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Impact of World Bank-Assisted Projects on Poverty Alleviation

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Abstract

The World Bank is an international financial institution responsible for issuing loans, grants, aids, etcetera to states and multinational corporations for the purpose of carrying out reconstruction and development projects and investments, respectively. Several criticisms have trailed the World Bank's project financing, especially with regards to the conditionality of economic restructuring usually imposed thereto. However, in 2013, the World Bank realigned its goal toward reducing poverty to less than 3 percent by 2030. Mechanisms such as the Poverty Reduction Strategic Paper (PRSP), Compliance Advisor Ombudsman (CAO) were created toward this end. It is in view of the foregoing that this paper examined the impact of World Bank assisted projects on poverty alleviation. This paper concluded that for the Bank to achieve its goal at the set date, a purposive approach must be adopted to ensure the participation of the various stakeholders in the poverty alleviation process.

Introduction

> More than half the people of the world are living in conditions approaching misery. Their food is inadequate. They are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to themselves and to more prosperous areas. For the first time in history, humanity possesses the knowledge and the skill to relieve the suffering of these people. (Truman, 1949, as cited in Chandy et al., 2016, p. 1).

Seventy-eight years after the above statement was made, the world is still grappling with the scourge of poverty. Poverty is a matter of serious concern to the world, as its victims and effects transcend cultural, religious, national, racial, or even continental boundaries. It is a threat to its victims, including those who have escaped it and the world at large. The recognition of this fact warranted action plans by many governments and organizations, both at the local and international level, at various times.[1]

At the dawn of the 21st Century, the United Nations formulated seven Millennium Development Goals (MDGs) for its member states. Among these goals was the eradication of poverty.[2] The target year for achieving these goals was 2015. Unfortunately, little success was achieved in most parts of the world. In 2015, the United Nations came up with 15 Sustainable Development Goals (SDGs) to be attained by 2030. The first and 10th goals of the SDGs are targeted at poverty eradication.

The World Bank Group is primarily concerned with providing aid, loans and grants to governments, corporate bodies, and not-for-profit organizations to execute infrastructural, social, and development-based projects (World Bank, n.d.). The World Bank had usually insisted on the borrowing countries to implement Structural Adjustment Programs (SAPs) reforms as a condition for obtaining loans (IBRD Article III Sect. 4, amended 2012). The claim had been that the SAP conditions were aimed at economic revitalisation. However, the preponderance of countries that implemented SAP experienced higher levels of poverty, mass unemployment, and increasing external debt levels.

The World Bank has, of recent, been more concerned with the outcome of the projects financed by the Bank than in the past. In 2013, the World Bank President announced to the international community, its new goal targeted at ending global poverty by 2030. This goal, in his estimation, will be achieved when there is a drastic reduction of the number of persons living below poverty line. Thus, the aim of the World Bank is to reduce global poverty to 3 percent or lower in 2030 (World Bank, 2016a). This decision is to reflect the redefinition of its mission statement toward poverty eradication.

In line with the foregoing statement, the burden of this scholarly sojourn is to examine or verify the impact of World Bank-financed projects and how realistic they are to the attainment of the goals of a renascent World Bank. This paper will reference specific World Bank assisted projects in Nigeria. The paper will demonstrate how the World Bank's investments in extractive industries have limited economic diversity and affected environmental sustainability in countries which borrow money from the bank. The social dimension of the study considers

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[1]"I want to see a world free from poverty. Poverty does not belong in a civilized human society. Its proper place is in a museum… Information and communications technology is changing the world more rapidly and more fundamentally than any other technology in human history. I would like to see all information available to all people everywhere (including the poorest, the most ignorant, and the most powerless) at all times, almost cost-free. Why can't we create a poverty-free world before the new century crosses the halfway mark?" Muhammad Yunus. 2000. Economist and founder of the Grameen Bank, Bangladesh. See, Muhammad Yunus, 'The Battle Against Poverty', *Encyclopaedia Britannica Student and Home Edition* (2010).

[2]Technically, the seven millennium development goals are all aimed at the eradication of poverty because the various goals are means to which poverty eradication is an end.

the World Bank's engagement of stakeholders, particularly people under the scourge of poverty, in development projects. The findings from this analysis will reveal the extent of the negative or positive impacts of the World Bank's transactions with Nigeria and other developing countries. Consequently, appropriate recommendations shall be made on the possible course of action that may be taken to remedy the situation.

World Bank

The World Bank was founded in 1944 at the United Nations Monetary and Financial Conference, more commonly known as the Breton Woods Conference (Malanczuk, 1997). Although the World Bank is affiliated with the United Nations, it is not accountable to the General Assembly nor the Security Council. When one talks of the World Bank, what is contemplated is a group that consists of five institutions: the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). They are collectively referred to as the World Bank[3] Group.

The individual institutions have different functions. The function of the IBRD is to offer loan facilities with interest rates at the subsisting market value to low and middle-income developing countries, provided they are creditworthy to satisfy their obligations thereto. On the part of the IDA, it offers loan facilities with longer timeline, yet interest-free. Other services which it renders to low-income developing countries include technical support and counsel on policy matters relating to health, education and rural development. The world's capital markets offers a platform through which IBRD generates funds, while in the case of IDA, contributions made by developed countries forms the major source from which it carries out financing operations. The IFC is the arm of the World Bank which forms alliance, offer loans, guarantees and equity financing for corporation with investment undertakings in developing countries. MIGA functions as insurer and guarantor to protect foreign investors from non-commercial eventualities occasioning losses to their investment in developing countries. ICSID operates independently in providing alternative dispute resolution mechanism, particularly arbitration, in the settlement of international investment disputes arising between foreign investors and host states (Chossudovsky, n.d.).

The World Bank is made up of 189 member countries. Each of these countries is usually represented by its finance minister or central bank governor. Ordinarily, membership of the International Monetary Fund (IMF) is a pre-condition for membership of the World Bank. However, the World Bank has the discretion to continue regarding a state as its member notwithstanding that its membership with IMF has ceased (Schermers & Blokker, 2011). The World Bank's decisions are usually reached on a weighted vote basis (IBRD, Article V

[3]In most of the literature reviewed in the course of this work, most of the authors usually refer to IBRD as World Bank and then specifically mention any of the other institutions among the World Group where they intended to refer to any of them. However, for the purpose of this work, they shall be commonly referred to as World Bank unless the otherwise is intended, in which case it shall be stated.

Section 3, 2012). Critical decisions require the consent of 70 percent to 85 percent of the votes (Shaw, 2008). This system ensures that the largest stakeholders enjoy a privileged position as a result of their financial subscription. The United States, being the country with the highest input, has always dominated the Bank and always produced its president.

The plenary organ of these agencies is the Board of Governors, which exercises authority. Out of the representatives of member countries, 25 resident executive directors are chosen to form the executive body. Their duty is to conduct the general operations of the World Bank under the powers delegated to them from the Board of Governors. The Board of Executive Directors is responsible for approval of the annual budget (see generally IBRD Article V, amended 2012). The Board of Governors of the World Bank Group, at its 2013 Spring Meetings, endorsed two goals in its new strategy of operation. These are "[1] to end extreme poverty: reduce the percentage of people living on less than $1.25[4] a day to 3 percent by 2030 and [2] to promote shared prosperity: foster income growth for the bottom 40 percent of the population in every developing country" (World Bank Group, 2014, p. 1).

Although the World Bank always expressed its mission of fighting against poverty, these two goals reiterate its commitment to erasing poverty from the world and raising the standard of living at a rapid and sustainable rate (World Bank Group, 2014). By implication, the target is to reduce the poverty headcount ratio globally from 10.7 percent in 2013 to 3 percent or less by 2030 and enabling the growth in the income or the consumption expenditure of the poorest 40 percent of the population in each country (World Bank, 2016a).

In achieving this goal, the World Bank developed a model consisting of three main elements, namely: systematic country diagnostic, country partnership framework and performance and learning review. The first variable entails a methodology that depend on data and analytical tool so as to identify the essential projections and weaknesses to poverty reduction while ensuring the sustainability element in the wealth creation strategy that takes into consideration the opinion of the poor persons and members of the private sector. The second variable entails locating the focal point for which the World Bank would channel its funding, having already identified the prospects and shortcomings based on the systematic country diagnostic approach. This is supposed to be tailored along with the developmental pathway of individual states, in view of certain considerations, such as comparative advantage of the World Bank Group involved, the expectations of the country and interest of development partners. The last variable, which is the performance and learning reviews, attempts to ascertain and galvanise lessons culled from projects that were implemented. These lessons advises the bank on the kind of interventions that may be infused at mid-intervals or at the learning and accountability stage after a circle of the project has been completed. Regional Coordinating Mechanism also has a role to play in aiding the World Bank Group perform its project at the regional level. (World Bank Group, 2014, p. 7-8).

The World Bank pursues an empowerment agenda as an integral aspect of poverty reduction. The Bank's comparative advantage lies in its relationship with

[4] Due to the Corona Virus pandemic, this figure has been adjusted to $1.90 per day.

over 100 countries. "The Bank's comparative advantage is, obviously, not to work at the community level but to advise governments based on analytical and evaluative work, to facilitate links to financial investment, and to enable others directly or indirectly to work on the empowerment agenda. The Bank is uniquely placed to provide support in four areas: (a) analysis, evaluation, and advice; (b) convening; (c) enabling; and (d) capacity building" (Narayan, p. 9).

Poverty

Poverty is the inability to cope well with the economic, political, social, and psychological expectation of one's community.[5] Poverty is said to exist when people lack the means to meet their basic needs.[6] The World Bank defines poverty with regards to income and consumption levels. "the World Bank focuses on the inability of people to generate sufficient income to purchase the necessities of life, and poverty is said to be reduced or eliminated when people achieve a minimum standard of living" (Mubangizi, 1).

The World Bank's measurement indicator of poverty scaled it at $1 per day, per person, adjusted by the purchasing power parity (PPP) as the absolute poverty line. Any individual whose income falls below this level is considered to be living in a condition of absolute poverty. This concept of poverty is criticised on the grounds that poverty is a multi-faceted phenomenon which cannot be reduced to income level only. The ability to get available basic amenities including, good educational system, sound health facilities, portable water supply etcetera, which enable healthy standard of living, where subject matter with the contemplation of the World Bank's income matrix (Adejumobi, 2006).

Adejumobi advised caution in the assessment of poverty on a global scale. He identified three major points to consider about poverty. The first point is his identification of poverty as a structural occurrence which has multiple dimension displayed on either economic, social, or political grounds. Second, poverty is neither seen as a natural occurrence nor a particular incident but borne as a result of combined factors which diminishes the people's standard of living. The third perspective is that interpretation of what poverty is, depends on the perception of each society, as influenced by their unique social and cultural universe of experience (Adejumobi, 2006).

In his study, Mubangizi is more concerned with making an enquiry as to the factors which cause or perpetrate poverty, in order to formulate preventive rather than curative solutions. According to Mubangizi, it is the "absence of distributive justice that is largely responsible for poverty production," (Mubangizi, 2).

The foregoing position agrees with the concept that poverty is a living condition wherein a person or group of people are unable to attain the majority of their basic and elementary needs for human survival in terms of good

[5] AO Oriababor, and ADO Adesina, 'The Status of Poverty Alleviation Programmes Among the Rural Women in Nigeria' (2006) 1 (1&2) International Journal of Law and Contemporary Issues 158.

[6] What constitutes basic needs may be defined to mean "those necessary for survival" or broadly put, "those reflecting the prevailing standard of living in the community". See, 'Poverty', Encyclopaedia Britannica Student and Home Edition (2010).

nutrition, clothing, shelter, foot wear, energy, transport, health, education, and recreation. These criteria, as noted earlier, differ for different social groups depending on their geographic, political, and economic realities (Ater et al, 2006).[7]

Poverty Alleviation[8]

The extent of absolute poverty in a country or a region can be measured by the number, or fraction, of people living below the poverty line. An individual whose income falls below the poverty line is regarded as "poor." Poverty may be relative when people at the bottom of the income distribution are compared those around the middle. The fraction of people with income less than half of the median income determines the relativity of poverty.

In the course of attaining poverty alleviation, the direct or indirect method has been followed. Based on the direct approach, pays attention to rendering aid to enable poor people meet their essential needs, including food, shelter, education, access to health care, etcetera. On the other hand, the indirect means consider putting macro-economic structure in place which would in turn stimulate enabling environment for poor people to earn income (Gannon & Liu, 1997). The direct approach takes cognizance of the fact that even through the dividends of the indirect approach there is an economic situation where some people are unable to utilize those opportunities. Hence, this calls for a direct redistribution of wealth in the form of aid and assistance to meet the basic needs of the poor.

There is a significant record of decline in extreme poverty globally. However, this result is credited to the improved standard of living in parts of Asia, Latin America, and the Caribbean. This is hardly the case for Sub-Saharan African countries. This region is reputed for having a headcount ratio of 41%, the highest across the world. It is also infamous for its world record of accommodating a population of 389 million poor persons. Poverty alleviation is the primary benchmark by which the essential contribution of the World Bank is measured (World Bank, 2016).

Beginning from 1970, successive Nigerian governments have initiated developmental plans which placed focus on poverty eradication (Nkemdilim, 2003). Towards this end, several tantalizing programmes including, Operation Feed the Nation (OFN), Community Based Poverty Reduction (CBPR), Green Revolution (GR), Family Economic Advancement Programme (FEAP), Directorate for Food Roads and Rural Infrastructure (DFRRI), Better Life for Rural Women

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[7]PI Ater, JC Umeh and WL Lawal, 'Comparative Analysis of the Impact of World Bank Root and Tuber Expansion Programme on Poverty Alleviation of Peri-urban and Rural Communities in Benue State, Nigeria' (International Association of Agricultural Economists Conference, Gold Coast, Australia, 2006) 2. <ageconsearch.umn.edu>bitstream.pp060218.pdf> accessed 9 August 2017.

[8]Poverty alleviation is sometimes used coterminously with poverty reduction and poverty eradication. However, the former two implies minimising poverty to the barest point; while the later connotes complete termination of poverty. The choice of poverty alleviate in this work suggest our position that it is not possible to exterminate poverty; it can only be reduced to its barest minimal effect.

Programme (BLRWP), National Poverty Eradication Programme (NAPEP), Nigerian Agricultural Corporative and Rural Development Bank (NAPCRDB), amongst others, in a bid to eliminate poverty have been conceived and implemented. Billions of naira and dollars have been invested in this regard by the Nigerian government and donor agencies such as the World Bank, IMF, United Nations Children's Fund, IDA, and others Nkemdilim, 2003).

World Bank Assisted Projects

As noted earlier, the World Bank finances projects carried out by member states, corporate bodies (especially multinational companies), and even not-for-profit organizations. The World Bank was initially formed to finance infrastructural development and the rehabilitation of Europe after the vast devastation caused by World War II and the economic recession that followed. Subsequently, the scope of the Bank's functions expanded to granting assistance to developing countries in Africa, Asia, South America, Eastern Europe, and the Caribbean. Loans provided to these countries usually included the conditionality that the government of the borrowing country must implement the SAP. This scheme requires the government to refrain from participating or controlling the economy but rather allow market forces to determine the outcome of the economy. Hence, existing public utilities were to be liberalised, commercialised, and privatised.

At first, loans were given to only governments of member states. Subsequently, the formation of the other institutions of the World Bank Groups, such as IFC and MIGA, extended its financing pre-occupation to corporate bodies. Their targets include multinational companies involved in the extractive industries. This is due to the expectation of quick financial returns on the loans offered to these companies. More so, their influence in these indebted countries, most of which are rich in natural resources, can be used to create an enabling environment for their client companies to smoothly operate.

The Bank approved $9.3 billion for the Sub-Saharan African region for 109 projects in the fiscal year of 2016. This includes $669 million in IBRD loans and $8.7 billion in IDA commitments, $200 million of which was from the IDA Scale-up Facility (World Bank Annual Report, 2016). Target areas for this fund included increasing agricultural productivity, raising access to affordable and reliable energy, building climate change resilience, strengthening fragile and conflict afflicted areas, and promoting good and quality education.[9] The Bank stated that the incidence of poverty in the region may be lower than current estimates. The high population growth was further credited as a reason for the number of Africans living in extreme poverty. The 2020 population estimation of 1.341 billion people in Sus-Saharan Africa (Worldometers, 2019) is above 50 million greater than its population size in 1990 (World Bank Annual Report, 2016).

[9] *ibid.*

World Bank Assisted Projects In Nigeria

Nigeria became a signatory to the World Bank Articles of Agreement in 1961, one year after the country's independence and 17 years after the creation of the World Bank.[10] Since then, Nigeria has continued to enjoy over 120 World Bank assisted projects and over 121 IBRD and IDA credit facilities.[11] Below is the list of subsisting World Bank projects in Nigeria:

1. Better Education Service Delivery for All. June, 2017 to October, 2022. US$611 million.
2. Nigeria-Kaduna State Economic Transformation Programme for Results (improve enabling business environment, strengthen fiscal management and accountability in Kaduna State). April, 2017 to March, 2021. US$350 million.
3. Mineral Sector Support for Economic Diversification Project (MinDiver). April, 2017 to June, 2022. US$150 million.
4. Agro Processing Productivity Enhancement and Livelihood Improvement Support Project (enhance agric productivity, encourage small and medium scale farmers). March, 2017 to September, 2023. US$200 million.
5. National Social Nets Projects. June, 2016 to June, 2022. US$183 million.
6. Natural Extractive Industry Transparency Initiative (NEITI) Reporting Compliance. December, 2016 to December, 2017. US$0.32 million.
7. Community and Society Development (accessibility of social and natural infrastructural services). June, 2016. US$75 million.

Other projects at different levels of government include, but are not limited to, the following: Development Finance Project; State and Local Governance Reform Project; NG-Polio Eradication Support: Additional Financing; Nigeria Program to Support Saving One Million Lives; Nigeria Edo State Fiscal Improvement and Service Delivery Operation; Nigeria Partnership for Education Project; 3rd Lagos State Development Operation; 2nd Additional Financing toward National Fadama Development Project; and, Additional Financing Nigeria State Health Investment Program.[12] The role of the World Bank Group as corporate financier is well noted. Its presence in the extractive industry is particularly felt. MIGA is reported to have guaranteed the sum of $200 million for the purpose of gas pipeline and processing plant construction in Nigeria.[13]

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[10]Jonathan Gandu Joseph, 'World Bank and Crises of Development in Nigeria (1999 to 2008)' (MSc Thesis, Department of Political Science Department, Faculty of Social Sciences University of Nigeria, 2010) 12.

[11]<http://www. answers.com/economyofNigeria/2/5/2009> accessed 9 August 2018.

[12]'Source' <www.worldbank.org/en/country/nigeria/projects/all> accessed 9 August 2018.

[13]World Bank Group, 'The World Bank Group in the Extractive Industries', (2016) Annual Review. 4. <documents.worldbank.org.112709-AR-WBG-in-Extractive-Industries-Annual-Review-2016-PUBLIC.pdf> accessed 16 December, 2020.

World Bank and Corporate Funding

The Sankofa gas project, launched by the Ghana National Petroleum Corporation, received a World Bank financial boost in the range of $700 million.[14] In 2016, the amount expended in support of the extractive industry by the World Bank Group grossed $3.1 billion.[15] Additionally, a World Bank finance project is targeted at the establishment of an oil field in Southern Chad, with a 1,070 kilometer pipeline linkage to an off-shore facility in the coast of Cameroon.[16]

The foregoing has provoked queries regarding whether the World Bank's involvement in extractive industries falls in line with its poverty alleviation and sustainable development objections. As Nadia Martinez writes,

> Although, the Bank is a taxpayer funded institution whose mission is to help the poorest people on the planet, it is putting the interest of oil companies based in rich countries ahead of the needs of the world's poor…However, the Institute for Policy Studies' research suggests that 82% of the Bank's oil extraction projects wind up supplying consumers in the United States and Europe. The Institute has also calculated that the main beneficiaries of the Bank's fossil fuel extractive projects are Halliburton, Shell, Chevron Texaco, Total, and Exxon Mobil. The Bank's own review of extractive industries was proof enough that oil companies' profits do not trickle down to the people the Institution is supposed to serve.[17]

Concerns have been raised as to the overall effect the World Bank's partnership with private corporations may have. It has been suggested that it may undermine the role of the state as the primary provider of basic goods and services, thereby leading to a reduction of countries in need of their services.[18] This may not necessary be as a result of the self-sufficiency of these countries but may be in form of people protest that World Bank is giving more impetus to corporate entities whose activities are perceived to be of adverse effect to their interest.

The World Bank has justified its financing of extractive industries by suggesting natural resources are harnessed toward economic growth and sustainable development for all.[19] Hence, it is multinational companies that invest and operate in extractive industries that are direct beneficiaries of the World

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[14] *ibid.*

[15] *ibid.* 8.

[16] Extractive Industries Review, Striking a Balance: The World Bank Group and Extractive Industries. Final Report. (2003) vii. <www.extractiveshub.org-get-010+Volume+l+-+The+World+Bank+and+Extractive+Industries.pdf> accessed 16 December, 2020.

[17] N Martinez, 'World Bank Ignores Own Advice!' (2004) 102 Review of African Political Economy 703-5.

[18] 'What are the Main Concerns & Criticism about the World Bank and IMF', <www.brettonwoodproject.org/2005/08/art-320869/> accessed 9 August 2017.

[19] Holly Wise and Sokol Shtylla, 'The Role of the Extractive Sector in Expanding Economic Opportunity', (2007) Kennedy School of Government, Harvard University, Corporate Social Responsibility Initiative Report No. 18. 7. <www.hks.harvard.edu_files_report_18_EO+Extractive+Final.pdf> accessed 9 August 2017.

Bank's financing activities. As corporate bodies, the driving force for any of their undertakings is that such is regarded as a business venture. The end result of any of their ventures is profit-oriented. Funds used for corporate social responsibilities and other charitable activities are a small component of their profits. Even when they are executed, it usually has an undertone of direct or indirect benefit to the companies themselves.

The mission of poverty eradication will not be well-served if everybody goes about their activities or businesses as usual. There has to be some altruistic extension of services by the rich to raise the poor above the standard of poverty. Assuming the World Bank is playing an altruistic role in that regard, it is submitted that the polling of the Bank's resources in favor of organizations that do not understand what it means to play such altruistic role runs afoul and is capable of making the Bank's mission of poverty alleviation head for an imminent failure.

World Bank Projects and Environmental Impact

The World Bank promotes private investment in extractive industries in two different ways. First, it seeks to influence the investment environment using its macroeconomic adjustment programs and technical assistance loans to promote trade and investment liberalisation, privatisation, deregulation, legislative reforms, government institutional support, and capacity-building. Second, it gives direct investment support to corporate multi-national companies in the extractive industries by financing or guaranteeing specific projects.[20] The activities of corporate entities in the extractive industry are inherently environmentally unclean given their reliance on fossil fuel and production of fossil based products. World Banks' investment in these entities is a tacit impetus to their malfeasance and protection from the consequences of their wrong in view of the influence which they wield over the host country. Thus, an enabling environment is created for the smooth operation of the multinational companies, s it is their primary interest to do so.

Similar to every other credit-facilitating institution, the World Bank's funded projects are determined on the basis of returns and security of financial investments and the ability of debtors to repay loans. Environmental impact assessments were rarely carried out on the projects and minimal consideration was given to the potential social, human, and environmental costs. For example, a World Bank-financed project executed in the Gambella Region of Ethiopia resulted in the displacement of 1.5 million people from their homes.[21] In another instance, the construction of the Sardar Sarovar Dam in India continued to enjoy funding from the World Bank for years despite its displacement of a million

[20]Scot Pegg, 'Poverty Reduction or Poverty Exacerbation? World Bank Group Support for Extractive Industries in Africa', (2003) 6. <https://www.oxfamamerica.org>files>poverty-reduction-or-poverty-exacerbation.pdf> accessed 9 August 2017.

[21]Osuntogun A Jacob, Global Commerce and Human Rights: Towards an African Legal Framework for Corporate Human Rights Responsibility and Accountability. (PhD Thesis, University of the Witwatersrand, 2015) 185.

people.[22] It was called to order only after loud outcry by global civil society groups, after all assessment reports pointed out the environmental and financial unsustainability of the project.[23]

There are other World Bank-funded projects which flout the principles of environmental and social sustainability, including the approval of oil pipeline projects in Cameroon and Chad and a resettlement project in China, which resulted in the displacement of ethnic Tibetans and Mongol nomadic herders. In 2000, the Bank admitted that under its portfolio, 2.6 million people worldwide were adversely affected by forcible eviction, loss of land, or loss of livelihood. For the year 1999 fiscal, the IFC earmarked 19.1 percent of its investments for oil, gas, mining, timber, pulp, and paper operations. Despite the obvious environmental impact of these projects, far lesser financing is granted for environmentally-sustainable projects. An informal US government white paper shows that spending on the environment has decreased from 3.6 percent of the Bank's overall portfolio in the 1994 fiscal year to 1.0 percent in the 1998 fiscal year.[24] This position was confirmed by the World Bank which stated that the funding committed to environmental projects decreased by 32.7 percent between 1998 and 1999.[25]

Between 1992 to 2002 the World Bank was noted to have deployed nearly US$25 billion into fossil fuel-based projects, which is responsible for releasing at least 46.7 billion tons of carbon dioxide emissions.[26] The grave impact the emission of carbon dioxide has on the ozone layer and the resulting climate crisis is well-noted. The climate crisis will lead to unstable weather conditions, desertification, rising sea levels, and natural disasters such as flooding, tsunamis, erosion, etcetera. The agricultural sector would be heavily impacted by these consequences. It is well-known that the majority of poor people live in rural areas and their main source of income is farming. If their means of subsistence is under great threat as a result of the climate crisis, their poverty situation would likely continue or worsen.

Even the World Bank noted that "warmer global temperatures and projected sea-level rise threaten both future poverty reduction and the sustainability of past gains that were achieved through decades of work. The adverse effects of climate change fall disproportionately on the poorest countries and the poorest groups within countries."[27] A report in a publication titled, *Shock Waves: Managing the Impacts of Climate Change on Poverty*, released shortly before the 21st Conference of the Parties (COP 21) on climate change talks in Paris, warned that without rapid action, climate change could push more than 100 million people into poverty by 2030.[28] Further projections suggest that by 2080 about

[22]Vikas Nath, 'World Bank: A Step Forward and a Step Backward Do We Need this Institution?' 4. <www.cddc.vt.edu>knownet>Iseworld.pdf> 7 August 2017.
[23]*ibid.*
[24]*ibid.* 4-5.
[25]See, World Bank, <http://www.foe.org/international/worldbank/wb.pdf> accessed 7 August 2018.
[26]Sustainable Energy and Economy Network/Institute for Policy Studies, 'The World Bank and Fossil Fuels: A Clear and Present Danger', (2002).
[27]World Bank. (n. 14) 3.
[28]World Bank, (n. 38) 17.

600 million people worldwide will suffer from malnutrition as a result of climate change.[29] Based on these projections, the Bank is far from achieving its goal.

The adoption of the SDGs by the United Nations in September 2015 and the signing of the Paris Agreement on Climate Change in April 2016 marked a strong recognition by the international community that economic growth, poverty reduction, and environmental sustainability are inextricably linked to achieving sustainable development.[30] 78 percent of the world's poor people live in rural areas. Most of them depend on agriculture as their source of livelihood. Enabling the environment to increase farm productivity and resilience, strengthening farmers' links to markets, and making food obtainable at affordable rates are viable means to end poverty and boost shared prosperity.[31]

Environmental pollution is a common occurrence in communities where commercial entities are involved in extractive activities. This pollution could be due to the very nature of the industry, disregard for environmentally sustainable measures in exploitation of natural resources, or acts of sabotage from third parties. In Nigeria, there have been various incidences of environmental pollution arising from oil spillage, pipeline explosion or vandalization. In Ogoniland of the Niger Delta region of Nigeria, the oil spillage by Shell pipelines have rendered the affected land area useless to agricultural yield. The life of fauna in bodies of water where oil has been spilled is highly threatened. The anthropogenic activities of World Bank-supported extractive industries have led to local communities losing their livelihoods of farming and fishing. In the Jos area of Plateau State, Nigeria, there are large areas of arable land mass lost to gullies which were formerly tin mining sites. Having ransacked the earth of its resources, the companies simply move to the next available site without filling up those gullies. A study demonstrated the large mass of arable farm land that is lost to tin mining endeavours in Jos South. These activities has occasioned "soil erosion problems, swampy nature of neglected mined excavation, mine dump, pits and industrial use of the arable land", thereby causing "low productivity in crop farming, land fragmentation, land disputes and conflicts, and unemployment in the area" (Adegboye, 82). Significantly more people could have been employed if those lands were available for farming purposes. This could have also increased the food production from the area. In the event a project creates a high rate of return but adversely affects the poor population, its politically-judged contribution to social welfare may warrant careful reconsideration and reconstruction.

Involvement of the Poor in World Bank Projects

It is usually said that he who wears the shoe knows where it pinches. Another person cannot claim to know the part of the body in which a sick person feels pain. Similarly, the poor know their respective needs better than any other person may claim to know. Hence, the needs of the poor cannot be met without consulting the poor population and granting them participation in the

[29]Sanni M Adam, 'Law and Policy on Environmental Protection and Challenges of Climate Change', (2012) 1 Uniabuja Liberal Chambers Silk 175.
[30]World Bank, (n. 38) 15.
[31]*ibid.*

process. In the event the poor population boycotts the poverty alleviation process, there is no way the scourge will be effectively tackled.

Participation is "a process through which stakeholders influence and share control over development initiatives, decisions, and resources which affect them."[32] Participation can come in different means, ranging from information sharing and consultation methods, to mechanisms for collaboration and empowerment that give stakeholders more influence and control.[33]

In every endeavour, there are persons who are referred to as stakeholders. Stakeholders in terms of World Bank-financed operations are persons who are likely to gain or lose something as a result of a project or policy intervention, or those capable of affecting the outcome of an intervention. These categories include:

i. The Borrower: The World Bank's most direct clients and beneficiaries are the governments and agencies responsible for project or policy implementation.[34]

ii. The Poor (key stakeholders): The ultimate goal of the World Bank's interventions is to help countries reduce poverty. Thus, the poor become a key target and are stakeholders in this regard. However, the poor often lack information and power and are often left out of the development process. Particular attention should be given to vulnerable groups such as the women, children, physically challenged persons, indigenous people, and minority groups.[35]

iii. Other Affected Groups: This includes other individuals, families, communities, or organizations who may be positively or negatively affected by the World Bank's financed projects or policy interventions.[36]

iv. Interest Groups: This includes others who have vested interests in development initiatives including donors, civil society groups, opinion leaders, Non-Governmental Organizations, religious and community organizations, local authorities, and private sector firms. The World Bank, as well, is a stakeholder in its work with client countries.[37]

Economic growth alone cannot guarantee a considerable reduction in poverty. Research shows that Nigeria did not experience commensurate poverty reduction even in periods of economic growth.[38] This supports the point that economic growth must be deliberately accompanied with equity, promoted by

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[32]The World Bank, 'The World Bank and Participation', (1994) Operations Policy Department.
[33]Jennifer Rietbergen-McCracken and Deepa Narayan, 'Participation and Social Assessment: Tools and Techniques', (1998) The International Bank for Reconstruction and Development/The World Bank 4. <www.oikodomos.org>references>text>amartin_11_Toolkit_participation.pdf> accessed 9 August, 2017.
[34]*ibid.*
[35]*ibid.*
[36]*ibid.*
[37]*Ibid.* 66.
[38]Ezeora J Nkemdilim, 34.

the participation of the poor themselves in the activities that would alleviate poverty, which is vital to sustainable poverty reduction.[39]

The pertinent question to ask at this point is whether the World Bank appropriately consults and enables the participation of the poor in its projects and policies. In answering this question, it shall be considered from two perspectives. The first view is the interest of poor member countries in the organization, while the second view is the stake of poor citizens of the countries receiving aid from the Bank.

On the first perspective, it is contended that the World Bank does little to serve the cause of the poor. This view may be hard to fault if one looks at the organizational structure of the bank. The structure lacks the principle of equality of states. Elections into positions and the decision-making processes of the organization are determined by weighted votes according to the financial subscriptions of states.[40] Developing countries, the main beneficiaries of the loans and policy advice, have insignificant voices in the organization. The SAP conditionality is nothing other than the ideals of capitalism, which the United States and other western countries with influential positions have used to foist on the organization and the developing countries who depend on such loans for their economic stability. The Bank was used as an instrument in advancing the ideological Cold War between the United States and former Soviet Union. Poor countries, especially in Africa, were torn between leaning toward the capitalist ideology of Western Europe or the socialist ideology of Eastern Europe. Whereas a developing country typically maintains a socialist disposition, the United States used its dominant position, as the largest contributor with the highest percentage of voting power,[41] to block the grant of such loans by the World Bank. Otherwise, lending countries are forced to adopt the SAP conditionality and a capitalist model for their economy.

On the second perspective, it is doubtful whether poor citizens are taken into consideration in the execution of World Bank projects. The Bank is not involved in the actual execution of the projects in the borrowing countries. They merely issue the funds to the government or corporate bodies to execute the projects. This approach is unsatisfactory. If the World Bank has taken it upon itself to eradicate poverty, it must be concerned with the outcome of the project for which funds are issued. They must also ensure that poor people are engaged to certify that the project meets their needs. The various poverty alleviation schemes launched over the years in Nigeria, beginning from Operation Feed the Nation to the Agricultural Development Projects, have not successfully addressed the issue of poverty. This failure has been attributed to their short-term and top-down execution approach, which is unsustainable.[42]

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[39] *ibid.*

[40] "At the beginning of the 21st century the United States exercised more than one-sixth of the votes, more than double that of Japan, the second largest contributor… In the late 1990s approximately 2 percent of the votes were held by 25 African countries combined". Michel Chossudovsky, 'World Bank'.

[41] Elmira Makova, 'Role of the World Bank and IMF in Issuing Loans to Russia: Responsibility, Tricks, Corruption, Mafia, and Important Use of Legal Enforcement', (LLM Thesis, University of Georgia, 2005) 37.

[42] The World Bank, 2002. Why Poverty Reduction Strategies have failed Nigeria: The Guardian, 25 and 27.

Several barriers arise at different levels to prevent the poor from having a real stake in development activities. Identified barriers include social stratification, peculiar experience, infrastructural functionality, illiteracy, limited economic prowess, institutional control, limited access to information, and the caliber of the project.[43] Special arrangements and efforts must be employed in reaching and engaging the poor by the sponsors. A needs assessment and the services of community-based organizations, which are closer to the grassroots, can be employed. These measures must go beyond those used to engage government officials and other relatively powerful stakeholders in the participatory processes.[44] "They too must be enabled to influence and share control over development initiatives and the decisions and resources which affect them,"[45] during the preparation, planning, and implementation stages of such projects.

A study by the Bank's Operations Evaluation Department (OED) found that the Bank's financed projects that were managed by local communities were slightly more successful than those managed by other entities. Additionally, after a detailed analysis of village water and sanitation committees in two Indian states, it was found that water system effectiveness, operation, and maintenance were strongly due to transparency of information, followed by ownership, participation, and inclusion.[46] The four elements of empowerment are information, inclusion and participation, accountability, and local organizational capacity. The combination of these elements leads to more effective, responsive, inclusive, and accountable institutions. Such institutions enable poor people to develop their own capabilities, increase their assets, and move out of poverty.[47]

World Bank and Economy Diversification

The World Bank is partly responsible for the monochromic economy of Nigeria and most African countries. This was achieved by the instrument of the SAP in the resource-rich countries of Africa. Instead of promoting economic diversification and developing other sectors of the economy, the Bank chose to provide support and encouragement for the increased production of primary commodities and the excessive reliance on the extractive sectors for export revenue. For instance, between 1992-2005 the Bank issued $18.5 billion for the purpose of the execution of coal and petroleum ventures in 25 developing economies.[48] Their focus was on revenue generated from the oil, gas, and mining sectors in the hope that enough foreign exchange would be quickly generated to enable the rapid payment of debt to the World Bank and other creditors.[49] The

[43] OD Kolawole, and DO Torimiro, 'Nigerian Poor Majority: Issues and Challenges in the 21st Century',
(2006) 1 (1) Research Journal of Social Sciences, 11, 11.

[44] World Bank, The World Bank Participation Sourcebook, (1996) 7. <documents.worldbank.org>multi-page.pdf> 9 August 2017.

[45] *ibid.* 8.

[46] Deepa Narayan, 6.

[47] *ibid.* 24.

[48] Emeka Duruigbo, 'The World Bank, Multinational Oil Corporations, and the Resource Curse in Africa'. (2014) 26 (1) University of Pennsylvania Journal of International Law 1, 27.

[49] Scot Pegg.

failure of the adjustment policies to foster long-term economic growth in Africa has led to commodity dependence, unviable economies, balance of payment deficits and, ultimately, increases in poverty.[50]

The World Bank's adoption of similar developmental approaches for the reconstruction of Europe came under severe criticism. In the late-1960s, pressure mounted from international civil societies against the Bank's role in manipulating development to suit their ideals. The World Bank's approaches were seen as hindering diversity and self-reliance of domestic economies of developing countries. This pressure caused the World Bank's then-president, Robert McNamara, to redefine the mission of the institution. Thus, it focused on poverty alleviation throughout the world.[51]

However, the development approach of the bank remained the same. Strong emphasis is still placed on mega-projects and resource exploitation-based projects for export to industrialized countries. Studies have shown that these sorts of projects do not lead to poverty alleviation but rather environmental and human devastation.[52] In 2004, the Bank's own Extractive Industries Review (EIR) found that "project funding in the extractive industries has not had poverty reduction as its main goal or outcome… Increased investments have not necessarily helped the poor; in fact, often times the environment and the poor have been further threatened by the expansion of a country's extractive industries sector."[53]

The possible effect of over-dependence on natural resource wealth is a depressed long-term growth rate. This creates two possible effects that work in tandem to suppress domestic growth rates. First, resource booms tend to cause real exchange rates to rise due to the large inflow of foreign exchange generated by the increased resource exports. Second, labor and capital are likely to migrate from other productive sectors to the booming resource sector. Consequently, there are higher costs and reduced competitiveness for locally-produced goods and services, thereby reducing agricultural and manufacturing exports. [54]

Several African countries have been caught by this phenomenon. For instance, the oil boom in Congo-Brazzaville occasioned a corresponding decline in the production of coffee, cocoa, and sugar due to rural dwellers leaving the plantations for migration to the cities.[55] Cameroon had a similar experience during its oil boom in the early 1980s, as oil accounted for two-thirds of the country's export revenue.[56] In Gabon, a country which already faced food insecurity, oil dependence exacerbated this situation to the point where only about 1 percent of the country's total land area was utilized for cultivation

[50]*ibid.*
[51]Janet Redman, 'Dirty is the New Clean: A Critique of the World Bank's Strategic Framework for Development and Climate Change' (2008) 4. <priceofoil.org>dirtyisnewcleanfinal.pdf> accessed 9 August 2017.
[52]*ibid.*
[53]*ibid.*
[54]"This phenomenon has come to be known as "Dutch Disease" after the negative effects of the North Sea oil boom on industrial production in the Netherlands." *ibid.* 9.
[55]*ibid.*
[56]Janet Redman.

purposes.[57] Consequently, Gabon depends wholly on imported food to meet domestic needs.

In Nigeria, the situation is not any different from the situation of the various African countries captured above. This could be inferred from the disappearance of the groundnut pyramid in the North, the decline of cocoa production in the Southwest, and the disintegration of rubber plantations in the former Mid-western region. The rural-urban migration for "oil money" is largely responsible for the overpopulation of cities such as Port Harcourt, Kano, and Lagos.[58]

The resultant effect is still felt on the Nigerian economy. The economic recession that the country currently faces is, to a great extent, attributable to over-dependence on the oil and gas sector as the main stay of the economy. The drop of the oil price in the global market is negatively impacting the economy. The low returns on foreign exchange due to the high capital flight from the importation of foreign goods leads to a balance of payments deficit and the inability to finance the country's budget. If other sectors of the economy, especially the agricultural and manufacturing sector, were as developed as the oil industry, the situation would be different.

Changing Role of World Bank

The Meltzer Commission set up in 1998 by the US government to proffer advisory opinion on US interactions with international financial organizations, gave a devastating verdict in 2000 that the World Bank has outlived its relevance to the global mission of achieving poverty alleviation. The report found that 80 percent of the Bank's resources are not devoted to the poorest of developing countries but rather to the countries with better creditworthiness with the ability to raise funds in international capital markets.[59] It further stated that the failure rate of the Bank's projects is close to 70 percent in the poorest countries and up to 60 percent in all developing countries.[60]

In rising to the defence of the World Bank, Vikas Nath argued that most of the criticisms against the World Bank are for its past actions and not based on current knowledge and situations. The situation at that time may have warranted the World Bank's actions. He is quoted as saying:

> From the do-no-harm approach, which emphasized minimizing harmful effects of projects, it has moved to targeted environmental improvement that recognizes the linkages between poverty, development and environment (World Bank Website). Environmental review procedures have gained importance in the

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[57] *ibid.*

[58] Paul Oluwatomipe Adekola, 'Migration, Urbanization and Environmental Problems in Nigeria', in John Lekan Oyefara, (ed.) *Migration and Urbanisation in Contemporary Nigeria: Policy Issues and Challenges* (2016) 1, 3.

[59] Meltzer Commission, Report on International Financial Institutions, (2000) <http://csf.colorado.edu/roper/if/Meltzer-commission-mar00> accessed 8 August 2017.

[60] *ibid.*

> Bank's lending program and have become mandatory for certain kinds of lending. The Bank now requires all projects to undergo Environmental Assessments (EAs) at the project, regional and sectoral level. More specifically, the projects do get amended or downsized to comply with environmental regulations.[61]

Arguing further, he said the Bank is shifting away from the dominant image of providing structural adjustment loans to making poverty elimination its central mission. It has started funding new areas of operation, such as promoting good governance, better knowledge management, and fighting the HIV/AIDs pandemic. The World Bank continues to be the single largest source of funding for primary education programs for the poorest countries of the world, he concludes.[62]

There appears to be some validity in Nath's assertion above. There are some reforms and restructurings in the Bank's operations. The World Bank currently adopts the Poverty Reduction Strategy Paper (PRSP) process which was first introduced for Highly Indebted Poor Countries (HIPC) in 1999. This approach entails allowing leaders, administrators, analysts, and other stakeholders from within a country to take the lead in developing a locally-conceived process to set out a long-term strategy for fighting poverty based on the latest available data and analysis.[63] This is as opposed to the previous World Bank approach of externally-imposed conditions for development. The process usually begins with the measurement of poverty and an analysis of its dimensions and causes. Based on the findings, extensive dialogue is conducted about which action plan should be put in place to reduce the number of poor people. Once poverty is measured and the poor are identified, the next step is to choose the most viable public actions and programs that have the most effective impact on poverty. Additionally, the approach identifies indicators of progress and monitors the resultant change in a systematic manner.[64] The World Bank typically insists on monitoring the process.

On the participatory element of PRSPs, it is important to emphasise that what occurs in many countries is consultation rather than participation. The Interim-PRSPs, which often forms the basic document for the framing of the final PRSP, is usually not prepared through any process of participation. Instead, it is prepared by the report of technocrats in collaboration with the IMF officials and the World Bank. Consultation with civil organizations only takes place after the framework and the main elements of the PRSPs have been determined.[65]

Both the IBRD and IFC have policies that require consultation with communities in order to safeguard against their projects harming the community and its environment. The World Bank Group has also formulated mechanisms for community members to channel their complaints directly to the Inspection Panel and the Compliance Advisor Ombudsman (CAO), which are independent offices of the Group. The CAO is tasked with investigating and reporting on

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[61]Vikas Nath 8.
[62]*ibid.* 11.
[63]Haughton and Khandker, 'What is Poverty and Why Measure it?' 6. <siteresources.worldbank.org>resources> accessed 9 August 2017.
[64]*ibid.*
[65]Said Adejumobi 19-20.

violations of the above-stated policies. Report shows that, in practice, little or no pragmatic outcome is achieved when communities come under attack.[66] A CAO report found that the IFC's culture of determining success in financial terms encouraged staff to "overlook, fail to articulate, or even conceal potential environmental, social, and conflict related risks."[67]

It is not just enough to carry out projects in developing countries. It is also important for an assessment of the impact of the projects on the poor, who are the ultimate targets of the projects, to be conducted.[68] Particular interest must be taken of the extent to which project benefits reach the poor and the impact they have on their welfare. Some of the questions that should be answered on impact evaluation include the following: How did the project affect the beneficiaries? Were any improvements a direct result of the project? Would they have improved without the project? Could the program's design be modified to improve impact? Were the costs justified?[69]

This is the crux of monitoring and evaluation, which the World Bank must take into consideration in order to achieve their goal of poverty eradication. This is most important in climes like Africa and Nigeria, in particular, where the scourge of corruption has eaten deep into the fabric of public service and there is a likelihood of diversion and misappropriation of funds meant for developmental projects by public office holders. As of 2019, the country ranked 146th out of 180 countries in Transparency International's Corruption Perception Index.[70]

The Nigerian government usually engages the services of foreign consortiums to execute procurement contracts after accessing funds from financial institutions such as the World Bank. There are instances where some of these foreign consortiums bribe Nigerian public office holders in order to enable them to inflate the contract price of goods and services to be supplied. A case in point is the Halliburton[71] scandal, where the company was found to have bribed some Nigerian officials into forming an unholy alliance to inflate contract prices for the Bonny Island Liquefied Gas project.[72] In other instances, Siemens and Willbros were found to have offered bribes amounting to $14.6 million and $6

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[66]Human Right Watch, 'At Your Own Risk: Reprisals against Critics of World Bank Group Projects', (2015) 2. <https://www.hrw.org>sites>files>rep.worldBank0615_4Up.pdf> 9 August, 2017.

[67]*ibid.* 18-19.

[68]Poverty impact assessment can be applied to a wide range of specific projects, such as: measuring the impact of microfinance programs on household income; the impact of a training program on labour and employment; the impact of a school feeding program on student attendance; or the impact of the construction of rural roads on household welfare. See, Judy L Baker, 'Evaluating the Impact of Development Projects on Poverty: A Handbook for Practitioners', World Bank (2000) vii <siteresources.worldbank.org>handbook.pdf> accessed 9 August, 2017.

[69]*ibid.* 1.

[70] Transparency International, 'Corruption Perception Index', (2019) <https://www.transparency.org/en/countries/nigeria> accessed 16 December, 2020.

[71] Patrick Ukase and Ben Audu, 'The Role of Civil Society in the Fight against Corruption in Nigeria's Republic: Problems, Prospects and the Way Forward', (2015) 11 (2) European Scientific Journal 171, 172.

[72]International Consortium of Investigative Journalism, 'Files Open New Window on $182 Million Halliburton Bribery Scandal in Nigeria', <https://www.icij.org/invetigations/swiss-leaks/files-open-new-window-on-$182-million-halliburton-bribery-scandal-in-nigeria/> accessed 16 December, 2020.

million to former ministers and government officials, respectively, in order to win lucrative telecommunications and petroleum contracts.[73] Such incidents have alerted the government to monitor procurement contract processes, which enabled the government to prevent $500 million in leakage due to the bloated contracts and subsequent blacklisting of foreign consortiums involved in the failed racket.[74]

There are rampant cases of public misuse of World Bank funds in the form of disbursements to cronies and disbursements for political purposes other than the developmental projects for which those funds were provided. This is peculiar to developing countries in Africa, including Nigeria. Despite this well-known fact, the World Bank had looked on helplessly for years. The Bank seems to have been incapacitated by Article IV Section 10 of its Article of Agreement, which limits the Bank's decision-making consideration to economic factors, while it is to turn a blind eye to the political activities of the borrowing states. Hence, public misappropriation of World Bank funds was considered a political issue which it had to ignore. However, in the light of its new developmental objectives, the World Bank established an independent sanction system to checkmate the issue of corrupt practices in the utilization of World Bank funds for its intended purposes.[75] Despite its success in imposing sanctions in the Cosnia Consultancy case, Dutchmed case, Karl Storz case, Hifab International case, etcetera, it has been noted that this system has been affected by issues of transparency, legitimacy, due process shortcomings, and a lack of a legal framework for its operation.[76]

Conclusion

This work has evaluated World Bank-sponsored projects and its impact on its mission of poverty eradication from the world. The Bank has made an effort to reduce poverty in the world. It would be unfair to say that no impact has been made. In fact, studies carried out by researchers of two rural road development projects in Bangladesh found an approximate 5-7 percent poverty reduction in the project villages within a period of 5 years.[77] However, more impact may be realized if the issues identified in this work are resolved. If the status quo continues, the Bank will be a far cry from achieving its mission of

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[73]Estelle Shirbon, 'Nigeria to Investigate Siemens Bribes Scandal', Reuters 19 May, 2010 <https://jp.reuters.com/article/nigeria-siemens-idUSL193502420071119> accessed 16 December, 2020.

[74]Augustine Nwabuzor, 'Corruption and Development: New Initiatives in Economic Openness and Strengthened Rule of Law', (2005) 59 Journal of Business Ethics 121, 131; 'Nigeria Bans Siemens over Bribery Scandal', Voice of America News, 1 November, 2009. <https://www.voanews.com/archive/nigeria-bans-siemens-over-briberyscandal?amp> accessed 16 December, 2020.

[75] Constiantino Grasso, 'Corruption in World Bank-financed Development Projects: A Phenomenon-focused Examination', in Corruption in the Global Era: Causes, Sources and Forms of Manifestation, (Routledge, 2019) 258, 259.

[76] Stefano Manacorda and Constiantino Grasso, *Fighting Fraud and Corruption at the World Bank: Critical Analysis of the Sanction System*, (Springer, 2018) 35.

[77]Shahidur R. Khandker, Zaid Bakht and Gayatri B. Koolwal, 'The Poverty Impact of Rural Roads: Evidence from Bangladesh', (World Bank) p. 18. <web.worldbank.org>WEB>WPS38750.pdf> accessed 9 August, 2017.

poverty eradication by 2030. In view of the foregoing, the following recommendations are made.

Recommendations

The World Bank should move away from promoting massive infrastructural projects that only serve its interests and those of donor governments. Funding of projects should be mainly based on full national participation and should take environmental factors into consideration in decision-making processes. Objectivity and information transparency could help solve many challenges for the Bank, as it will occasion the participation of the recipient government and other key stakeholders of the project. More attention should be paid to the funding of small- and medium-scale sustainable project models, which build upon the knowledge of local people, promote equitable development, and refrain from destroying the social fabric of the people.[78]

Poverty reduction strategies are usually given a rural focus. This is especially true for Africa, where urbanization levels are low. Although the majority of poor people are resident in rural areas, there is a high rate of rural-urban migration of people in search of greater economic opportunity. Thus, the attention of poverty reduction strategies should also be devoted to urban areas, taking into consideration the rate of rural-urban migration.[79]

The World Bank should take serious concern for the consultation and participation of stakeholders in the developmental process. Stakeholder engagement should be targeted at encouraging inclusiveness and partnership, which mirrors the views of the community in the decision-making and problem resolution strategy.[80] Special consideration should be taken of the following for the stakeholder participation strategy:

a. Stakeholders of high influence and high importance should be closely involved throughout the process to ensure their support for the success of the project;
b. Stakeholders of high influence but low importance, though not the target of the project, may oppose the intervention; hence, there is a need to keep them informed and their views acknowledged to avoid disruption or conflict;
c. Stakeholders of low influence and high importance deserve special efforts to meet their needs and ensure their meaningful participation;
d. Stakeholders of low influence and low importance do not need to be closely involved in the project and do not need special participation strategies other than (general public) information-sharing strategies.[81]

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[78] Vikas Nath 12.
[79] Deniz Baharoglu and Christine Kessides, 'Urban Poverty' (World Bank) p. 134. <siteresources.worldbank.org.4418_chap16> accessed 9 August, 2017.
[80] Brackmann, S. M. Community Engagement in a Neoliberal Paradigm. (2015) 19 (4) *Journal of Higher Education Outreach and Engagement* 115, 118.
[81] Jennifer Rietbergen-McCracken and Deepa Narayan, 70.

The World Bank should also give serious consideration to the assessment and evaluation of projects, in order to determine their social, economic, and environmental impact. This should determine the actual funding or continuous funding of a project. Failure in this regard has given rise to situations where World Bank projects fail to meet the immediate needs of the people. An emphasis on the needs assessment of the people would go a long way in resolving this challenge.

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