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Conference on Policy Priorities for
Foreign Aid Reform in South Asia
Colombo, July 30, 2010

***Making Aid Work
for Poor People***



Making Aid Work for Poor People

A digression into service delivery

- Services are failing poor people.
- But they can work. How?
- By empowering poor people to
 - Monitor and discipline service providers
 - Raise their voice in policymaking
- By strengthening incentives for service providers to serve the poor



What is the right question to ask?

- What *institutional* conditions support the emergence of capable, motivated, frontline *providers* with clear objectives & adequate resources?
- Successful services for poor people emerge from *institutional relationships* in which key players in service delivery are *accountable* to each other



Accountability is key...

- Where *accountability* is strong, services can be improved with more teaching materials, more drugs, more trained teachers and health workers, more PTAs...
- But where *accountability* is weak, addressing the proximate determinants of success will not work



A framework of relationships of accountability

Poor people



Providers

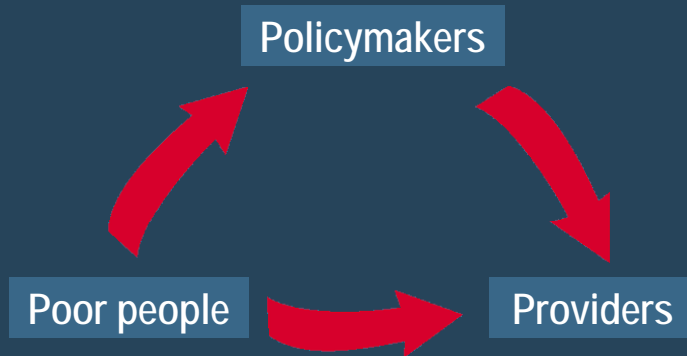


The relationship of accountability has five features

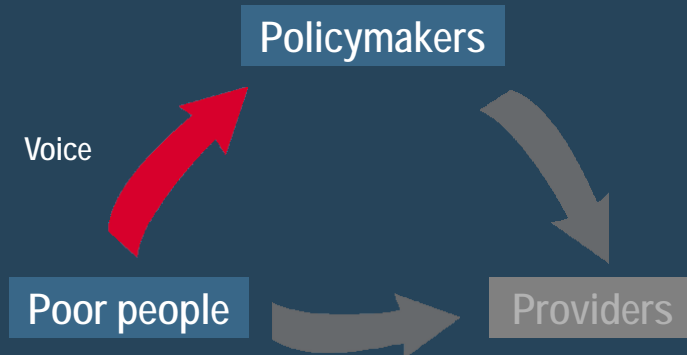




A framework of relationships of accountability

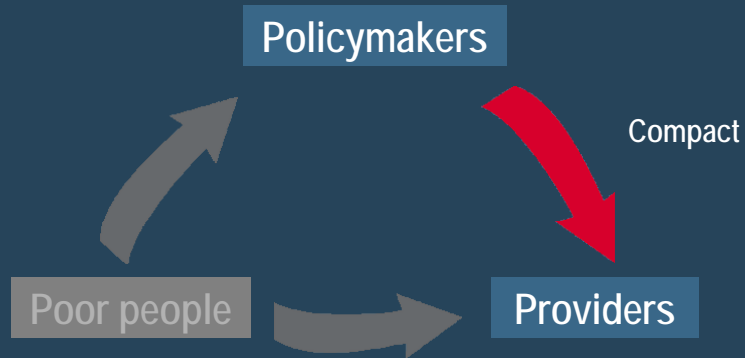


A framework of relationships of accountability

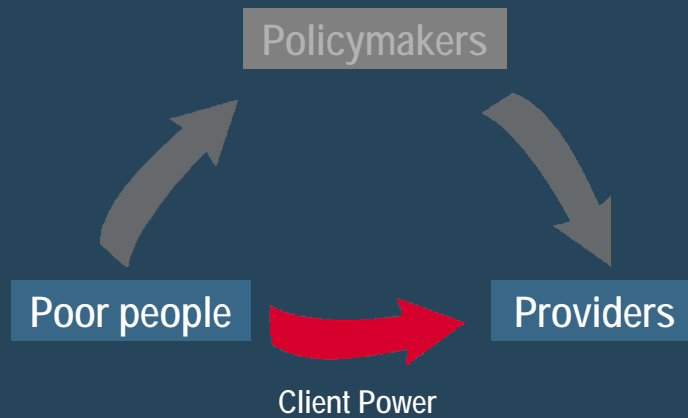




A framework of relationships of accountability



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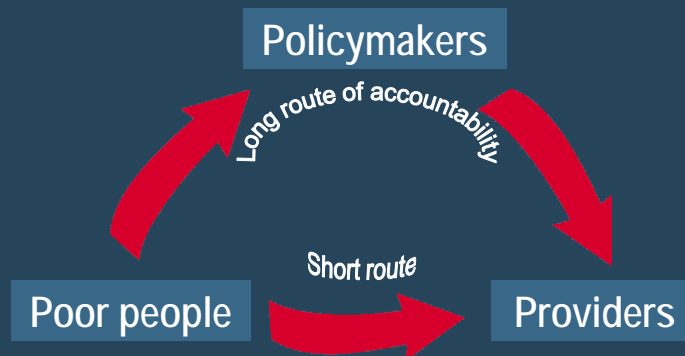




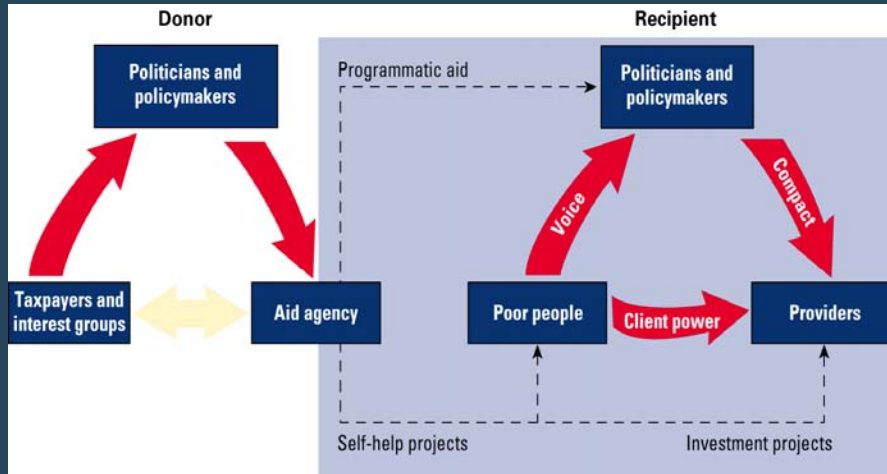
Services work for poor people when accountability is strong



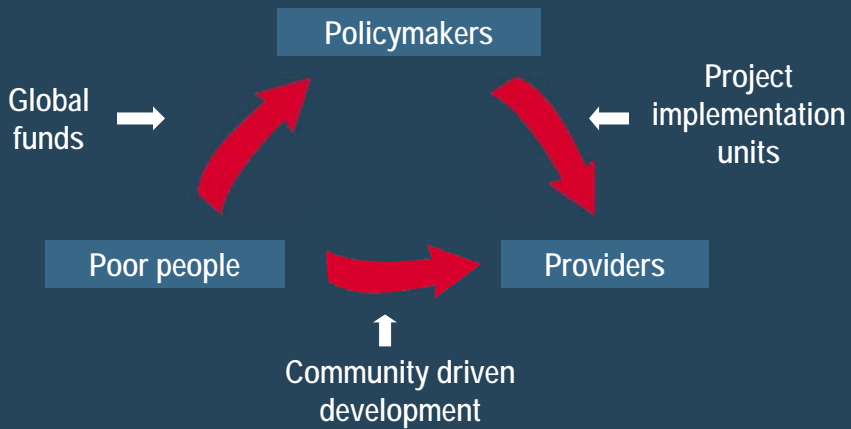
Aid works for poor people when accountability is strong



Accountability and the delivery of aid



Donors & service delivery: solutions & problems



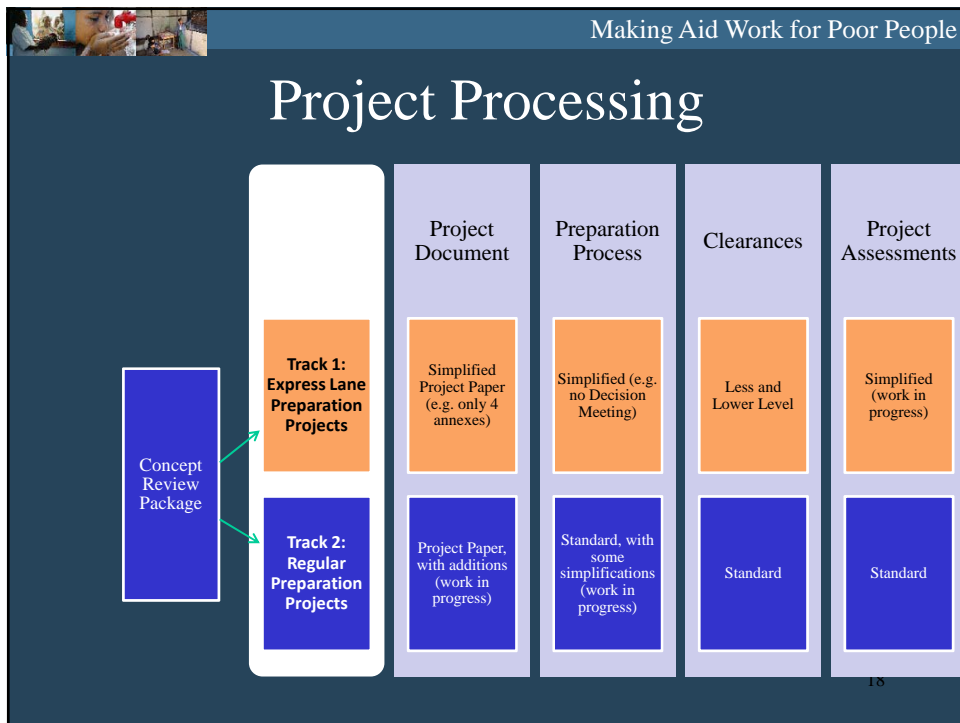
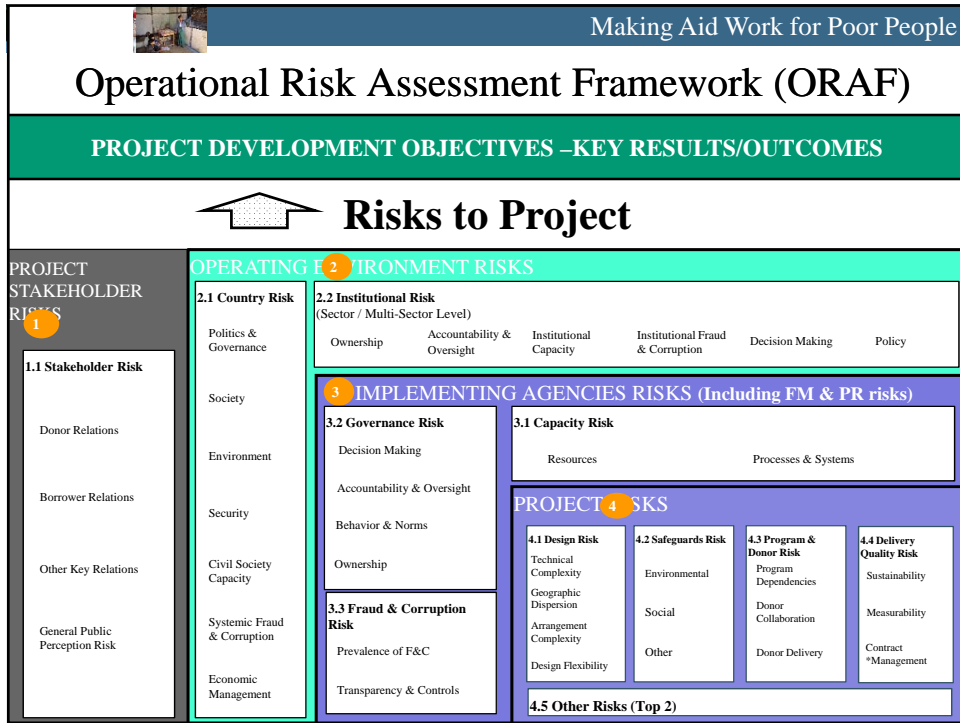


Aid works for poor people when accountability is strong



Reforms at the World Bank

- SALs to DPLs, late 1990s
- *Action Plan on Aid Effectiveness* – March 2009, post Accra
- Voice Reform & G20 support – changing authorizing environment
- Investment Lending Reform, 2010
– Operational Risk Assessment Framework
- Open Data Initiative, April 2010; Access to Information, *disclosure to access*, July 2010





Why move from supervision to implementation support?

- Philosophy of supervision out of synch with what clients are demanding
- Supervision ends up too rigid with excessive focus on compliance
- Leads to fragmented teams
- Resources a constraint (people & budget)
- Lending must adapt to demand for accountability focused on results

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Key elements of Implementation Support

Responding to need for client capacity building to focus on results:

Cultural shift (from Supervision to I. Support)

Institutional framework for assessing IS needs

Risk-based approach to IS with increased flexibility

Resources, staff skills, and systems

Country systems, efficiency gains in fiduciary and safeguards

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Open Access to Bank Information

- Inspired by Indian *Right to Information Act*
- Maximize access to Bank information
- Disclosure is default, with explicit list of exceptions
- Safeguarding the deliberative process
- Clear staff procedures for storing & disclosing information
- The right to appeal