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CHAIRMAN JIM SAXTON

PRESS RELEASE

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**OBJECTIVE PERFORMANCE AUDITS OF WORLD
BANK PROJECTS ARE NEEDED**

WASHINGTON, D.C. – Independent and credible performance audits of World Bank programs are urgently needed, Joint Economic Committee (JEC) Chairman Jim Saxton said today. Current World Bank claims of its project successes often are virtually meaningless because most of its evaluations are completed at the final disbursement of funds, not after the project has actually been underway and borne results for several years. Recently Saxton released a study, *Are World Bank Claims of Success Credible?*, that examines these and other related issues.

“The success or failure of a project can only be evaluated after its results become known over a period of time,” Saxton said. “The current World Bank method of evaluating project results at the time of the final disbursement of funds simply doesn’t make any sense. If one really wants to know whether a project has been successful, its operating history over several years would have to be evaluated. This commonsensical approach is typically not used by the World Bank.

“Furthermore, a truly independent evaluation is needed to maintain the objectivity and credibility of such analysis. The World Bank’s recent treatment of its own economist William Easterly underlines the need for objective analysis free from any concern about potential retribution,” Saxton concluded.

Last year Easterly noted, “Consider the facts and it soon becomes evident that the \$1,000 billion spent on aid since the 1960’s, with the efforts of advisers, foreign aid givers, the International Monetary Fund, and the World Bank, have all failed to attain the desired results...in the 1980s and 1990s, the IMF and World Bank made 958 conditional loans; during the past decade alone these institutions gave 10 or more conditional loans each to 36 poor countries. Yet with notable exceptions, government mismanagement usually continued in these countries. The growth rate of income per person of the typical member of this group during the past two decades was zero.”

For a copy of the report, *Are World Bank Claims of Success Credible?*, and more information on World Bank reform, please visit the JEC website at www.house.gov/jec.

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