

## Is the World Bank Responsive to Informal Institutions?

Do World Bank projects that account for informal institutions have better development and implementation outcomes? This paper explores the intersection of informal institutions—e.g. clientelism, rent seeking, cultural practices, norms, and other traditions—and international development activities. The hypothesis is: World Bank projects that account for informal institutions are more successful at delivering results on the ground. Using data collected from a random sample of 200 World Bank projects and 50 country programs during the period between 2004 and 2010, the paper assesses (1) the degree to which the World Bank accounts for informal institutions in the design of projects; and (2) what influence accounting for informal institutions has on the success of World Bank projects—both development and implementation outcomes (ratings assigned to projects to assess their effectiveness). The paper further highlights ways in which the World Bank accounts for informal institutions and assesses best practices in design of development projects and country programs.

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