compelling accounts from the local representatives on the program's impact in their communities. "Thanks to this program, people can afford to stay in their communities, even during the periods of drought," said a council member. "Our youth no longer flee to the cities, and you rarely find an abandoned house around here." During visits to several participating communities, we saw how the opening of a local flour mill, the purchase of a tractor or access to rural electrification had helped to change people's lives. Holding a primitive oil lamp in one hand and an old-fashioned coal-heated clothes iron in the other, a community leader said: "Children and women no longer depend on these to study and to do house work."

TO BE PROCESSED AT THE FLOUR MILL...



THEN ON TO THE MARKETPLACE.



Visitors to CDD programs often ask whether communities will be able to maintain investments over the long run and if the community-driven process is sustainable. For the mature CDD program that we visited, the evidence indicates the answer to these questions is yes. Evaluation reports show that close to 90 percent of investments made prior to 1995 were still active in 2000. In Bahia, the success of the CDD approach is so well recognized that the state is now using the same model to provide social services like health and education to poor people in rural and urban areas, and each World Bank dollar is being leveraged ten-fold by State government resources.

World Bank Managing Director Mamphela Ramphele, who was among the visitors, commented: "As testimonies from diverse community leaders consistently revealed, beyond delivering basic infrastructure and services to poor people, this program has profoundly altered power relationships at all levels—between government and communities, between communities and the private commercial sector including local banks as well as external markets, and between men and women, particularly as women have assumed a notable share of community leadership positions."

In the municipality of Euclides da Cunha, a group from our delegation visited communities benefiting from the Government's market-based Land Access Program. The program, which targets lands not subject to older expropriation-based programs, is designed to benefit the poorest potential beneficiaries. Associations of poor rural laborers and subsistence farmers obtain loan funding from the government to purchase agricultural properties which they themselves pick out, and this is supplemented by grants out of Bank funds to undertake on-farm improvements. Launched with a two-year pilot in the state of Ceara in 1998, the program has since been scaled up to 14 states. It has benefited 1,735 families in Bahia, and more than 30,000 families in all Northeastern states. "Today I own my land, have my own crop, my animals, and can rest in my own house" said a landowner who, like many others in Bahia's semiarid region, used to earn less than minimum wage working for others.

Slum upgrading in Salvador

ON A SECOND DAY OF PROJECT VISITS, we were introduced to some of the urban components of the Bahia poverty reduction program. This included a visit to a slum-upgrading project in the Novos Alagados area, in the outskirts of Salvador, and to a school in the same community.

The city of Salvador has a population of 2.7 million, of whom 1.2 million people (45 percent) live in squatter settle-

ments or informal land subdivisions. The Ribeira Azul program, which began in 1999, is a \$70 million urban upgrading initiative in a 4 sq. km. area, with around 40,000 households (population 150,000) living in informal subdivisions and squatter settlements around two inlets in the All Saints Bay. The area was entirely composed of squatter settlements, with about 2,500 households living in houses on stilts on the mangrove swamp areas of the two inlets. Access to and circulation within the settlements was limited to narrow alleys, which precluded access by vehicles that would otherwise provide public transportation, solid waste collection, ambulance services, and police protection. The area was also highly polluted by household and industrial wastes.

The program is helping to improve conditions and reduce poverty in the area through resettlement and the upgrading of infrastructure. The unhealthy shanties perched on stilts in the swamps are being replaced by new, low-income homes nearby. The program also supports social programs in health, education, day care and workers' training

Our group was able to see both areas of the old housing slated for replacement and one of the new resettlement areas. In a meeting with community leaders, we heard their account of the impact of the program. "Our lives may not be perfect, but things have certainly improved," said a woman who used to worry about her children getting infected by the highly polluted waters or even drowning in them, so precarious were the walkways between stilts.

A major advantage of this project is the integration of the physical and social interventions through partnerships between the government of Bahia and Italy, the International Service Volunteers Association (an Italian NGO), the Cities Alliance, and the World Bank, as well as local community associations.

To conclude, I'd again like to quote Mamphela Ramphele, who summarized our common experience very well: "The visits to the CDD, land access and urban slum upgrading projects strongly reaffirmed the long term development benefits to be gained from empowering communities and institutionalizing participatory governance mechanisms that enable them not only to define their own development priorities but to help guide policy decisions and manage resources to these ends. One senses strongly that this decentralized, far more equitable development process will not be easily reversed. This is the epitome of what the Bank is trying to accomplish."▲

David de Ferranti is Regional Vice President for Latin America and the Caribbean, The World Bank.

"TODAY,
I OWN
MY LAND,
HAVE MY
OWN CROP,
MY ANIMALS,
AND CAN REST
IN MY
OWN HOUSE."

Ten Good Years

A Successful Outcome of the Southwest Poverty Reduction Project

BY ALAN L. PIAZZA
AND NATIA TURNAVA

The first field visit to China, as part of the Global Learning Process on Scaling up Poverty Reduction, took place last March, and covered two counties in two provinces and over 4000 kilometers. The field visit focused on the Southwest Poverty Reduction Project (SWPRP) in the context of China's National Poverty Reduction Program, started in 1995 and completed in 2002. Over 30 participants from 11 countries took part in the trip, including senior officials from donor agencies and representatives from Bangladesh, India, Georgia, and Yemen, in addition to China's and World Bank officials.

The first part of the trip consisted of a two-day visit to the picturesque Duan County in Guangxi provinces, and the second part consisted of a seminar on the labor mobility component of the project. Two of the participants have provided a brief account of their experiences and impressions during the first part of this field visit.

Ten years ago

DURING THE FIRST DAYS OF PROJECT PREPARATION in the early-1990s, we recognized the enormous challenges of overcoming poverty in the Karst mountain areas of southwest China. Our previous analysis—*China: Strategies for Reducing Poverty in the 1990s*—had strongly suggested that only a multisectoral effort could work in these worst affected areas where many children did not complete elementary school, the public health care system was very weak and still in decline, and the farm population often exceeded the carrying capacity of the land. However, past World Bank experience also strongly indicated that the broad based rural development model had not been successful since it often exceeded institutional capacity. Fortunately, an agreement had already been reached that China's central government and its Leading Group





for Poverty Reduction (LGPR) would provide its full support to project design and implementation. This strong support, we would learn over the next decade, was vital to the eventual success of the Southwest Poverty Reduction Project's (SWPRP) multisectoral approach.

Supported by a generous Policy and Human Resource Development grant from Japan, our team began project preparation in 1993. Our first field visit comprised a team of about 10 Bank staff and consultants and visited Duan County in Guangxi in July 1993. We spent a week in Duan, and were accompanied full time by the County Magistrate Mr. Meng Yuguang, LGPR Vice Director Mr. Gao Hongbin and other senior staff from Beijing. Duan is an Ethnic Minority Autonomous County, and the Yao, Zhuang, Miao, Maonan and other ethnic minority peoples comprise more than 90 percent of the county's total population. County Magistrate Meng was himself a Yao, and had grown up in a very small and extremely isolated village in Duan. Our week in Duan was fascinating and wonderful, though we were all overwhelmed by the depth of the poverty and had to wonder if anything could possibly help in these most severe conditions.

The original project proposal for Duan County and for all of SWPRP called for investments in agricultural production (at 70 percent of total project cost) and rural enterprise development (the remaining 30 percent). However, our many household visits and interviews in Duan and subsequently in the other project counties strongly reconfirmed our previous analysis that the poor were at least as interested

in assistance for basic education and health, drinking water, road access, and other basic rural infrastructure. In particular, most of the poor farmers we interviewed expressed an immediate and very strong desire for off-farm employment. Following our hikes into poor villages during the day, we would discuss the need for SWPRP to include support for social services—education and health—basic infrastructure, and off-farm jobs with the local and central government leaders during the evening.

The first real breakthrough in these discussions about the project concept came on our final day in Duan when we hiked into the tiny Yao "natural" village where Magistrate Meng had grown up. Separated from the outside world by a long and truly perilous hike up a near vertical rock wall, Magistrate Meng's home village comprised only little more than 100 people. We found that half of the youngest children could not afford to attend the one-room teaching point which included grades one through three. The typical diet consisted only of corn gruel and some vegetables, the overall health and nutritional status was miserable, and our team's doctor judged that many of the villagers might be suffering from some degree of iodine deficiency. During our stay in the village, Magistrate Meng told us that he was the only one of the four children in his family to have attended school; the family was too poor to afford the costs of enrolling the other children in school. His eldest two brothers had both died of cholera many years ago. His other brother, still living in the family home, was mentally disabled (perhaps a result of iodine deficiency). It was clear that Magistrate Meng understood far better than we ever could the importance of basic education and health in these poor, remote villages. By the end of the day we had gained each other's trust and confidence, and there was no longer any question but that SWPRP would include support for basic education and health, drinking water and other basic infrastructure, and improved access to off-farm jobs. Our visit to Magistrate Meng's village was my most memorable and magical day in more than 20 years of work in rural China.

Ten years later

ALTHOUGH BEING CONTINUOUSLY IN CHARGE of Bank preparation and supervision of SWPRP, it was not possible for me to return to Duan for many years (Duan is just one of the 35 SWPRP project counties). It was very difficult to imagine the tremendous changes that Duan underwent during my absence. Swept up by the extraordinary growth of southern China during the last decade, and through the dedication of the County SWPRP Project Management Office (PMO) and lower level project Work Stations, Duan has undergone a remarkable transformation. Most of the previously remote villages are now accessible by road or "farm tractor trackway," most children are now in school through at least sixth grade, public health care is greatly improved, and agricultural production has shot up through the use of improved seed, diversification into new crops, and supplemental irrigation from newly built household water tanks. Supported by SWPRP and taking advantage of China's dynamic economic growth, at least one or two family members of many households have found off-farm jobs and their remittances have played a tremendous role in overcoming poverty. Overall, upon my return in March 2004, I found Duan's transformation and reduction in poverty simply unbelievable.



There were many setbacks and difficulties during project implementation, but these were overcome one-by-one through determination and innovative solutions. The "labor mobility" component, which was created to provide the project's upland poor with improved access to safe seasonal off-farm jobs, had never been attempted before in a World Bank supported project and got off to a very slow start. With strong leadership from the central government, an effective labor mobility placement and monitoring system was eventually established and soon became one of the most successful components of the project. A second example was the attempt to revitalize the village cooperative health care system under the basic health component. Unfortunately, it has proven very challenging to re-establish this system in rural China and was completely impossible in these poorest rural areas. The provincial and lower level PMO staff quickly realized this design flaw, and took initiatives to redirect project funds to more cost-effective and practical means of improving health care in the project villages. Another example was the project's attempt to foster enterprise development. While some project-supported enterprises have done well (particularly those in Duan), this component was slow moving and had marginal poverty reduction impact. Following repeated efforts to improve the component's performance, all parties finally agreed to simply redirect the remaining funds to village infrastructure activities which were quickly implemented and had a strong and immediate poverty reduction impact.

Lessons learned

PERHAPS SWPRP'S MOST IMPORTANT LESSON is that, with strong support from the central and local governments, this multisectoral poverty reduction model can be made to work even in the poorest and most disadvantaged areas. Fortunately, the central government at the highest levels and the State Council's LGPR provided strong support and leadership for the project. This support was matched by the institution building component which strengthened the project management system at all levels. It is very clear that the complete PMO system, stretching from Beijing through the SWPRP provinces and counties all the way to the many village Work Stations, was fundamental to project success.

Another important lesson is that the continuity of the government and Bank teams established a basis for the development of the mutual trust and excellent communications which were vital to overcoming difficulties during project preparation and implementation. Most of the government, PMO and Bank staff and consultants remained in place throughout the ten year project preparation, implementation, and evaluation stages. All parties learned from each other, openly discussed issues and reached mutual consensus on appropriate solutions, and developed a deep trust and friendship. ❧

Alan L. Piazza is Senior Economist in the Rural Development and Natural Resources Sector (EASRD), The World Bank

OBSERVATIONS BY NATIA TURNAVA

Poverty reduction is a continuous, uninterrupted process which aims to the achievement of universal goals (such as MDGs). Nevertheless poverty reduction strategy requires unique and specific decision making in each country, taking into consideration concrete local circumstances.

Therefore, experiences and implemented projects in Southwest China are unique in some respects, and it is impossible to mechanically reproduce them in other regions of the world (especially in countries in economic transition, such as Georgia).

Yet, the insight I gained during the field visit to Duan County was of great value for me. I will make two points to explain this apparent contradiction:

THE PROCESS OF PROJECT DESIGN IN CHINA IS HEAVILY INFLUENCED BY THE SPECIFIC CHARACTERISTICS OF CHINESE POLITICAL ECONOMY AND SOCIAL INTERACTION.

1

In many countries (including Georgia) the role of the non-governmental sector is focused on programming and monitoring of the government executive agencies. This ensures the role of civil society in democracies and makes the process transparent and effective—although often we are not able to hear "the voices of the poor." In China, the participation process is expressed through direct dialogue with local societies and through their problem analyses, which pave the way for effective and innovative ideas. One good example of this system is "the labor mobility component" implemented through SWPRP.

THE POVERTY REDUCTION PROCESS IN CHINA DOES NOT RELY PRIMARILY ON DONORS AND IS NOT DONOR-DRIVEN, BUT IS INSTEAD MORE CLOSELY CONNECTED WITH INVESTMENT INCENTIVES AND THE GROWING ECONOMY.

2

Projects implemented with donors' support are important to improve the living standard of certain populated areas, but first of all the state has to take care of its own potential development, which is the main precondition for poverty reduction.

Natia Turnava is First Deputy Minister of Economy, Georgia.

Communities in the Driver's Seat

BY YASSER EL-GAMMAL

WITH AN ANNUAL PER CAPITA INCOME of barely \$450 and with 42 percent of its 18 million population estimated to be living in poverty, Yemen is among the poorest countries in the world. The social indicators reflect its income poverty: life expectancy at birth is 56 years, infant mortality is 76 per 1,000 live births, child malnutrition is 46 percent of children under five, and illiteracy is 52 percent of the population of fifteen and older.

Demand-driven approach

THE DEMAND-DRIVEN APPROACH defines the success of the Social Fund for Development as founded on community-based

activities, capacity building, and adaptation to locale through trial and error. Its inception resulted from the will of the government, international donor support, and the rule of law, and its work has furthered the agility and comprehensive reunification of a geographically and culturally disparate country.

A focus on actual service delivery and results in a country where very little has been delivered to the poor has caused the SFD's reputation to be spread by word of mouth, and increased demand from traditionally closed and rightfully suspicious dispersed tribal communities. Field visits confirmed that community members had heard of the SFD from other communities and contacted the SFD after years of waiting for promised but undelivered services from line ministries. At times, they had been referred to the SFD by the line ministries themselves.



Whereas parliament debated Phase I funding for close to two months, it ratified Phase II funding in less than two minutes.

	PHASE I (1997-2000)	PHASE II (2001-2003)	PHASE III (2004-2008)
Funding (US\$ millions)	80	145	400
Number of Donors	4	7	10
Number of Projects	1,086	2,000	4,000

Source: Yemen Social Fund, 2004

Community-based activities

THE SOCIAL FUND FOR DEVELOPMENT helped revive the Yemeni tradition of self-reliance through a transparent project selection process. Pre-project requirements induce immediate and extended communities to organize and prioritize works before submitting requests: a local users committee provides for more seamless implementation and hastens ownership, and a tripartite contract signed by the users committee, line ministry, and SFD delineates future obligations to ensure continued operation and maintenance. Presently, fully community-managed subprojects are being piloted, with success. Leadership, responsibility, and accountability create community ownership and project-by-project community ownership is rebuilding a strong civil society.

The SFD's transparent procedures, participatory process, institutional organization, and close collaboration with all stakeholders have been demonstrative in effect on the newly elected Governorate and District Councils, while SFD support bolsters their nascent operations. With regard to non-governmental organizations, their widespread scarcity led the SFD and the Bank to assist in writing the law enacted in 2001 that guarantees a central place in society for NGOs through major training and procurement support. Institutional capacity is SFD built to serve and support community.

Scaling up

MANAGEMENT PRACTICES AT THE SFD serve as the foundation for its scaling up capacity. A continuous process of internal coherence, learning, and improvement in service delivery is facilitated through its organizational structure, communications system, and culture to achieve objectives. As catalyst of change, three primary elements elucidate the SFD's success in scaling up: focus on institutional capacity, decentralization, and contracting out.

Law No. 10 of 1997 established a politically and fiscally autonomous entity, and the Director seized the setting by first building strong internal institutional capacity: he hired equally women and men—again a demonstrative effect in a highly traditional society—paid competitive salaries, and used performance-based contracts with sanctions. Participatory staff meetings occur weekly on site and tri-annually in Sana'a, and staff training is maximized to produce capacity that meets demands. Building capacity at the center also included devel-

oping a state-of-the-art MIS that strengthened communications, disseminated e-reports to donors, created a new tool to monitor and evaluate all projects, and facilitated decentralization, as well as a strong financial system able to provide the complex balance of fiduciary control with flexibility and speed.

Over the years the SFD established seven regional offices and invested in the training and capacity building of the staff. Once the main institutional tools—administrative, financial, and management information systems—were developed, responsibilities gradually shifted to the branches. In the absence of a blueprint for the process, branches that exhibited increased capacity were delegated more responsibilities. Today, project identification, appraisal, and implementation occur on a regional level while financial transactions remain centralized.

Structurally lean and capaciously expansive, SFD-trained consultants respond to the growing number of project requests. They are categorized by sector and geographic locale for ease of mobilization and have a thorough knowledge of project cycles and the operational manual. Areas of training have included Participatory Rapid Appraisals, social assessments, and community mobilization; the more experienced consultants train the novice and produce high-quality reports. The judgment of the trained staff and by extension, the trained consultants, enables sound funding decisions and economies of scale.

What has been accomplished

AS OF JULY 2003, the SFD had committed a total of US\$213 million for 3,035 projects in education, health, water supply, feeder roads, environment, special needs groups, cultural heritage, integrated interventions, micro-credit, and capacity building. Out of these, 1,686 projects had been completed.

Education is the primary demand of communities and highest government priority, and it is allocated half of all SFD resources. Projects design, construct, and renovate schools for maximum impact and sustainability: to increase demand and enrollment, girls education is treated holistically, taking into account such factors as community outreach campaigns, roads, water, and availability of female teachers. Pilot programs test education quality improvements and explore preschool interventions, as NGO-sponsored literacy classes receive support.

Proficient health monitoring and evaluation indicated that targeting the poor in remote areas by building new facilities was ineffective for lack of appropriate follow-up by the Ministry of Health. So, the focus shifted to ensuring the availability of health professionals vis-à-vis renovation of existing educational training facilities, provision of updated equipment, capacity building at the MOH, and actual training and fielding of staff. Result outcomes indicated that supply more proportionately met demand and that women living in remote areas were more likely to receive services, in many cases for a first time.

Arid in climate and confronting ground water depletion, activities predominantly harvest surface water in rural areas using non-mechanized systems such as traditional cisterns, slow sand filters, and hand pumps. Pilots test novice technologies such as fog harvesting and solar pumps. Water-borne diseases are treated through public awareness campaigns and

are decreasing. Outcomes show lower costs and risks, increased sustainability, and improved quality.

Feeder roads use labor-intensive methods, road user committees, and maintenance plans. They aim mainly at poor rural areas to increase access to commodities and services and have incurred immediate impacts: on average, prices and travel time dropped 40 percent while trips increased 180 percent. Operations and maintenance now are coordinated closely with the Local Councils.

Environment is being protected through awareness activities, garbage collection, terrace rehabilitation, and sanitation projects targeting the urban and semi-urban poor. Where capacity is adequate, urban sewerage networks are expanded in coordination with the local authorities and simple, natural treatment technologies are applied to wastewater.

Special needs groups support has improved facilities and services for the disabled, children-at-risk, women-at-risk, and the socially marginalized. Interventions are based on the capacity of the implementing organization, priority of the targeted population group, and sustainability prospects.

Cultural heritage activities emphasize the use of traditional techniques and local materials, generate income for local artisans, and apprentice future artisans. The Old City of Sana'a has had green spaces revived, streets paved, and the National Museum expanded and refurbished.

Integrated interventions pilots in four geographic locales test heightening of impact. The "cluster" approach establishes a development committee and then provides intensive training in formulating development plans by committee and implementing sub-projects according to agreed priorities. Mirroring the composition of SFD staff, female participants are being pursued actively.

Micro-credit is to Yemen a novice industry yet one positioned well for the future, having built local capacity and versatile training modules and tools. Of the breakthrough programs, the SFD was chosen to partner with the United Nations in its Micro Start Project in Yemen, and another one of its savings-credit programs has established five branches with over 4,200 savers and 1,500 borrowers, all women.

Capacity building was slow to start though impressive of late. The SFD took a pragmatic approach in gradually but systematically working to build the management and technical capacity of communities and NGOs. Hundreds of health, school, and water committees were trained. Tens of NGOs received extensive capacity building activities. The results have been demonstrated by more sub-project proposals and stronger ability to build development plans for local communities.

Why SFD was successful

THE PRESIDENT OF YEMEN and senior leadership have supported the SFD, from writing the incipient Law Number 10 in 1997 to writing the laws in 2000 and 2001 strengthening governments/district councils and non-governmental organizations, respectively. The Managing Director has established a nimble, efficacious 21st century business to meet the Yemeni needs in social service delivery.

A new concept, institutional autonomy became synonymous with success. SFD autonomy afforded well-paid human capacity and strengthened institutional capacity. A special account established in a commercial bank insured fast payment of contractors and consultants, over time contributing to lower project costs. A gender workshop for SFD staff was lambasted by Parliament; yet with half of all impacts affecting women, it was embraced by the Yemenis.

A nationwide program, the SFD operates in all 20 governorates, or the jurisdiction of all the members of parliament. By keeping a low profile and focusing on the actual delivery of social services to the poor, the strong standings provided insulation from politicization. Budget support has been regular and positively incremental.

Innovation and communication belie the SFD, introducing the demand-driven approach, the contracting of well-paid staff on fixed appointments, the use of a variety of intermediaries, and the involvement of all stakeholders in its policy and operational decisions. The notion of building up the capacity of stakeholders is also novice, with ample support to community user committees, NGOs, contractors, and government agencies.

The SFD benefited from the experience of other social funds. Novice, the SFD carried out beneficiary assessments and evaluations to adjust organization and operation policies and practices to reflect the local context. Special programs for vulnerable groups, cultural heritage projects, and cluster-type programs were the outcomes of studies: the shift in approach toward micro-finance and health founded long-term social services instead of failures. The current Operational Manual reflects the latest in SFD thinking.

With foresight, a Japanese Grant and an advance on the IDA Credit provided the SFD with the fiscal flexibility to contract substantial technical assistance during project preparation and ensure a seamless transition to operationalization. Pilots obviate the elements vital to scaling up projects, and result from protracted forethought and planning.

The funding and technical assistance provided by donor support has allowed a very supple institution and highly trained staff to come into being by providing the instruments requisite to a twenty-first century business and the traditions of centuries.

Conclusion

THE SFD HAS PLAYED, and is playing, a unique and critically important role in helping alleviate Yemen's major social problems. Through its demand-driven approach it has introduced new concepts concerning community participation, and used NGOs and other intermediaries to the maximum extent. The SFD will continue as a house of innovation and experimentation that transfers the models to other government agencies.

Yasser El-Gammal is Senior Operations Officer, Human Development Group for the Middle East and North Africa, The World Bank.

What Works, What Doesn't, and Why:

A Global Discussion

BY HAN FRAETERS

"WE ARE NOT REGARDING POOR PEOPLE as the object of charity. Civil society and the poor people are the *assets*. They are the ones who make the projects work. It is our role to facilitate them becoming part of the solution," said World Bank President James Wolfensohn during the Global Dialogue on Community-Driven Development, held in February as part of the Global Learning Process preceding the Shanghai Conference on Scaling Up Poverty reduction. He was extracting lessons from two case studies that were under discussion.

The Global Dialogue

THE GLOBAL DIALOGUE used the world-wide Global Development Learning Network (GDLN) to connect in real time and via videoconferencing Indonesia with Yemen, the Kyrgyz Republic, and the World Bank's Headquarters in the USA. After moderator Mohini Malhotra's introduction—"Good afternoon, good evening, goodnight and good morning to you all." Scott Guggenheim, Lead Social Development Specialist for the World Bank, based in Jakarta, explained how



the Kecamatan Development Program (KDP) empowers communities by placing funds directly in the hands of villagers, as well as by giving them authority over the planning and decision-making process. He paid special attention to the factors that contributed to the rapid and successful scaling up of the program—transparency, the disbursement system, decentralization, balanced local government involvement, prior testing and experience.

The second case study was presented by Abdulkarim Al-Arhabi, the Yemeni Minister of Social Affairs and Labor, and manager of the Yemen Social Fund. This fund mobilizes communities to help themselves, builds their capacity, and supports income-generating micro-enterprise activities. Again, the primary focus of the presentation was on the lessons learned for scaling up—political commitment, learning and experimentation, and flexibility, just to mention a few.

In the discussion that followed it became immediately clear how useful it was to compare the two programs, especially from the perspective of scaling up. The dialogue turned into a lively brainstorming session, a sort of laboratory of ideas that unexpectedly made it possible to isolate the notion of the decentralized approach as an essential component of KDPs project design in Indonesia, and test it in the Kyrgyz context.

“What works, what doesn’t work, and why.” These three straightforward questions, the slogan under the logo of the Shanghai Learning Process and Conference on Scaling Up Poverty Reduction, acquire a whole new dimension when they are asked outside the context of a single project, a single country, a single sector, or a single continent, i.e. when they’re asked in relation to another experience, in another place, under different circumstances. It’s this new dimension that the Shanghai Global Learning Process was after. It is the dimension that facilitates Indonesian solutions for Kyrgyz problems.

Throughout the conversation between Sana, Bishkek, Washington, and Jakarta, the importance of learning, experimentation, innovation, and tapping into latent capacity on the local level came to the surface as crucial elements for development success, and somehow the mere celebration of this dialogue seemed to emphasize that. For the dialogue was a powerful learning event in itself. It allowed useful ideas to travel across cultures and continents, through satellites, computers and phone lines.

In his final remarks, Wolfensohn underlined the mind and attitude shift that is taking place through initiatives like the Shanghai Global Learning Process and the South-South approach built into it. “In the old days,” he said referring to “old” World Bank culture, “there were quite a number of peo-

ple who lectured the whole time and didn’t listen. Now, we are trying to listen. And the way we can listen today, with this new technology, is constantly a miracle for me.”

The Global Development Learning Network

THE DIALOGUE on community driven development was far from a stand-alone event. It was part of a nine-month Global Learning Process that brought together hundreds of partici-

pants from across the development community in a series of learning and knowledge sharing activities, supported by leading-edge information and communication technologies. Setting up a community of practice of hundreds of well-targeted practitioners worldwide, and sustaining this community over a nine-month period, and beyond, is obviously not possible without the use of technology. It is even not possible with using just one technology. It requires a blend of technologies: the right technology in the right circumstance for the right audience.

These are some of the main components of the “Shanghai blend”:

- interactive videoconferences for civil servants and highly specialized practitioners to learn in “real time” from relevant experiences under the guidance of a specialized moderator;
- video streaming technologies to make those experience available on demand for the entire development community;
- e-mail based discussions for very large audiences that have an interest in expressing their views and shaping the global agenda;
- a database in which all the information is stored in such a way that it can be easily searched and retrieved;
- a web site that serves as the virtual meeting point, a place to direct, inform and guide participants.

In addition to all that, an effort of this dimension is impossible without local support. If there is no one on the ground and in the field who knows where the needs are, who identifies the right participants to benefit from participating in the community, who invites them to the events, who entertains them before, during and after the events, who provides them with access to the technology, if none of all that happens, it is obvious that no technology will ever succeed in creating such a community of practice.

The Global Development Learning Network, which was used as the basis for the Shanghai Learning Process, responds to all these requirements. GDLN is a partnership of development learning centers around the world, especially in poor countries. The Centers are connected to each other by high

THE GLOBAL
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A POWERFUL
LEARNING EVENT....
IT ALLOWED USEFUL
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AND CONTINENTS
THROUGH
SATELLITES,
COMPUTERS,
AND PHONE LINES.

speed telecommunications links which enable videoconferencing between groups of people, and provide Internet access in dedicated labs. As a network that aims to enhance aid effectiveness, GDLN puts emphasis on the idea of team learning in groups, and institutional capacity enhancement over individual accreditation. The rapidly expanding GDLN network counts nearly 70 Centers in the world, and each of those Centers functions as a reliable partner in the field and on the ground for capacity enhancement and knowledge sharing activities organized by any member of the donor community.

One of the unique features of GDLN lies in the fact that it does not rely on one single technology, and it is exactly this flexibility that was fully exploited in the Shanghai Global Learning Process. The network provides video streaming services, or webcasting, through B-SPAN, the internet-based broadcasting station that hosts capacity enhancements workshops, seminars and conferences on a variety of development topics. All the sessions from the Shanghai Conference as well as the already mentioned pre-conference dialogues are available on demand via B-SPAN. For e-discussions, the Development Forum is used. The Development Forum is an electronic venue that relies on listserv technology for dialogue and knowledge sharing among members of the development community. Thousands of young people participated in the e-discussions in preparation for Shanghai.

The future: Scaling up the Shanghai idea?

A COMMUNITY OF PRACTICE only makes sense if it is sustained over time. Therefore, the Shanghai Conference, which gathered more than 1000 participants, including five heads of state, around the concept of scaling up poverty reduction, was all but the final destination of an exciting nine month learning journey. Rather, it was the perfect, extra-ordinary event that was needed to create momentum and to provide the energy required to take the Shanghai idea to scale.

"Over a few years, people will talk about scaling up development projects as if there's nothing new to it, as if the concept has always been with us", Wolfensohn said during the global dialogue on community driven development. If he's right, Shanghai will have proven to be a success. 

Han Fraeters is Learning Specialist with the Global Development Learning Network Division, The World Bank Institute.

Visit:

B-SPAN: www.worldbank.org/bspan

Development Forum: www.worldbank.org/devforum

Global Development Learning Network: www.gdln.org

Shanghai Global Learning Process and Conference:

www.reducingpoverty.org

THE KEY TO SUCCESS

continued from page 14

The crisis has stimulated a number of positive institutional changes, however. The constitution has been amended to limit presidential powers, and strengthen checks and balances. For 2004, direct presidential elections are planned for the first time in the country's history. New laws on the judiciary will make it independent from government, and judges are to be selected by a judiciary commission rather than being appointed by the President. A free press and media are thriving, and a wide range of civil society organizations and NGOs has sprung to life. This partial listing illustrates the central point: institutional innovation and adaptation is happening rapidly across East Asia. This will inevitably be a long-term process.

There is broad recognition across the region that improving corporate governance and legal systems are the most urgent priorities. The latter will require far reaching reforms in each country. In Korea, there have been strict limits on the number of law school graduates. By 2000, the whole legal profession, including judges and prosecutors, numbered fewer than 7,000, only slightly more than in Hong Kong, China, with one-eighth of Korea's population. Indonesia faces the problem of laws that are good on the books, but where implementation is perceived to be subject to influence. China started to reform its legal system in the early 1980s and the judiciary has been increasingly active in setting economic disputes, particularly in the most advanced parts of the country, and this has facilitated formalization of contracts. China entry in the WTO further reinforces the role of formal legal proceedings, but Chinese laws still need to be made compatible with WTO requirements. In addition, at present, the role of the courts is made much more difficult from the start because they adjudicate, but do not interpret the laws. Enforcement is another problem because the courts do not have primacy over the executive, and many court rulings are simply ignored.

The development experience contains many examples of countries with episodes of high growth. East Asia's distinguished achievement has been establishing institutions and implementing institutional and policy changes to transform these episodes into long-term trends—a feat that few countries in the world have achieved. At each phase of development there is a legitimate question as to whether a country will be able to meet the challenge of changing institutions and mustering the consensus that can support higher levels of income. East Asia's miracle has been its ability to meet this challenge. 

N. Roberto Zaghera is Economic Adviser, Poverty Reduction and Economic Management (PREM) Network, The World Bank.

This article is based on a more extensive report, "Lessons and Challenges from China, Indonesia, Korea and Malaysia," prepared together with Oleksiy Shvets, PREM, The World Bank.

Looking to the Future

A Leading Role for Youth in the Shanghai Learning Process

BY MICHAEL JARVIS

AMONG THE HUNDREDS OF DELEGATES who participated in the conference on Scaling Up Poverty Reduction in Shanghai was a small but important group of young people. With half of the world's population now aged under 24, World Bank President James Wolfensohn strongly argues that youth are not only the future but also very much "the now". Given that poverty impacts the lives and hopes of young people so severely, it

was vital to include the voice of youth within the learning process at Shanghai. It was therefore fitting that Lerato Molefe from Botswana, representing the young leaders present, made the final contribution to the conference's closing session.

Lerato had not even met her counterparts when the fifteen young leaders first arrived in Shanghai from all over the world in the days prior to the conference. They had all previously taken part in various World Bank youth-related activities through events in their specific countries or via distance



learning, thus ensuring that there would be continuity with ongoing youth work.

The participants came from all major regions of the world, and countries as diverse as Cameroon, Egypt, Kenya, Macedonia, Mexico, Russian Federation, Turkey, Botswana, Brazil, Zambia, Uganda and Vietnam. In order to be inclusive of the large segment of society that is disabled in some way, three young people with disabilities and two assistants to the disabled were included in the group. These fifteen participants were also joined by four young Chinese and by the volunteers who assisted the Shanghai Conference organizers.

Youth participation and action-oriented learning on the issue of how best to scale up poverty reduction actually began months before May. The Corporate Social Responsibility (CSR) Program at the World Bank Institute (WBI) coordinated a series of youth inputs, building on its experience of working with young people globally. This process reached thousands of young people and generated specific youth recommendations that were shared with the delegates in Shanghai. Back in February, over 1,300 young people from approximately 100 countries joined a "virtual dialogue," *The Poverty Challenge in a New Millennium: Defining Roles for Youth and the Next Generation of Leaders*. They were eager to exchange their ideas and views and were further motivated by a letter from Mr. Wolfensohn thanking them for their active participation.

This e-conference was followed by regional dialogues which captured youth perspectives on key topics in poverty alleviation relevant to particular regions, such as credibility of youth as partners in development, youth employment issues and entrepreneurship. This process culminated in a conference held at the World Bank headquarters in Washington, D.C. in March, which brought these issues to young professionals and students at leading institutions in the United States and linked them via videoconference to youth in Africa and Latin America. They shared ideas on how young people in leading economies can best support their counterparts in combating poverty around the world.

The spirit of sharing was one of the essential ingredients to the success of the Shanghai process, and it was embodied in practice by the exchange of ideas and experiences among the youth representatives, and all the conference participants. As Rafael Pinto from Brazil remarked, the conference provided the youth representatives with an "enormous opportunity to learn and identify what solutions must be sought out and worked on in order to improve the lives of the millions of people who live in poverty today." Olga Melitonyan from Russia echoed Rafael in noting the "great opportunity to learn the experience of more than 100 countries." Olga also recognized the "great responsibility for every member of our youth team, because we should champion and take forward new ideas, opportunities and lessons learned during the conference and ongoing Shanghai

Learning Process to young people in our countries."

The youth program at the conference included separate workshop sessions for the young participants each day. The group found separate consultations with both Mr. and Mrs. Wolfensohn to be invaluable. These discussions helped to pinpoint the need for youth to focus on a few core areas, and challenged young people worldwide to demonstrate not only good ideas but also the capability to implement projects effectively. One topic of particular interest to both Mr. Wolfensohn and the future leaders was how available technology should best be leveraged to support youth initiatives and make the most of what youth has to offer.

As the other delegates departed, the youth participants enjoyed one additional day. Activities included not only sharing experiences and lessons from the conference with local students, but visits to two successful small enterprises that have been started by young people and are currently engaged in poverty alleviation through corporate social responsibility, and a visit to the offices of the Shanghai Youth Business Council, which trains young entrepreneurs.

None of the momentum generated by the interaction at Shanghai has been lost since. The lessons of Shanghai are already being disseminated. Immediately after the conference, youth participants presented the conference findings to youth audiences in Beijing and the Philippines. The next week, Mr. Wolfensohn met with a group of young Russian students and professionals to discuss the issues that they see as critical to their country's future. He also participated in the opening videoconference of the Moscow GDLN Center that linked young people in Russia, Moldova, and Serbia and Montenegro. The videoconference specifically explored how to broaden and strengthen youth participation in poverty reduction jump started in Shanghai.

The youth group proposed a joint action plan with specific ideas on what they can contribute to scaling up success in the fight against poverty. One proposal was to maximize the utility of available technologies, such as e-Conferences and GDLN to build global youth networks whereby young people themselves can expand the learning from Shanghai beyond capital cities and elite institutions to reach their counterparts in remote regions where access to knowledge is scarce. The successful involvement of youth continues to be "scaled up" in line with the goals of the Shanghai Learning Process as a whole.

Michael Jarvis is a Consultant with WBI Finance and Private Sector Development.

For more information on the World Bank's work with youth, please contact Viviana Mangiaterra, Adviser, Children and Youth (vmangiaterra@worldbank.org). For details of the WBI CSR program, please contact Djordjija Petkoski (dpetkoski@worldbank.org).

"WE SHOULD
CHAMPION AND
TAKE FORWARD
NEW IDEAS,
OPPORTUNITIES
AND LESSONS
LEARNED DURING
THE CONFERENCE"

Highlights of Media Coverage

MEDIA COVERAGE OF THE SHANGHAI CONFERENCE exceeded all expectations. This was in large part due to the inclusion of media at the various stages of the Learning Process, which preceded the conference and extended over a period of nine months. Learning activities were inclusive of reporters from developed and developing countries, as well as print and broadcast media. As a result, the message of scaling up poverty reduction was understood, accepted, and reported from the beginning to the end of the process.

Several factors created an increasing spiral of awareness among the reporters. Firstly, it was important to give the conference a strong identity and to make sure the concept of scaling up was understood. Secondly, the media were continuously provided with substantive and focused content through the web and printed materials—such as an interactive website with case study summaries, backgrounders, media advisory, op-ed articles, press releases, brochures, and posters. Thirdly, and this was perhaps the decisive factor, the media were invited to participate in Field Visits and the Media Tour.

As early as February, the Ugandan Newspaper *The Monitor* wrote on the occasion of a field visit: “The Bank has chosen Uganda and six other countries to be showcased at the world summit on scaling up poverty reduction in Shanghai, in May... The Bank will show that strong leadership and ‘democratic participation’ were important in Uganda’s ability to reduce poverty” (2/9/04).

In addition to the field trips, a number of reporters were invited to take part in a media tour of India and Indonesia, which were the subject of case studies. Among those who participated in the media tour were reporters from *The Irish Times*; Latin America’s *EFE News Service*; Canada’s *National Post*, *Vancouver Sun*, and *Canwest Wire*; *DPA* (German wire agency), *FeatureStory News*; *SABC* (South Africa); *Channel News (Asia)*; *Deutsche Welle* Radio and TV; *Radio New Zealand*; and the *BBC* TV-Earth Reports. Including broadcast reporters on the media tour helped to scale up the potential audience who will be exposed to unique stories featuring key develop-

ment messages. The potential audience reached could amount to hundreds of millions.

Six journalists on the media tour visited the Bhoomi IT project in Bangalore in southern India and the Kecamatan sites in Indonesia. The *Economic Times* of India, reported in February: “Karnataka’s government efforts to take technology to the grass-root levels has received a shot in the arm. The World Bank has selected Bhoomi, the state’s land record computerization project as part of its Shanghai Learning Process” (2/3/04).

By the time the conference began, the print and broadcast media already had a wealth of knowledge on the subject acquired through the many activities that comprised the learning process. This information was reinforced by press kits, fact sheets on field visit case studies, a media guide (listing main spokespersons) and announcements of major press events. Over 400 media registered for the conference. Almost half were foreign journalists from various world regions, while the other half were media from China. There was a good balance between media from developed countries and media from developing countries, as well as between print and TV/radio.

Over 200 print reports, numerous radio packages, and massive TV coverage have highlighted the Conference events. According to an unofficial estimate (number of articles multiplied by circulation), the print media reached an audience of 15 to 20 million, without counting the reports from the Chinese media. The reach through radio and TV coverage is estimated to have been enormous. Each of the 8 documentaries on the field visit case studies shown on BBC World TV Life program reached an estimated audience of 260 million. The documentaries are now being shown on numerous local television stations worldwide. The conference website received nearly 175,000 successful requests in May alone.

All the reports from May 22 to well into June took up the clarion call for poverty reduction and supported the South-South exchange of lessons learned as a way forward on how to scale up.

PRE-CONFERENCE COVERAGE

“The Conference that opens tomorrow in Shanghai...will celebrate this pragmatism.

Rather than treating development as a quasi-science (Copenhagen consensus), it will present it as an art, in which the heroes are the resourceful managers who implement programs.... It will feature bottom up case studies presented by third world practitioners.... The delegates from the rich North will be there to listen to them. It will be hard to turn the conference into newspaper headlines. But it will have captured the real spirit of development.”

—*Washington Post*, May 24

“The World Bank today begins an international conference in China on reducing poverty that will, according to James Wolfensohn, its president, change the way the Bank does business.... There is at least a chance that the efforts to build a new ‘Shanghai consensus’ will turn attention away from the sometimes tired debate about the Washington consensus.... The focus is moving from the question of what needs to be done to how countries should go about poverty reduction.”

—*Financial Times*, May 25

POST-CONFERENCE COVERAGE

"'Every day we protect human rights' he [Mr Wolfensohn] said during our conversation. 'In terms of poverty, in terms of gender, in terms of kids, in terms of labor—what we are doing is dealing with more and more of the important issues of rights, in particular the issue of poverty and the right to have a decent life.' "

—*Vancouver Sun, June 4*

"The Indonesian delegates to the World Bank sponsored International Conference on poverty reduction in Shanghai last week should be able to bring home a great deal of knowledge and information to help improve the country's Poverty Reduction Strategy Paper, which is currently in the final stage of preparation."

—*Jakarta Post, June 2*

"Just as the task of the 19th century was to abolish slavery and the 20th century to eradicate fascism, ...so it may be the responsibility of this era to bring an end to world poverty."

—*The Irish Times, May 29*

"China has offered the world a lesson in how to lift hundreds of millions of people out of poverty at an international conference which underlined its emergence as a powerful alternative to the western model of development.... China's economic expansion has been on a scale and at a speed the world has never seen before. Since opening its economy in 1978, China has accounted for three-quarters of all the people in the world lifted out of abject poverty.... With factories opening and the ports booming, China is now the world's fourth biggest trading nation and the main draw for foreign investment."—*The Hindu, May 29*

A PARTIAL LIST OF MEDIA COVERAGE

UNITED STATES AND CANADA

AP TV
Kansas City Star
The Associated Press (3)
The Vancouver Sun (Canada) (2)
Voice of America News.com
Washington Post (2)
Yahoo News (USA)

AFRICA

Business Report (South Africa)
Independent Ghana
SABC (South Africa)
Tanzania News

ASIA

Asian Wall Street Journal
Bangladesh Observer
Bangladesh TV (3 channels)
BBC Radio Asia
Business Standard (India)
Channel News Asia
Daily News (Sri Lanka)
Dawn (Pakistan)
Economic Times India (2)
Far Eastern Economic Review
Financial Express (3)
Hindustan Times (India)
Hong Kong Asia TV
Inter Press Service
Jakarta Post (Indonesia) (3)
Kyodo (Japan)
Kyodo News
Manila Bulletin (Philippines)
Matamat.com (Bangladesh)
Mongolian TV
New Age (Bangladesh) (2)
New Nation (Bangladesh) (2)
News Today (Bangladesh)
NHK (Japan)
Pakistan News
Press Trust of India
Rediff.com (India)
Taipei Times (Taipei, Taiwan)
The Daily Star (Bangladesh) (2)

The Hindu (India)
The New Nation (Bangladesh) (3)
The Organization of Asia-Pacific News Agencies (3)
The Saigon Times Daily (2)
Yomiuri (Japan)

CHINA

7 CCTV channels (English, Chinese)
AFX International Focus
Business Daily Update (5)
Business Forum
Caijing Magazine
China Daily (7) + 2 four-page supplements
Chinaview.com (3)
EastDay.com (2)
English.eastday.com
Interfax (China)
Oriental Times
People's Daily
People's Daily online
Shanghai Daily (3)
Shanghai Dragon TV
Shanghai Satellite TV
Shanghai Star
Shanghai TV (English, Chinese)
Sinofile (3)
SinoFile Information Services
The South China Morning Post (4)
Xinhai Agency
Xinhua News Agency (10)
Xinhua's China Economic Information Service

EUROPE

Agence France Presse (4)
Agencia EFE – Servicio Economico
Anadolu Ajans (Turkey)
Analytica
ARD Radio (Germany)
Associated Press Newswires (3)
BBC Monitoring Asia Pacific (3)
BBC Monitoring Newsfile
BBC News (UK)
BBC Radio 4
BBC Spanish

BBC World News
Burgun (Turkey)
Business Report (on-line)
Deutsche Presse Agentur (Germany)
Die Presse (Austria)
Dow Jones International News
Financial Mail
Financial Times (4)
GlaubeAktuell (Germany)
International Herald Tribune
Interpress (3)
La Tribune (France)
Le Figaro
Le Monde (France)
Les Echos (France)
Liberation (France) (2)
M2 Presswire (2)
Milliyet (Turkey)
Nachnem S Ponedelnika (Kazakhstan)
Nurnberger Nachrichten (German)
OsterDowJones Commodity Wire
Reuters (2)
Reuters News
RFI (France)
RIA Novosty (Russia)
Servicio Universal de Noticias (Spanish)
Spanish TV
Stern (Germany)
Suddeutsche Zeitung (Germany) (2)
The Guardian (UK) (3)
The Irish Times (3)
The Times (UK)
Agencia Jornal do Brasil (Brazil)
Agencia Mexicana de Noticias, NOTIMEX (Mexico) (2)
Canal 11 (Mexico)
Canal 22 (Mexico)
Canal 40 (Mexico)

LATIN AMERICA

Canal 52 (Mexico)
Crónica (Mexico)
Cúpula Empresarial (Mexico)
CV7 (Guadalajara) (Mexico)
Diário Catarinense (Brazil)

Diario do Grande ABC (Brazil)
Diario Monitor (Mexico)
EFE (Mexico)
El Cronista (Argentina)
El Deber (Bolivia)
El Diario (Bolivia) (3)
El Economista (Mexico)
El Financiero (Mexico)
El Imparcial (Mexico)
El Mexicano (Chihuahua)
El Nacional (Venezuela)
El Norte (Monterrey) (Mexico)
El Sol de México (Mexico)
El Universal (Mexico)
Excélsior (Mexico)
Folha de São Paulo (Brazil)
Formato 21 (Mexico)
Gazeta Mercantil (Brazil) (2)
Idea TV (Brazil)
Imagen Informativa (Mexico)
La Hora (Ecuador) (2)
La Jornada (Mexico)
La Reforma (Argentina) (2)
Milenio (Mexico)
Monitor (Mexico)
Mural (Guadalajara) (Mexico)
MVS radio (Mexico)
Notimex (Mexico)
O Estado de Sao Paulo (Brazil)
O Estado do Paraná (Paraná) (Brazil)
O Globo (Brazil)
Ovaciones (Mexico)
Programa de radio Fox Contigo a nivel nacional (Mexico)
Público (Guadalajara) (Mexico)
Radio 13 (Mexico)
Radio Fórmula (Mexico)
Reforma (diario y página web) (Mexico)
Televisa (Mexico)
Televisa Radio (Mexico)
Tv Azteca (Mexico)
Uno más Uno (Mexico)
Valor + News (Brazil)
Vanguardia (México) (2)
Yahoo! (Brazil) (2)



SCALING UP POVERTY REDUCTION: A GLOBAL LEARNING PROCESS AND CONFERENCE IN SHANGHAI

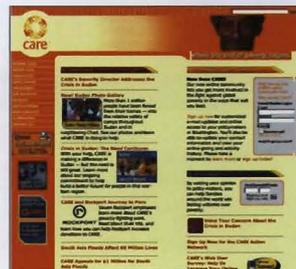
This website provides the information on the Shanghai Conference, May 25-27, 2004, including: the rationale behind

the conference, the conference program, outcomes, case studies, global dialogues, field visits, resources, and feedback. Through "Resources," one has direct access to a comprehensive database of case study videos, documentaries, and flash presentations, and can view the multimedia excursion around the world called *Development 360°*. One can also read and download several speeches and presentations, as well as most case studies.

Visit: www.reducingpoverty.org

ed in 1999, a review of which was completed in July 2004. ADB, together with other development partners, helps its developing member countries (DMCs) achieve their poverty reduction goals. These goals are now aligned with the Millennium Development Goals to halve persistent poverty by 2015. The site features: Poverty Reduction Strategy, Millennium Development Goals, Regional and Country Activities, Poverty and Development Indicators, Documents and Publications, News and Events, others.

Visit: www.adb.org/poverty



CARE

operates in more than 60 countries around the world, working with poor communities to find lasting solutions to poverty. We look at the big picture of poverty and go beyond the symptoms to confront the underlying causes.

With a broad range of programs based in empowerment, equity and sustainability, CARE seeks to tap human potential, to leverage the power of people and, in doing so, to unleash a vast force for progress.

Visit: www.careusa.org



POVERTYNET

is a website of the World Bank, providing resources and support for people working to understand and alleviate poverty. The site highlights several topics and programs: Social Capital for Development—

norms and networks that enable collective action; Understanding Poverty—how poverty can be defined, measured, and studied through a variety of indicators; Understanding Impact Evaluation—information and resources for people and organizations working to assess and improve the effectiveness of interventions aimed at reducing poverty; and others. Subscription to PovertyNet Newsletter is available through the site.

Visit: www.worldbank.org/poverty



ACCION INTERNATIONAL

aims to give people the tools they need to work their way out of poverty. By providing "micro" loans and business training to poor women and men who start their own businesses, ACCION's

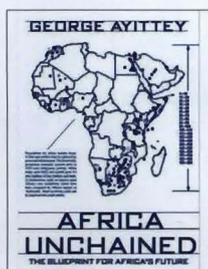
partner lending organizations help people work their own way up the economic ladder, with dignity and pride. With capital, people can grow their own businesses. They can earn enough to afford basics like running water, better food and schooling for their children.

Visit: www.accion.org



ADB: POVERTY REDUCTION

is a website of the Asian Development Bank. Poverty reduction is a strategic objective of the Bank. Through the implementation of its Poverty Reduction Strategy adopt-



**AFRICA UNCHAINED:
THE BLUEPRINT FOR
AFRICA'S FUTURE,**

by *George B.N. Ayittey*. Palgrave MacMillan, December 2004.

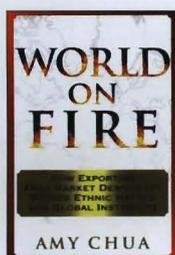
Instead of bemoaning the myriad difficulties facing the continent today, the author proposes a program of development—a way

forward—for Africa. *Africa Unchained* investigates how Africa can modernize, build, and improve its indigenous institutions, and argues that Africa should build and expand upon traditions of free markets and free trade rather than continuing to use exploitative economic structures. The economic model here is uniquely African and takes little heed from the developed world; this is sure to be a highly controversial plan for moving Africa forward.

**POWER TO THE PEOPLE: HOW THE COMING
ENERGY REVOLUTION WILL TRANSFORM AN
INDUSTRY, CHANGE OUR LIVES, AND MAYBE
EVEN SAVE THE PLANET,**

by *Vijay V. Vaitheeswaran*. Farrar, Straus & Giroux, 2003.

The author sees great opportunity in the energy realm today. *Power to the People* is his fiercely independent and irresistibly entertaining look at the economic, political, and technological forces that are reshaping the world's management of energy resources. The book documents an energy revolution already underway—a revolution as radical as the communications revolution of the past decades. By avoiding the traditional binaries that pit free markets against the wisdom of conservation and the need for clean energy, the book debunks myths without debunking hope.



**WORLD ON FIRE: HOW EXPORTING
FREE MARKET DEMOCRACY
BREEDS ETHNIC HATRED AND
GLOBAL INSTABILITY,**

by *Amy Chua*. Anchor Edition, 2004.

Apostles of globalization believe that exporting free markets and democracy to other countries will increase peace and prosperity throughout the

developing world. Amy Chua's book is a dash of cold water in the face of globalists as she shows that just the opposite has happened: When global markets open, ethnic conflict worsens and politics turns ugly and violent. Drawing on examples from around the world—from Africa and Asia to Russia and Latin America—Chua examines how free markets do not spread wealth evenly throughout the whole of these

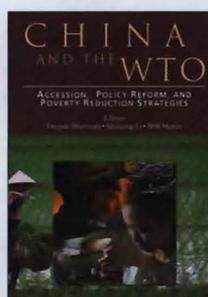
societies. Instead they produce a new class of extremely wealthy plutocrats—individuals as rich as nations.



**GLOBAL MONITORING REPORT
2004: POLICIES AND ACTIONS
FOR ACHIEVING THE
MILLENNIUM DEVELOPMENT
GOALS AND RELATED
OUTCOMES,** *World Bank, 2004.*

The Millennium Development Goals set clear targets for eradicating poverty and other

sources of human deprivation. Following major international meetings came broad agreement on the goals and strategies to achieve them. The Global Monitoring Report draws attention to priorities for action and related accountabilities. Produced in cooperation by the World Bank, the International Monetary Fund (IMF), and other international partners, the Report assesses how the various parties—developing countries, developed countries, and international financial institutions—are playing their part under the agreed development partnership and highlights progress on the development policy agenda.



**CHINA AND THE WTO:
ACCESSION, POLICY REFORM,
AND POVERTY REDUCTION
STRATEGIES,**

by *Deepak Bhattasali, Shantong Li, and Will Martin*, eds. World Bank and Oxford University Press, 2004.

This book analyzes the nature of the reforms involved in China's accession to the WTO, their

implications for the world economy, and the implications for individual households, particularly the poor.

Individual chapters by leading scholars analyze the nature of the reforms in key areas, such as agriculture, services, intellectual property and safeguards, and anti-dumping. The book also includes a series of studies that assess the implications for households, taking into account the social safety net policies applying in China, and the impacts of complementary policies in areas such as labor market reform and investments in human capital. Of interest to policymakers, academe and students studying international trade issues and to practitioners in the area of trade and development.

CALENDAR

OCTOBER 2004

2-3 Annual Meetings of the International Monetary Fund and the World Bank Group
Washington, DC
bfcoffice@worldbank.org
www.worldbank.org

4-6 Traditional Healing and HIV/AIDS
Dakar, Senegal
www.africa-first.com/4thictm.asp

4-7 Youth Employment Summit (YES)
Boca del Rio, Veracruz, Mexico
www.iyp.oxfam.org

28-30 International Mayors Meeting on ECOPROFIT
-Sustainable Development in a Public-Private Partnership
Graz, Austria
www.iclei.org/itc/ecoprofit

NOVEMBER 2004

4-8 World Rice Research Conference
Tokyo, Japan
www.irri.org/wrrc2004/default.htm

11-12 Global Forum on Sustainable Development:
Development and Climate Change

Paris, France
www.oecd.org
Kathleen.mechali@oecd.org

17-25 3rd IUCN World Conservation Congress
Bangkok, Thailand
www.iucn.org/congress/index.cfm

DECEMBER 2004

6-17 Tenth Session of the Conference of the Parties
On Climate Change
Buenos Aires, Argentina
http://unfccc.int/index.html

14 Post Traditional Environments in a Post Global
World, International Association for the Study
of Traditional Environments
Sharjah, Dubai, United Arab Emirates
Tel: 510-642-6801, Fax: 510-643-5571
iaste@berkeley.edu
http://arch.ced.berkeley.edu/research/iaste

JANUARY 2005

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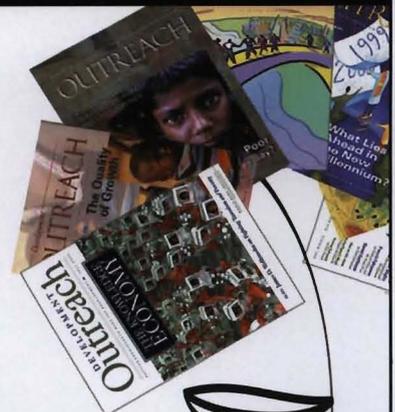
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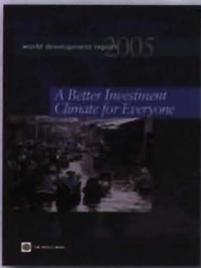


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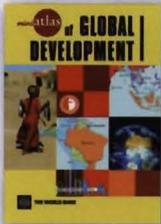
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