

# The World Bank's Active Portfolio of Projects under Implementation at June 30, 2001

## EVOLVING PRIORITIES

- **The World Bank's project portfolio** of \$105 billion at the end of fiscal 2001 comprised 1,553 ongoing projects, nearly a quarter of them in Africa.
- Measured in dollars as well as number of projects, the distribution of the portfolio highlights the Bank's **sustained emphasis on investments in people, rural development with an environmental focus, and infrastructure and institution building** needed to help countries attract private investment and reduce poverty.
- The share of the portfolio in the energy as well as the oil and gas sectors has fallen sharply over the past five years, reflecting countries' success in **attracting private and other lenders** into those sectors and the Bank's focus on policy and institutional reform.
- Countries with good **policy and institutional environments** account for a markedly higher share of the portfolio today relative to fiscal 1996.
- Support for countries' efforts to combat **corruption and HIV/AIDS** has been mainstreamed and is today more than double what it was in fiscal 1996.
- The Bank continues to be a leader in providing reconstruction assistance following **natural disasters**, with growing attention to disaster prevention. In the last five years, lending for reconstruction totaled nearly \$5 billion, and while difficult to quantify precisely, disaster prevention lending is approaching similar levels.
- Portfolio management by **decentralized country office staff** has increased significantly, strengthening the Bank's responsiveness to client needs and improving portfolio health.

## TURNING THE PORTFOLIO AROUND: TWO EXAMPLES

**Water and Sanitation Sector.** Five years ago, about half the Water and Sanitation portfolio was at risk, and problem projects accounted for nearly a quarter of the portfolio. At the end of fiscal 2001, only 15 percent of projects were at risk. The radical improvement has resulted from:

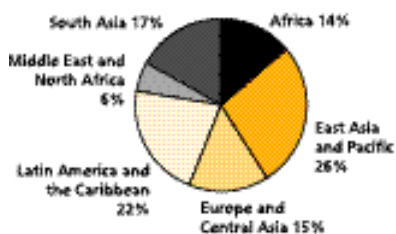
- A shift in lending away from public sector utilities that promise reforms and toward utilities that have reformed prior to Bank funding and brought private sector talent into their operations; and
- The Bank's adoption of a proactive approach toward problem projects, including quantitative performance targets and regular review and monitoring.

**Africa Region.** Operations in the Africa Region have historically faced above-average risk because of conflict-related crises, political instability, and weak governance. Despite these risks, the quality of the region's portfolio has improved markedly, as a result of:

- Linking new lending to resolution of outstanding problems;
- Providing staff with real-time data on portfolio quality;
- Tackling cross-cutting problems in risky projects through country-portfolio reviews;
- Using local staff in country offices to strengthen oversight; and
- Facilitating public involvement, awareness, and oversight of the Bank's portfolio.

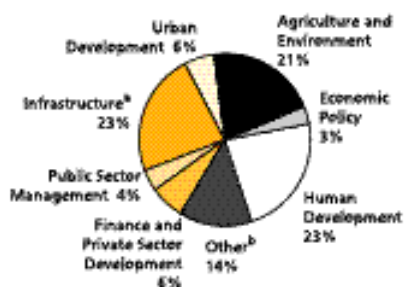
**Project Portfolio by Region, June 30, 2001**

Share of total \$105.4 billion



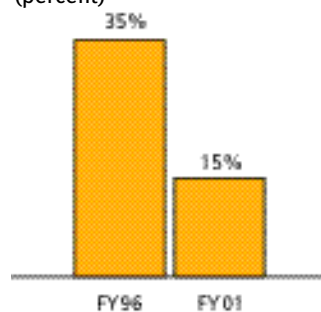
**Project Portfolio by Sector, June 30, 2001**

Share of total \$105.4 billion



**Projects at Risk of Not Achieving Development Objectives, Africa Region**

(percent)



a. Includes transportation, telecommunications, and water supply and sanitation.

b. Includes multisector, electric power and other energy, oil and gas, and mining.

Source: Quality Assurance Group.

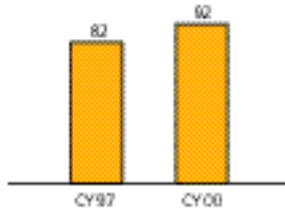
# The Quality of the World Bank's Operations: Sustained Improvement

Following five years of solid improvement, the development riskiness of the Bank's portfolio has been cut in half and is now the lowest it has been in many years. As a result, some \$16 billion of loans and credits are now better positioned to deliver results. Improvements over the five-year period have been broad based, covering virtually all regions and sectors.

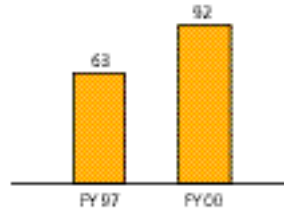
Findings of the Bank's *Annual Report on Portfolio Performance* include improved relevance of Bank assistance, consulting of stakeholders, attention to likely social and environmental impacts, oversight of fiduciary aspects, collaboration with partners, and focus on results and problem solving. Building on progress and sustaining efforts will be crucial.

## The quality of projects under implementation has improved substantially<sup>a...</sup>

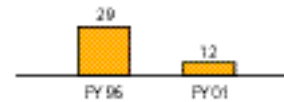
**Satisfactory Quality at Entry**  
(percent of total projects)



**Satisfactory Quality of Supervision**  
(percent of total projects)

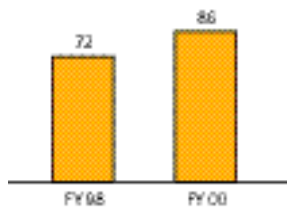


**Projects at Risk of Not Achieving Development Objectives**  
(percent of total projects)



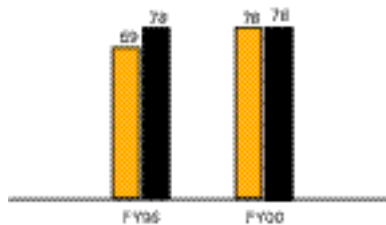
## The quality of economic and sector analytical work is also improving<sup>a...</sup>

**Economic and Sector Work**  
(percent)

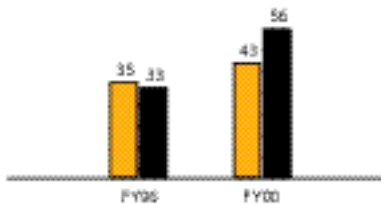


## These gains are beginning to show up in independent evaluations of projects that have closed<sup>b</sup>

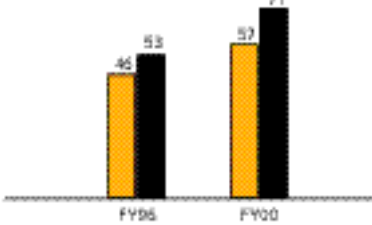
**Satisfactory Outcomes**  
(percent of total)



**Projects with Substantial Institutional Development Impact**  
(percent of total)



**Projects Whose Sustainability Is Likely**  
(percent of total)



■ Projects  
■ Disbursements

a. Data refer to the evaluation assessments by the Quality Assurance Group of a sample of recently approved and ongoing projects each year. Historical year shown represents the first year for which data are available. Calendar year figures are preliminary.

b. Data refer to independent evaluation assessments by the Operations Evaluation Department (OED) of projects that have completed their loan disbursement phase and have exited the Bank's active lending portfolio. Results for fiscal 2000 exits are preliminary, based on all currently available independent assessments, covering roughly 45 percent, as reported in the *Annual Report for Development Effectiveness 2000*.