

Speech at the UN Economic and Social Council

High-Level Segment Preparatory Meeting

February 17th, 2004

UN HQs, New York

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Madame President, Your Excellencies, Ladies and Gentlemen,

It is indeed a pleasure to be here with you today to discuss our joint commitments to fostering improvements in people's lives in the least developed countries which correspond broadly to IDA eligible countries. As all of you, the World Bank is committed to putting people first, and to driving a people-centered agenda that ensures economic and social progress across the globe. Our challenge is how to do that in the most timely and effective manner.

Human development – the sum total of investments in education, health and economic wellbeing -- remains a central tenet of the World Bank's agenda. It is driven by the Millennium Development Goals and by our firm commitment to reducing poverty. And it is very much in line with the Brussels Plan of Action. If we do not address the human and institutional capacity issues, we cannot expect to attack poverty effectively.

The links between such investments and reducing poverty are quite strong. For example, the Bank's ongoing research efforts have shown that low income is only one aspect of poverty, and that concerted efforts to upgrade human capital are critical complements. Empowering people by raising educational attainment and improving health status equips the poor to participate in the labor force and raise their own productivity, which in turn leads to higher incomes.

A further by-product of such investments are children whose parents also invest in them. The evidence is overwhelming that better educated parents, especially mothers, have healthier and more educated children. Our challenge is to break the cycle of poverty, illiteracy and poor health. If we are to put people first, we cannot do otherwise.

Education, health and wellbeing represents a major element of the World Bank's advisory work and our lending, and it is increasingly integrated with the broader policy agenda. The PRSP process is a case in point, where people-centered policies are taking center stage, and country policy agendas are evolving to ensure effective investments of all citizens, especially the poor. That agenda provides a base for the World Bank's

efforts to reach people and raise their living standards and quality of life. Its successful implementation requires concerted efforts on many fronts.

It requires mobilizing resources. Domestically through efforts at expanding the tax base, increasing formalization of informal activities, and using funds effectively and efficiently. Internationally, through the now famous trilogy of aid, trade, and debt relief. It requires a forceful implementation of the Monterrey consensus and of the Brussels Plan of Action.

It requires also an equitable use and distribution of the resources. We have mounting evidence that growth with equity is a much more powerful instrument to lift millions of people out of poverty than simply growth alone.

And it requires institutions because money is only part of the answer, albeit an important one. The need to build institutions, to ensure accountability, to link needs and programs, and to measure results loom large in our efforts to scale up to fight poverty and implement a people-centered policy. The emphasis on institutions is very much in line with the Brussels Plan of Action.

Indeed, we find that meeting the MDGs, while requiring major efforts in all countries, poses an enormous hurdle for the poorest countries, for both financial as well as institutional reasons. Analysis suggests that child mortality goals are unlikely to be met in many of the poorest countries, particularly in Sub-Saharan Africa. Progress on primary school completion is more promising. Prompted by a broad, reinforcing agenda by the donor community, which together with the Bank are targeting countries with equally strong commitments to expanding primary education, the Fast Track Initiative is slowly making progress. The FTI will mobilize country policy reforms, donor funding and harmonization of priorities with commitments by all players to focus on the major impediments – both financial and institutional – to achieve universal primary school completion.

Work and analysis on the MDGs have highlighted a number of cross-cutting issues. Let me choose two of the most important for the sake of time: the institutional context and the measurement of results. How well education, health, and social protection systems are designed and financed, the nature of civil service systems, the effectiveness of management and supervision in service delivery, the degree to which government in general and front line providers in particular are accountable, the level of participation and empowerment of communities and service users are essential features. All these factors define the governance and accountability framework. And these elements are key to whether services are delivered at all. And therefore, to whether we are effectively reaching people and making them the center of programs as well as policies.

Recent studies have brought into question the degree to which this institutional context, this enabling environment is present. Absence rates at clinics and schools recorded at surprise visits are instructive. Across a sample of eight countries physician absenteeism ranged from 15% in Papua New Guinea to 43% in some poor regions of India. And

teacher absenteeism was lowest in Peru at 11% and highest in Uganda at 27%. These indicators suggest the need to better address the governance and accountability issues. They underline, if need be, the fundamental importance of having the proper human resources available in the social sectors, a matter that was underlined for the health sector in the recent High Level Forum on the health MDGs held in Geneva last month. And proper human resources mean adequate remuneration, adequate incentives, and adequate working conditions. If there is no teacher, educational goals will be elusive. If medical staff are absent then patients resort to self treatment. In either case we have not been effective in reaching our intermediate goal of service delivery or our ultimate goal of ensuring an educated and healthy population. In other words we haven't put people first.

A second area where we as an international community and the World Bank as part of that community needs to put more attention is on evaluation and the measurement of results. We need to assess impact and results. We need to understand what kinds of interventions and management work. We need to learn how to build accountability. In short, we need to be results-based. In May this year, the Bank is organizing a major conference in Shanghai to share the lessons of 70 cases of successful and less successful efforts at fighting poverty. This applies to both low and middle income countries as well as institutions. Such information offers the basis for improving impact, helps to raise success rates, and ultimately ensures that goals are met. In the social sectors, these tools are not always well developed, and they are infrequently applied. This underlines the critical problem of the availability of timely and reliable data, which are the key to successful monitoring, evaluation, and learning to build evidence-based interventions. We have much more to do on data and to help the least developed countries build their statistical systems.

Better collaboration across institutions can help us more effectively reach people, and make sure that when we get results. It is encouraging to see efforts at harmonization and convergence among donor groups and institutions move forward, based on the Rome conference last year and the recent meeting in Marrakesh which added momentum to this important agenda. By reducing the transaction costs with their donor partners, this agenda should help the least developed countries devote more of their scarce capacity and resources to serving people and providing services. Driving our resource allocation and approaches by focusing on results does put people first. They are our goal.

The fight against poverty, achieving the MDGs, improving governance, evaluating our efforts, and having a people-centered policy are tightly inter-related. Unless we address these together, we will not be building the necessary human capital nor will we enhance institutional capacities. With these goals in mind, we need to evolve more and better ways to achieve effective people-centered policies. By showing results, by restoring hope through our common efforts, we need to continue to build the bridge between development and peace. That, in many ways is the true meaning of the Brussels Plan of Action.

Thank you for your attention.