

# Appendixes

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Malaysia dock. The Investment Climate Assessment on Malaysia informed the government on issues pertaining to the private sector.  
Photo by Curt Carnemark, courtesy of the World Bank Photo Library.

## ESW Report Types

### *Diagnostic reports*

#### **Core diagnostic reports**

Country Economic Memorandum/  
Development Policy Review  
Country Financial Accountability Assessment  
Country Procurement Assessment Review  
Poverty Assessment  
Public Expenditure Review  
Integrative Fiduciary Assessment

#### **Other diagnostic reports**

Accounting and Auditing Assessment (Report  
on the Observance of Standards and Codes)  
City Development Strategy  
Corporate Governance Assessment (Report  
on the Observance of Standards and Codes)  
Country Environmental Analysis  
Country Gender Assessment  
Country Infrastructure Framework  
Education Sector Review  
Energy-Environment Review  
Financial Sector Assessment Program  
Health Sector Review  
Institutional and Governance Review  
Insolvency Assessment (Report on the  
Observance of Standards and Codes)  
Investment Climate Assessment  
Knowledge Economy Study  
Legal and Judicial Sector Assessment  
Recent Economic Development  
in Infrastructure  
Risk and Vulnerability Assessment  
Rural Development Assessment  
Social Analysis

### *Advisory reports*

Anti-Money Laundering and Combating the  
Financing of Terrorism

Commodities Study  
Debt and Creditworthiness Study  
Economic Updates and Modeling  
Energy Study  
Foreign Trade, Foreign Direct Investment,  
and Capital Flows Study  
General Economy, Macroeconomics,  
and Growth Study  
Law and Justice Study  
Mining/Oil and Gas  
Other Agricultural Study  
Other Education Study  
Other Environmental Study  
Other Financial Accountability Study  
Other Financial Sector Study  
Other Health Study  
Other Infrastructure Study  
Other Poverty Study (Non-PORs)  
Other Procurement Study  
Other Public Sector Study  
Other Rural Study  
Other Social Protection Study  
Other Urban Study  
PSD, Privatization and Industrial Policy  
Public Environmental Expenditure  
Public Investment Review  
Strategic Environmental Assessment/Analysis  
Women in Development and Gender Study

## TA Output Types

- **Institutional Development Plan**—Advice on client-owned blueprint for institutional strengthening, ranging from broad-based strategies to fully implementable plans, which could include the sequencing of activities, resource allocation, key issues, objectives, and other action items
- **“How-To” Guidance**—Operational advice in policy/program formulation and hands-on

implementation, including technical notes, step-by-step instructions, “best practice” manuals, and procedural guidelines

- **Model/Survey**—Advice for client-driven data collection and/or analysis used for projections, forecasting, and simulations
- **Client Document Review**—Advice and review of client-owned documents, which could

include draft legislation, regulation, Poverty Reduction Strategy Paper inputs, and grant proposals

- **Knowledge-Sharing Forums**—Bank-facilitated, client-managed meetings aimed at sharing international “best practice,” exchanging knowledge, catalyzing reform, and building consensus on a particular issue.

## Country Reviews

Twelve countries were selected for in-depth reviews. The in-depth reviews entailed structured interviews of Bank staff, Bank management, and in-country stakeholders in the field (government officials and representatives from the private sector, civil society, academia, the media, and the legislature). The structured interviews sought stakeholder views (with quantitative ratings) on various dimensions of a portfolio of Bank economic and sector work (ESW) and technical assistance (TA) (quality, partnership, relevance, dissemination, timeliness, origination, and so on) and the extent to which these tasks met various objectives (lending, policy, institution and capacity building, public debate, donor activities, and knowledge exchange).

The interviews also sought the views of stakeholders on the relative importance (with rankings) of the following for the country concerned: (1) the different Bank instruments (lending and nonlending), (2) the different types of Bank ESW/TA (country, regional, and global), and (3) the various dimensions of ESW and TA. The country reviews also included desk reviews of ESW, documents on TA and loans, Country Assistance Strategies, and poverty-reduction strategies. The country reviews were conducted between January 2007 and July 2007. The interview questionnaires are available on request.

## Country selection

The 12 countries were selected to be broadly representative of Bank clients with respect to Region, income, population, Country Policy and Institutional Assessment, size of lending (per capita), and share of ESW cost in the cost of country services (see tables B.1 and B.2). This means

that evaluation findings that emerge from the country reviews would have controlled for differences between countries arising from these criteria. To reduce “evaluation fatigue,” the Independent Evaluation Group (IEG) sought to minimize overlap with countries reviewed in recent or ongoing IEG thematic or country evaluations, as well as overlap with countries covered under the two phases of Quality Assurance Group (QAG) country analytical and advisory activity (AAA) assessments.

## Portfolio selection

For countries with large ESW and TA programs, which was the case for 7 of the 12 countries (Bangladesh, Jordan, Mali, Peru, Romania, Serbia, and Vietnam), the sectors in which ESW and TA were concentrated were selected for review: economic policy, financial sector, private sector development (PSD), public sector governance, and rural sector.<sup>1</sup> These are also the top sectors for all country-specific ESW delivered by the Bank during fiscal 2000–06 (and are also among the top sectors for all country-specific TA except the rural sector; see chapter 2).

For those countries for which Bank activities in selected sectors were still too numerous for a detailed review, there was a further narrowing of ESW, TA, and loans selected for review. This was the case for Bangladesh, Peru, and Vietnam. In instances where the Bank’s work in certain sectors had been particularly important, those sectors were also included for review. This was the case of the social protection sector both in Jordan and Peru: the Bank did substantial work on this sector in Jordan, and the sector was featured as a central element of the Country Assistance Strategy in Peru. For the other six countries (Democratic

**Table B.1: Countries Selected for Review**

Region	IBRD	IDA	Blend <sup>a</sup>
Sub-Saharan Africa	Mauritius	Democratic Republic of Congo, Lesotho, Mali	
East Asia and Pacific	Malaysia	Vietnam	
Europe and Central Asia	Romania		Serbia <sup>b</sup>
Latin America and the Caribbean	Peru	Guyana	
Middle East and North Africa	Jordan	—	
South Asia	—	Bangladesh	

Notes: IBRD, IDA, and blend designation as of fiscal 2006. IBRD = International Bank for Reconstruction and Development; IDA = International Development Association.

a. Blend countries are those that are eligible for IDA resources on the basis of per capita income but also have limited creditworthiness to borrow from IBRD.

b. Serbia was Serbia and Montenegro from 2003 and became independent on June 5, 2006.

Republic of Congo, Guyana, Lesotho, Malaysia, Mali, and Mauritius), the entire portfolio of AAA and loans was reviewed.

Based on the selection criteria indicated above, the IEG team evaluated 129 ESW and 64 TA tasks, as well as 88 loans that could have been informed by the ESW evaluated (that is, the loans were in the same sectors as the ESW and were approved either in the same fiscal year as or after the completion of the ESW).

The sectoral distributions of the ESW and TA that were evaluated were largely in line with the sectoral distributions of all such (country-specific) Bank tasks delivered during the period (figures B.1 and B.2).

The evaluation of these Bank tasks (ESW, TA, and loans) entailed conducting structured interviews with 568 stakeholders (table B.3 presents the composition of the stakeholders).

### Surveys of ESW and TA Task Team Leaders

All task team leaders (TTLs) of ESW and TA during fiscal 2000–06 were surveyed (electronically) on a specific task that they had undertaken; this meant 1,258 ESW TTLs and 499 TA TTLs. TTLs who managed more than one task were surveyed on only one of the tasks (selected on a random basis). The surveys were launched in January 2007 and lasted for three weeks. See table B.4 for survey results.

The surveys sought information on various dimensions of ESW and TA (origination, partnership, and dissemination) as well as the perceptions (with quantitative ratings) of TTLs on the extent to which the various objectives of ESW and TA were achieved. The surveys also sought the views of TTLs on the relative importance of the various dimensions for the effectiveness of ESW and TA and their views on the incentives provided by the Bank that could affect the various dimensions. The survey questionnaires are available on request.

### Bias check for survey responses

One of the most important potential biases in survey responses would stem from TTLs responding to the survey only if they have positive perceptions of the effects of their tasks. To check for this bias, the IEG team divided the TTLs into two groups: those who responded to the survey

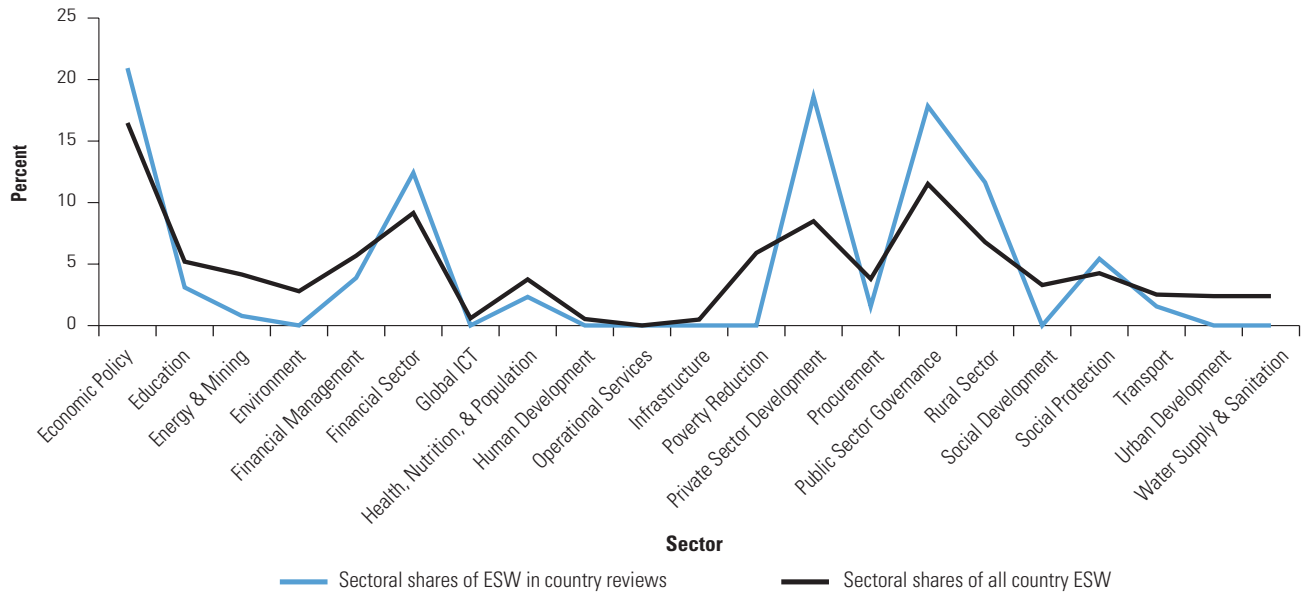
**Table B.2: Size of Lending and Budget for ESW for Selected Countries**

Share of ESW cost in the cost of country services	Large loans per capita (\$63–\$400)	Medium loans per capita (\$34–\$63)	Small loans per capita (\$0–\$34)
Large (0.2–1.00)	Serbia	Peru	Mauritius, Malaysia
Medium (0.14–0.19)	Jordan	Lesotho, Vietnam	Bangladesh
Small (0–0.13)	Romania, Guyana	Democratic Republic of Congo, Mali	

Source: IEG, based on World Bank administrative data.

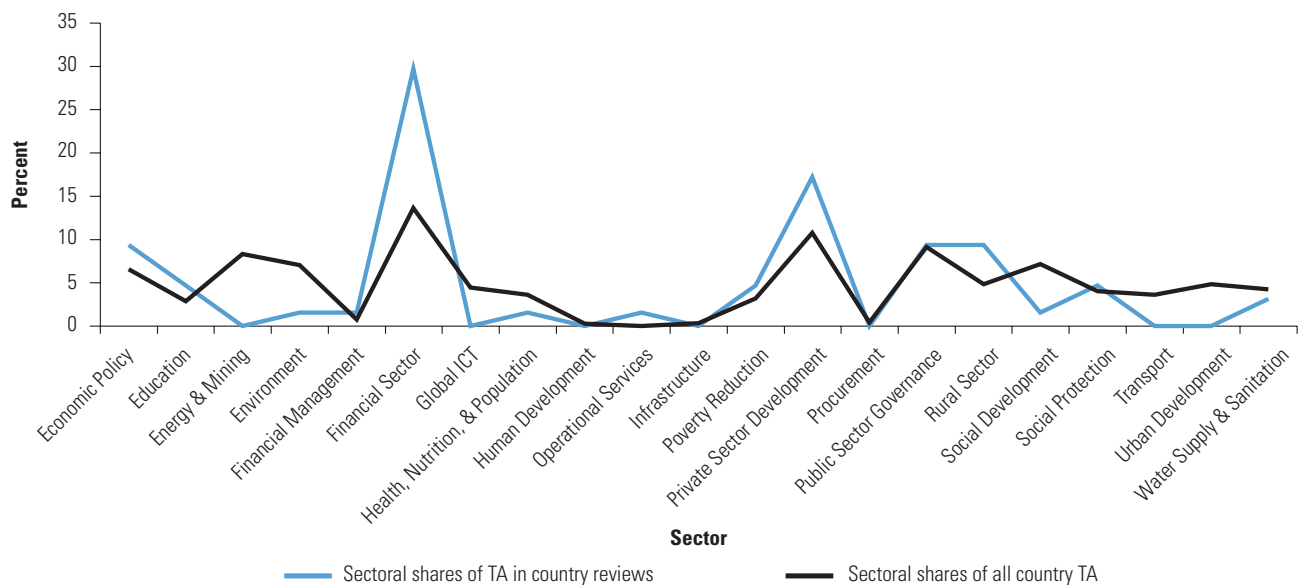
Note: Loans per capita denote cumulative loan commitments during fiscal 2000–06 normalized by population size of the country. Costs of ESW and country services are the cumulative costs during fiscal 2000–06. All data are from the World Bank. ESW = economic and sector work.

**Figure B.1: Sectoral Distribution of ESW in Country Reviews and of All Bank Country-Specific ESW (Fiscal 2000–06)**



Source: IEG and World Bank administrative data (adjusted by IEG for misclassification).  
 Note: ESW = economic and sector work; Global ICT = global information, communications, and technology.

**Figure B.2: Sectoral Distribution of TA in Country Reviews and of All Bank Country-Specific TA (Fiscal 2000–06)**



Source: IEG and World Bank administrative data (adjusted by IEG for misclassification).  
 Note: Global ICT = global information, communications, and technology; TA = technical assistance.

**Table B.3: Profile of Stakeholders Interviewed**

Stakeholder type	Number
Bank management	21
Bank staff (ESW, TA, and loan TTLs)	187
Staff of other institutions	7
Authorities (and ex-authorities)	191
Legislature	9
Donors	63
Civil society	39
Private sector	33
Academia/research	18
Total	568

Source: IEG country reviews.

Note: ESW = economic and sector work; TA = technical assistance, TTL = task team leader.

**Table B.4: Survey of ESW and TA TTLs**

	Number of TTLs e-mailed	Corrected number of TTLs <sup>a</sup>	Number of responses	Response rate (%)
ESW	1,258	1,143	696	60.9
TA	499	419	220	52.5
Total	1,757	1,562	916	58.6

Source: IEG surveys.

Note: ESW = economic and sector work; TA = technical assistance; TTL = task team leader.

a. Corrections are for: TTLs who have retired; tasks not really ESW or TA; TTLs inherited the tasks; TTLs in name only, while some others know the tasks better; TTLs not sure what the tasks were; TTLs out of office.

and those who did not. The team then matched QAG ratings to the tasks managed by the TTLs. For ESW, approximately 17 percent of the tasks managed by TTLs in *each* of the two groups (that is, those that responded to the survey and those that did not) had QAG ratings, whereas for TA, around 8 percent of the tasks in each of the two groups had QAG ratings.

For ESW, the team found no statistically significant differences in the average QAG ratings between the two groups for all five QAG ratings (overall quality and each of the subratings on internal quality, dialogue and dissemination, strategic relevance, and likely impact). In other words, those ESW TTLs who responded to the survey did not have significantly different QAG ratings for their

tasks than those who did not respond—at *any significance level*.

For TA, the team did not find a statistically significant difference between the two groups of TTLs (those that responded to the survey and those that did not) with respect to three of the QAG ratings for their tasks: overall quality, dialogue and dissemination, and strategic relevance. The average ratings were lower for internal quality (significant at the 5 percent level) and likely impact (significant at the 10 percent level) for those TTLs who did not respond to the survey.

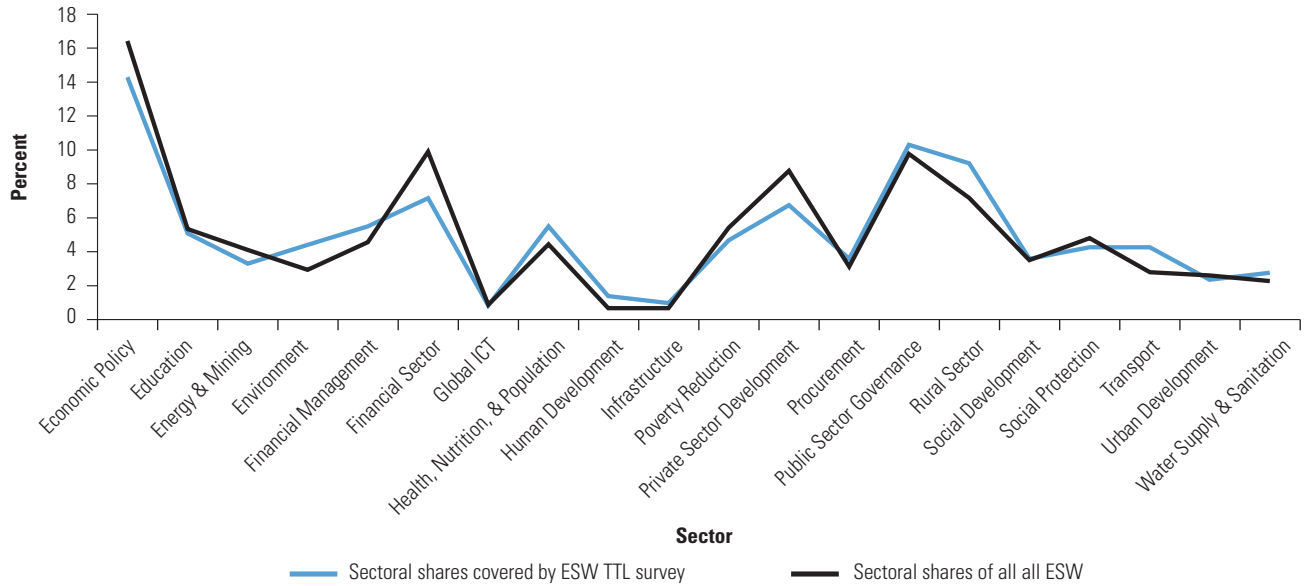
Another bias could arise from the sectoral and Regional distributions of the ESW and TA tasks to which the TTLs have responded. No biases were found, however. Both the sectoral and Regional distributions for the ESW tasks to which there were responses matched very closely with those of all such tasks delivered during fiscal 2000–06 (figures B.3 and B.4). The match was also close for TA tasks, although there was some underrepresentation of TA tasks (by 7 percent) in the financial sector (figure B.5) and some overrepresentation (by 8 percent) in Sub-Saharan Africa (figure B.6), compared with all TA delivered during the period.

### Surveys of In-Country Users of Specific ESW and TA

Information on in-country users of specific ESW and TA was obtained through the surveys of ESW and TA TTLs described above. Specifically, the surveys asked the TTLs to provide contact and other information for each of the following categories of in-country users of ESW: government official, donor, and civil society representative. TTLs provided addressable samples of 351 users of specific ESW and 172 users of specific TA.

Electronic surveys were sent to these users. Information on net addressable samples (that is, excluding those who were out of the office or who indicated they have not used or are not aware of the specific task on which they were surveyed) and responses are presented in table B.5. The margin of error is 11.7 percent for the specific ESW user survey and 17.1 percent for the specific TA user survey. The stakeholder profiles of the respon-

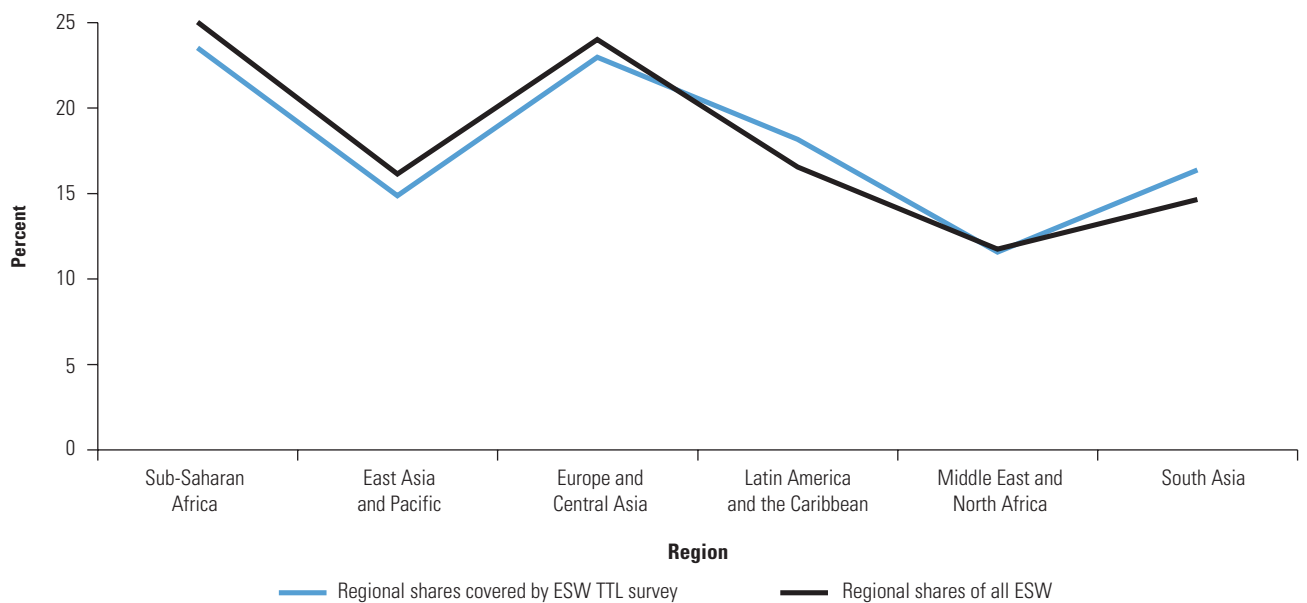
**Figure B.3: Sectoral Distribution of ESW to Which TTLs Responded and of All Bank ESW (Fiscal 2000–06)**



Source: IEG and World Bank administrative data (adjusted by IEG for misclassification).

Note: ESW = economic and sector work; Global ICT = global information, communications, and technology; TTL = task team leader.

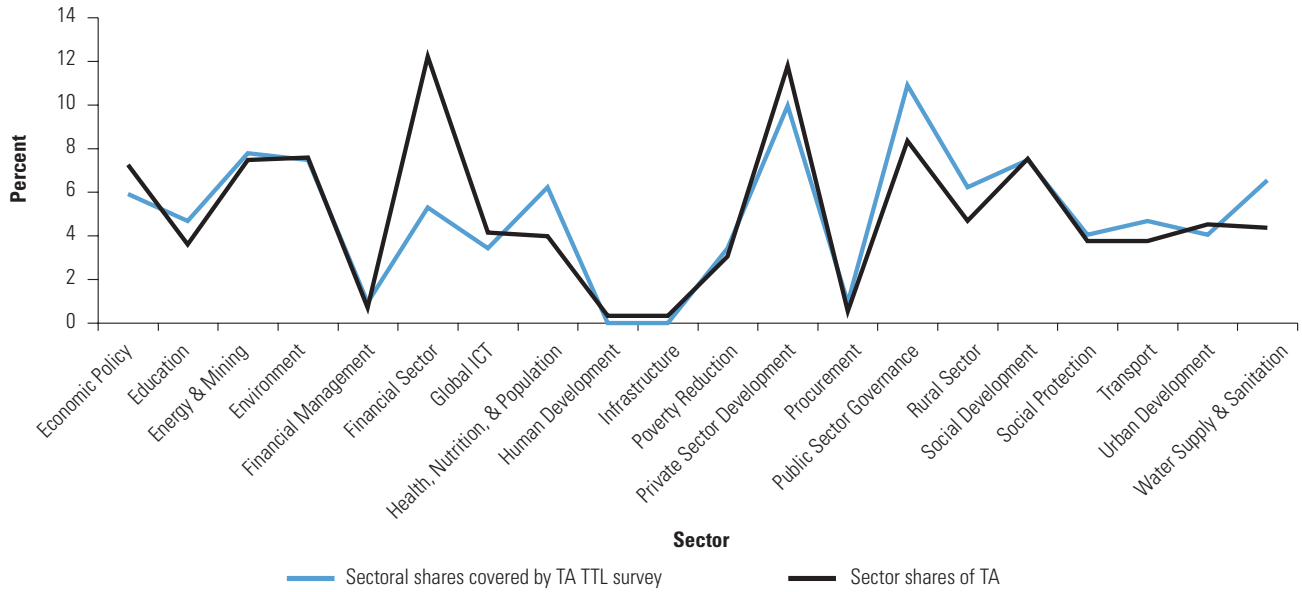
**Figure B.4: Regional Distribution of ESW to Which TTLs Responded and of All Bank ESW (Fiscal 2000–06)**



Source: IEG survey and World Bank administrative data.

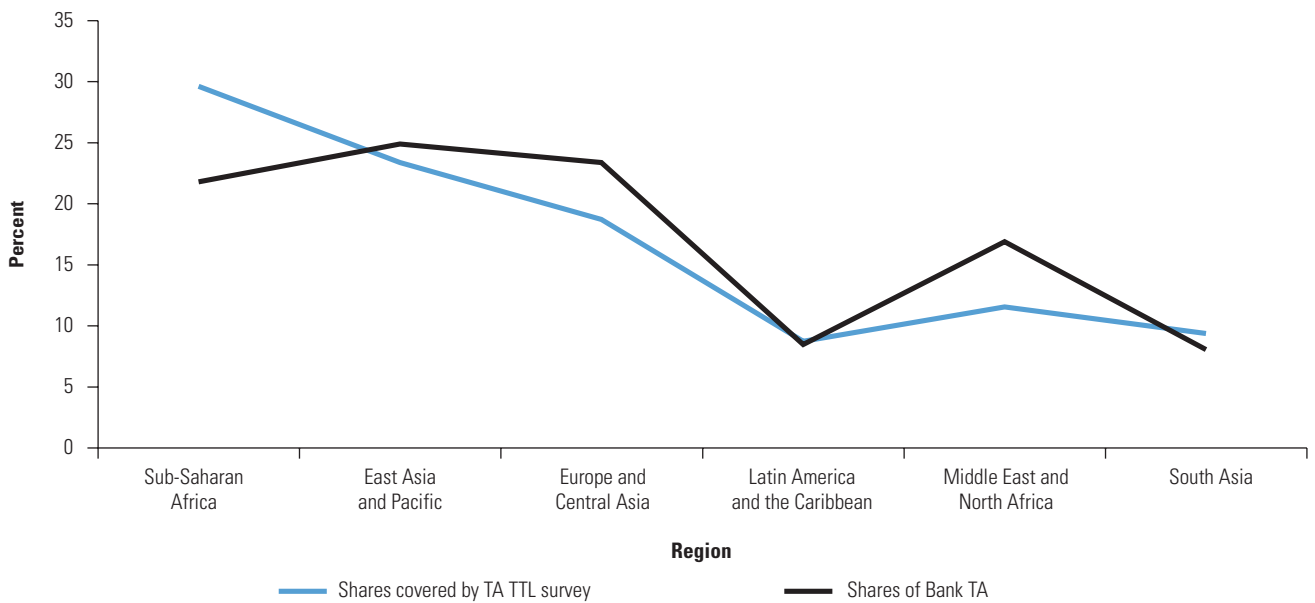
Note: ESW = economic and sector work; TTL = task team leader.

**Figure B.5: Sectoral Distribution of TA to Which TTLs Responded and of All Bank TA (Fiscal 2000–06)**



Source: IEG and World Bank administrative data (adjusted by IEG for misclassification).  
 Note: TA = technical assistance; Global ICT = global information, communications, and technology; TTL = task team leader.

**Figure B.6: Regional Distribution of TA to Which TTLs Responded and of All Bank TA (Fiscal 2000–06)**



Source: IEG and World Bank administrative data.  
 Note: TA = technical assistance; TTL = task team leader.

dents are presented in table B.6 and the country profiles in tables B.7 and B.8. There were responses on specific ESW for 41 countries and on specific TA for 17 countries. The surveys were conducted in September–October 2007 for about three weeks.

The survey questions are similar to the ones asked in the country reviews. Additionally, the surveys sought the views of the stakeholders on their willingness to pay for Bank ESW/TA. The survey questionnaires are available on request.

### **Bias checks for specific ESW and specific TA user survey responses**

Biases in responses could arise from the fact that only respondents who feel strongly (either positively or negatively) about the Bank would respond to the surveys. One way to check for such potential bias is to compare the profile of the respondents to the profile of those to whom the survey was sent.

There does not seem to be a significant bias with respect to the Regional distribution of responses to the specific ESW and the specific TA user surveys. With respect to the specific ESW survey, there is quite a close correspondence between the Regional distribution of the respondents and those to whom the survey was sent, with a slight overrepresentation of respondents from Sub-Saharan Africa (of around 8 percent); the differences for the other Regions are quite small (between 2 and 3.5 percent; figure B.7). With respect to the correspondence between the Regional distribution of the responses to the TA user survey and those to whom the survey was sent, the Regional shares for Sub-Saharan Africa, East Asia and Pacific, Europe and Central Asia, and Latin America and the Caribbean are very close, although there is an overrepresentation of responses from the Middle East and North Africa (by about 10 percent), and no responses from South Asia (figure B.8).

### **Sectoral and Regional distributions of tasks to which in-country users responded**

There were no significant biases in the sectoral or Regional distributions of the tasks to which users

**Table B.5: Survey Statistics of Specific ESW and Specific TA User Surveys**

	Specific ESW User	Specific TA User
Addressable sample	351	172
Less—		
Out of office	15	8
Have not used ESW/TA	39	20
Net addressable sample	297	144
Number of responses	70	33
Response rate	24%	23%

Source: IEG surveys.

Note: ESW = economic and sector work; TA = technical assistance.

**Table B.6: Stakeholder Profile of Respondents to Specific ESW and Specific TA User Surveys**

	Shares of respondents to specific ESW user survey	Shares of respondents to specific TA user survey
<b>Total number of respondents</b>	<b>70</b>	<b>33</b>
of which:		
Public sector (%)	30.0	53.1
Donor agency (%)	21.4	9.4
Academia/research (%)	20.0	12.5
Multilateral (%)	10.0	6.3
Civil society (%)	8.6	6.3
Private sector (%)	8.6	9.4
Consultants (%)	1.4	3.1

Source: IEG surveys.

Note: ESW = economic and sector work; TA = technical assistance.

responded in the specific ESW user survey, compared with such distributions for all Bank ESW. The sectoral distribution of the respondents to the specific ESW user survey (based on the sectoral classification of the ESW to which they were responding) generally matched that of all Bank ESW (figure B.9). The Regional distribution matched somewhat less well, with a somewhat larger representation from Sub-Saharan Africa (by about 12 percent) and smaller representation from Europe and Central Asia (also by about 12 percent; figure B.10).

**Table B.7: Country/Region of ESW to Which In-Country Stakeholders Responded in the Specific ESW User Survey**

Country/territory	Number of respondents	Country/territory	Number of respondents
<b>Africa</b>		<b>Europe and Central Asia</b>	
Angola	1	Bulgaria	1
Burundi	1	Hungary	1
Cape Verde	3	Kosovo <sup>a</sup>	1
Ethiopia	1	Moldova	1
Kenya	1	Russian Federation	1
Lesotho	1	Regional EU accession	1
Mauritania	2	Regional	1
Niger	1	<b>Subtotal</b>	<b>7</b>
Nigeria	3	<b>Latin America and the Caribbean</b>	
Sierra Leone	4	Argentina	1
Swaziland	1	Caribbean	1
Togo	2	Colombia	1
Uganda	2	Ecuador	2
Regional	1	Guatemala	1
<b>Subtotal</b>	<b>24</b>	Mexico	2
<b>East Asia and Pacific</b>		Venezuela, R.B. de	1
Cambodia	2	<b>Subtotal</b>	<b>9</b>
Indonesia	3	<b>Middle East and North Africa</b>	
Lao People's Dem. Rep.	2	Iran, Islamic Rep. of	1
Pacific Islands	1	Lebanon	1
Philippines	1	<b>Subtotal</b>	<b>2</b>
Solomon Islands	1	<b>South Asia</b>	
Thailand	1	Afghanistan	1
Tonga	1	Bangladesh	1
Vietnam	2	India	3
<b>Subtotal</b>	<b>14</b>	Nepal	1
		Sri Lanka	2
		<b>Subtotal</b>	<b>8</b>
		<b>World</b>	<b>6</b>
<b>Total</b>			<b>70</b>

Source: IEG survey.

Note: ESW = economic and sector work; EU = European Union.

a. Under UN Security Council Resolution 1244 (1999), Kosovo is administered by the United Nations Interim Administration Mission in Kosovo.

For TA, the match was not as close, although the biases were not hugely significant. The Regional distribution of the TA to which users responded in the survey was quite close to that of all Bank TA (figure B.11), although Sub-Saharan Africa was overrepresented by about 22 percent and South Asia was underrepresented by 7 percent (there

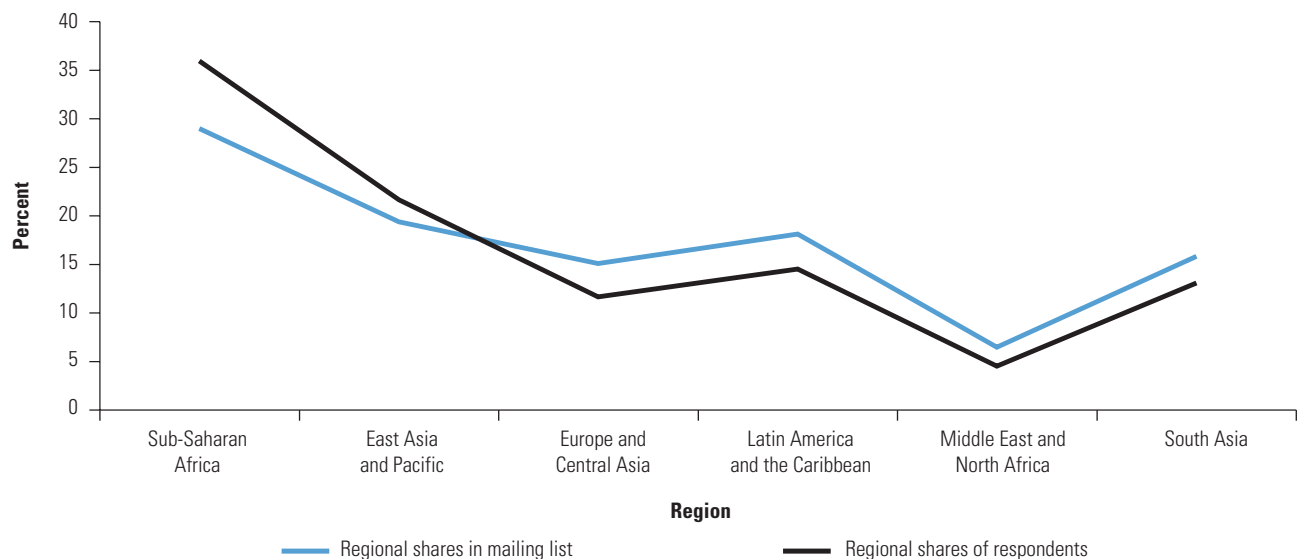
were no responses on TA tasks delivered in South Asia). With respect to the sectoral distribution, none of the differences in distribution were greater than 10 percent, except for the financial sector, for which there were no responses on TA, and the rural sector, for which there was an overrepresentation of about 11 percent (figure B.12).

**Table B.8: Country/Region of TA to Which In-Country Stakeholders Responded in the Specific TA User Survey**

Country and Region	Number of respondents	Country	Number of respondents
<b>Sub-Saharan Africa</b>		<b>Europe and Central Asia</b>	
Angola	2	Kyrgyz Republic	2
Burkina Faso	2	Turkey	1
Comoros	2	Regional	3
Mauritius	1	<b>Subtotal</b>	<b>6</b>
Mozambique	1	<b>Latin America and the Caribbean</b>	
South Africa	1	Brazil	1
Sudan	1	<b>Subtotal</b>	<b>1</b>
Regional	4	<b>Middle East and North Africa</b>	
<b>Subtotal</b>	<b>14</b>	Iraq	2
<b>East Asia and Pacific</b>		Qatar	1
China	2	Regional	2
Indonesia	1	<b>Subtotal</b>	<b>5</b>
Mongolia	1		
Vanuatu	2		
Vietnam	1		
<b>Subtotal</b>	<b>7</b>		
<b>Total</b>			<b>33</b>

Source: IEG survey.

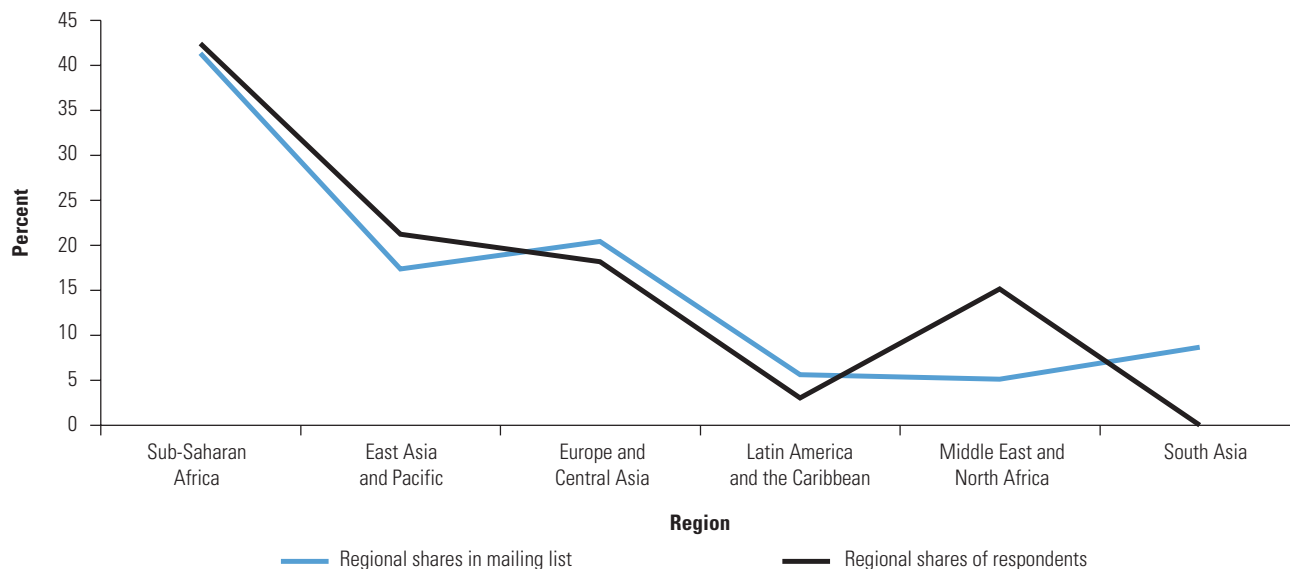
Note: TA = technical assistance.

**Figure B.7: Regional Distribution of Specific ESW User Survey Mailing List and of Respondents**

Source: IEG survey.

Note: ESW = economic and sector work.

**Figure B.8: Regional Distribution of Specific TA User Survey Mailing List and of Respondents**



Source: IEG survey.  
 Note: TA = technical assistance.

In sum, there is quite a close correspondence between the sectoral and Regional distributions of ESW tasks to which users responded in the survey, and those of all ESW delivered by the Bank. The correspondence is slightly less close for TA tasks.

### Surveys of Loan TTLs (Within-Bank Users of ESW)

Respondents to the ESW TTL survey provided 205 names of loan TTLs who would know about or who would have used the specific ESW on which the ESW TTLs were being surveyed. Those ESW TTLs who were also loan TTLs were excluded from the survey. Of the 205 loan TTLs who were surveyed, 4 were out of the office, 13 indicated they did not use the ESW, and 2 indicated they were not the appropriate people to be surveyed. This brought the addressable sample to 186. Of the addressable sample, 91 responded, which is a 49 percent response rate and reflects a margin of error of 10.3 percent. The survey was conducted in September–October 2007 for about three weeks.

The survey sought information on loan TTLs' views on various dimensions (technical quality, rel-

evance, timeliness, partnership, dissemination) of specific ESW; the extent to which and specifics of how the ESW had informed lending in the country; what would have happened if the ESW had not been produced; and their rankings of various Bank instruments (lending and nonlending) for the country, various types of reports for loan preparation, and the different dimensions of ESW intended to make ESW more useful to their work.

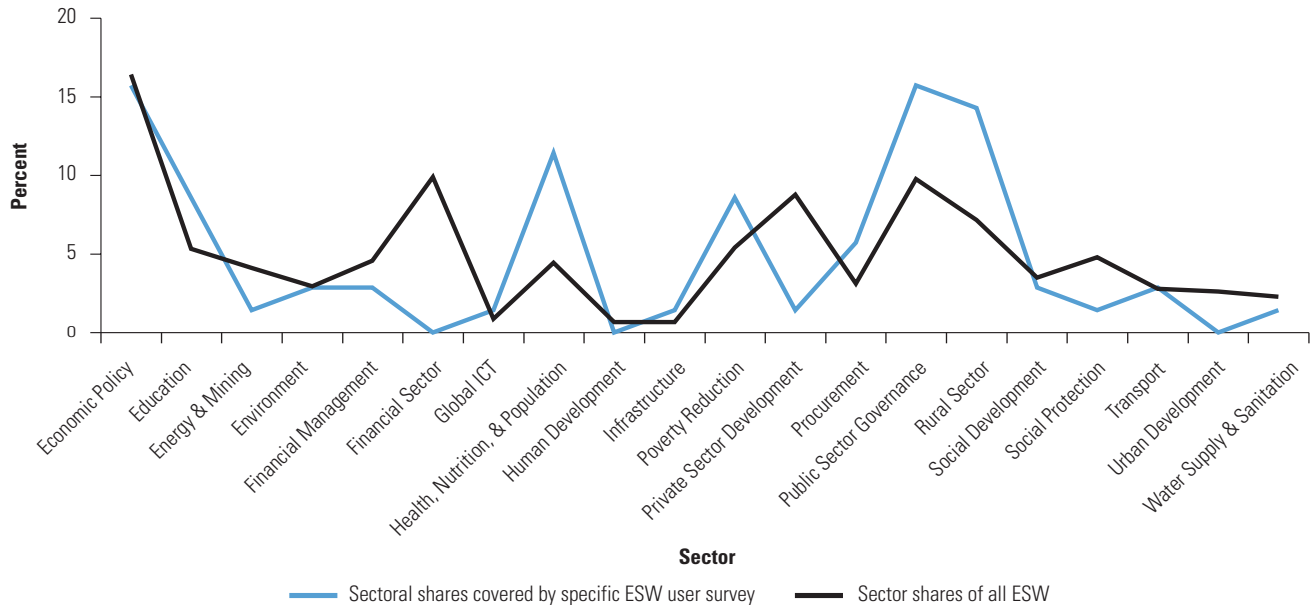
Comparing the Regional distribution of the ESW to which the loan TTLs were responding with that of all ESW indicates there are no significant biases on this front (figure B.13). The differences in Regional shares were smaller than 10 percent for all the Regions and much smaller than that for some Regions. There is even less bias on the sectoral front with a greater correspondence between the sectoral shares (figure B.14).

### Survey of Users of ESW and TA

In addition to surveying in-country stakeholders on specific tasks, this evaluation also undertook a survey of potential users of Bank ESW and TA

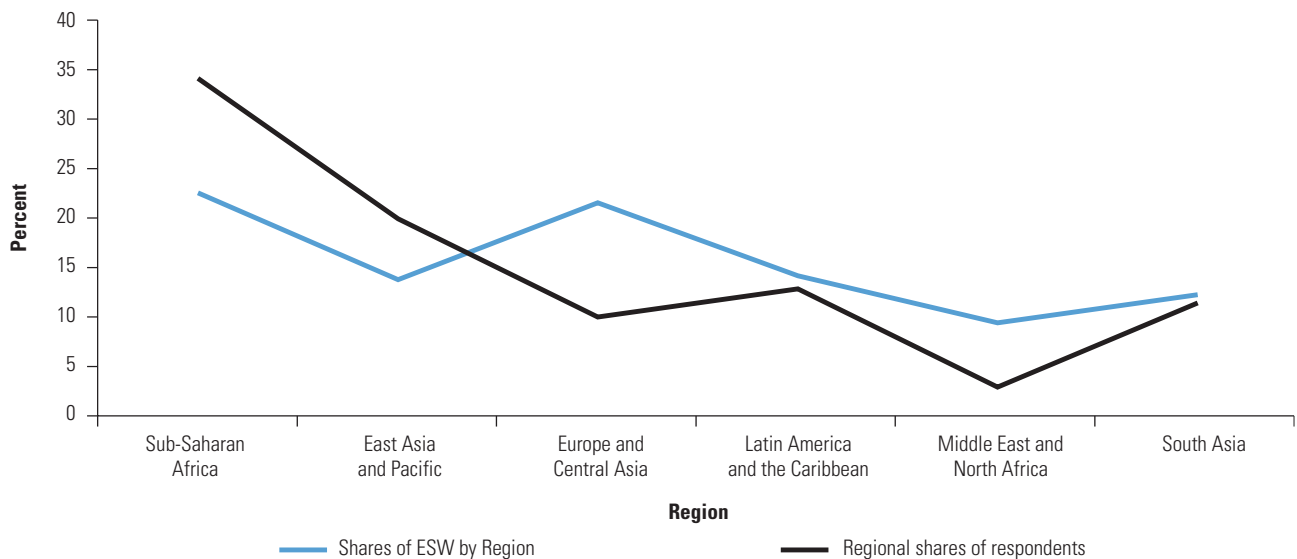
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**Figure B.9: Sectoral Distribution of Respondents to Specific ESW User Survey and of All Bank ESW (Fiscal 2000–06)**



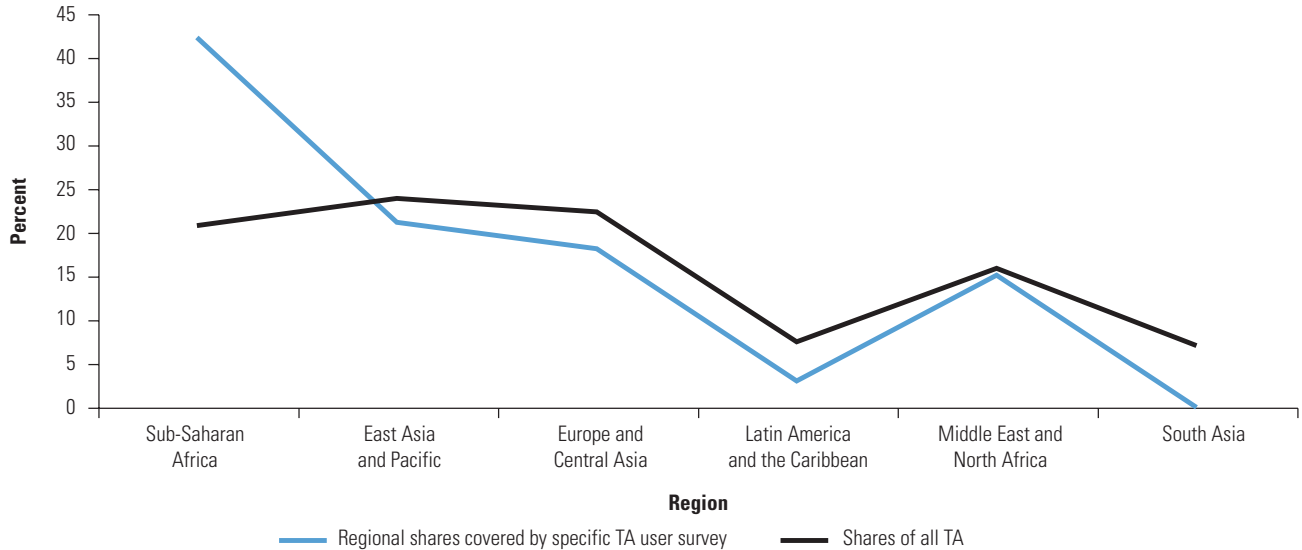
Source: IEG and World Bank administrative data (adjusted by IEG for misclassification).  
 Note: ESW = economic and sector work; Global ICT = global information, communications, and technology.

**Figure B.10: Regional Distribution of Respondents to Specific ESW User Survey and of All Bank ESW (Fiscal 2000–06)**



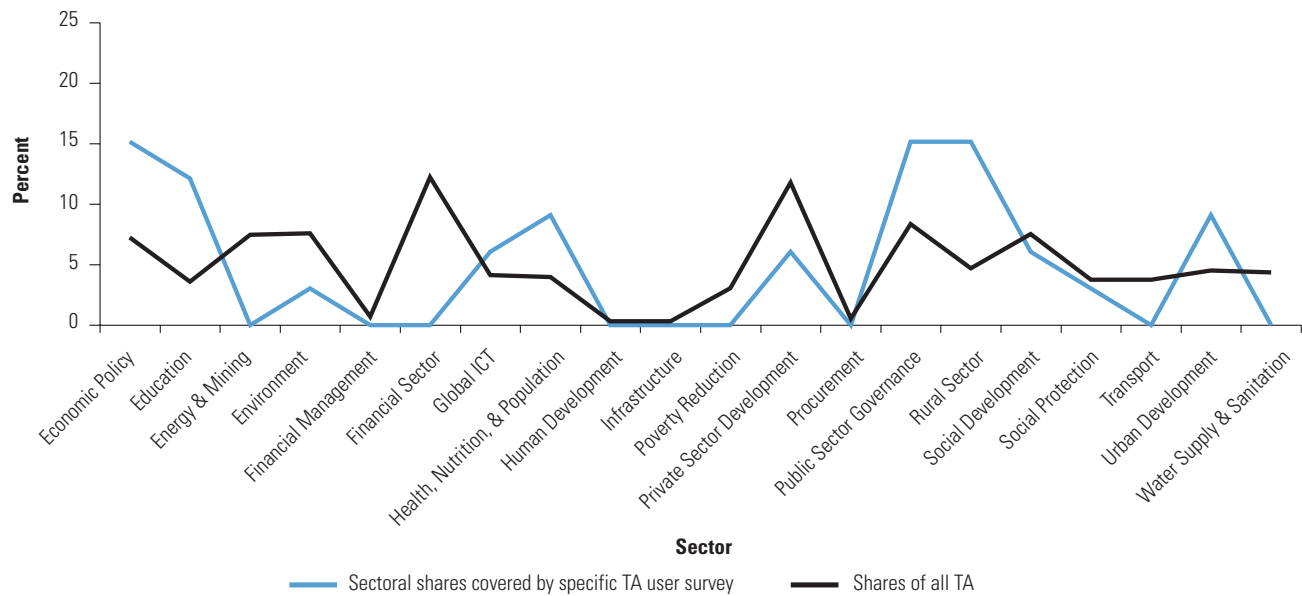
Source: IEG survey and World Bank administrative data.  
 Note: ESW = economic and sector work.

**Figure B.11: Regional Distribution of Respondents to Specific TA User Survey and of All Bank TA (Fiscal 2000–06)**



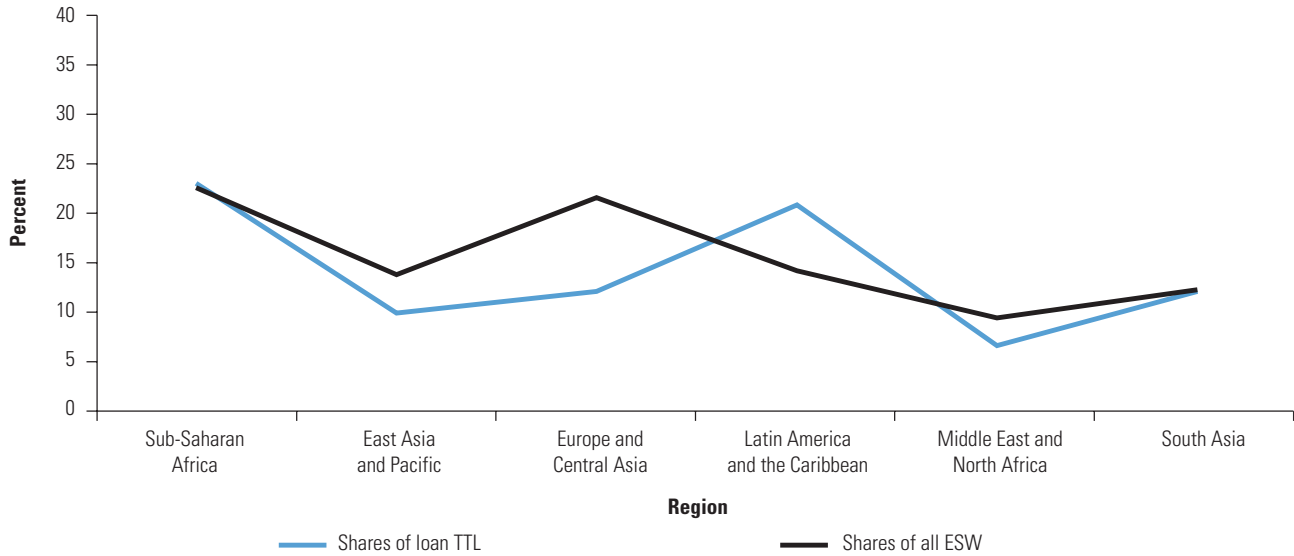
Source: IEG survey and World Bank administrative data.  
 Note: TA = technical assistance.

**Figure B.12: Sectoral Distribution of Respondents to Specific TA User Survey and of All Bank TA (Fiscal 2000–06)**



Source: IEG and World Bank administrative data (adjusted by IEG for misclassification).  
 Note: Global ICT = global information, communications, and technology; TA = technical assistance.

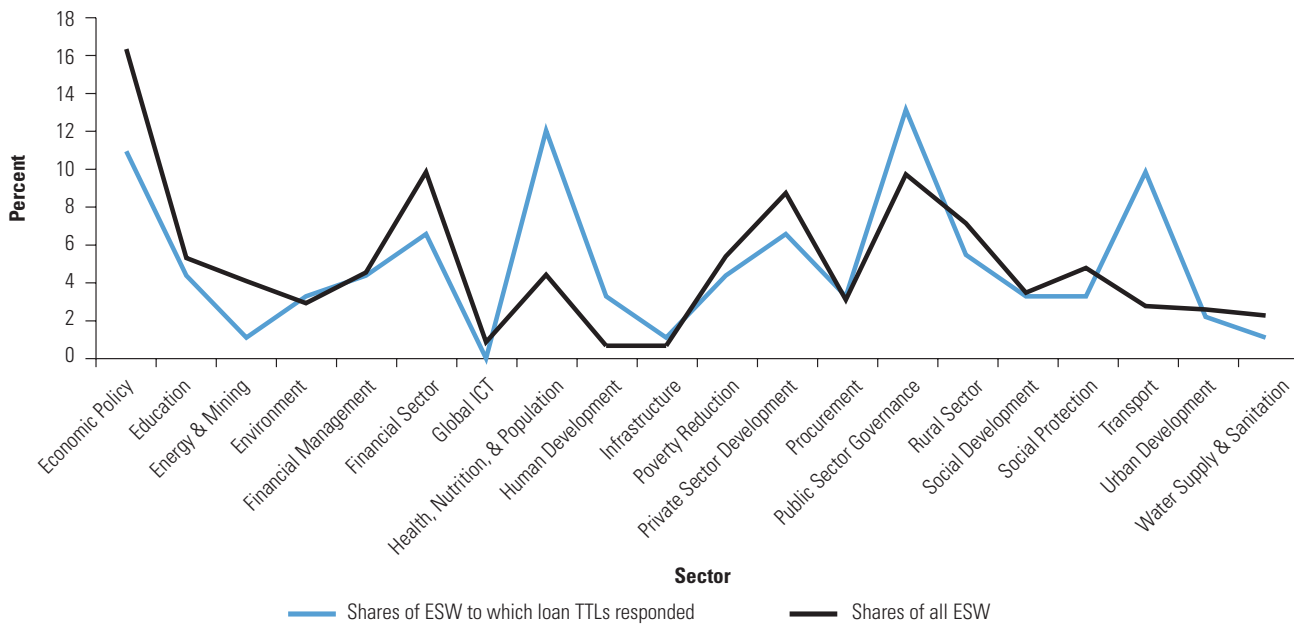
**Figure B.13: Regional Distribution of ESW to Which Loan TTLs Responded, and of All ESW**



Source: IEG survey and World Bank administrative data.

Note: ESW = economic and sector work; Global ICT = global information, communications, and technology; TTL = task team leader.

**Figure B.14: Sectoral Distribution of ESW to Which Loan TTLs Responded, and of All ESW**



Source: IEG and World Bank administrative data (adjusted by IEG for misclassification).

Note: ESW = economic and sector work; Global ICT = global information, communications, and technology; TTL = task team leader.

on their general views of various dimensions and effects of such Bank products. The survey was sent electronically to 2,700 users, with the e-mail list being compiled from recent client surveys undertaken by IEG (the Financial Sector Assessment Program [FSAP] and low-income countries under stress surveys), the World Bank (Operation and Policy Country Services's Conditionality Survey; respondents to the World Bank Reader Survey by External Affairs), and the Independent Evaluation Office of the International Monetary Fund (IMF) (the African Survey).

The survey questions were similar to those asked in the specific ESW and specific TA user surveys, except they did not pertain to specific ESW or TA tasks and they sought the views on ESW and TA as a whole, rather than separately. The survey questionnaire is available on request.

Of the 2,700 to whom the survey was sent, 20 were out of office and 262 indicated they had not used Bank ESW or TA; this resulted in a net addressable sample of 2,418. Of this sample, 550 people responded, which is a 23 percent response rate and reflects a margin of error of 4.5 percent. The survey was done in September–October 2007 for about three weeks. Of the 550 respondents, 509 provided information on their country of origin, of

which 394 (77 percent) were from 91 Bank client countries and 115 (23 percent) from developed countries. The stakeholder profiles of the respondents are presented in table B.9 and the country profiles in table B.10.

### *Bias checks for the ESW/TA user survey response*

To check for potential biases arising from the possibility that only those who feel strongly (either positively or negatively) about the Bank responded to the survey, various aspects of the respondents' profiles were compared against those from the original mailing list. There does not appear to be any significant Regional or stakeholder type bias, given the close correspondence between these two groups on both those fronts (figures B.15 and B.16). The Regional distributions of the two groups were very similar. For stakeholder type there was an overrepresentation of respondents from academia (by 11 percent) and an underrepresentation from civil society (by 14 percent).

The sectoral distribution of Bank client respondents (based on responses to the question of the main sector in which they work) is very similar to that of the sectoral distribution of all Bank ESW and TA (figure B.17), with some overrepresentation of the economic policy sector (by 9 percent) and the education sector (by 11 percent). The overrepresentation of the education sector could be attributed to the fact that 64 of the 86 respondents who selected education as their main sector are academics/researchers (which implies there may not be an overrepresentation of the education sector). Given the (otherwise) close correspondence in the sectoral distributions, there are not likely to be biases on this front.

Compared with the sectoral distribution, the Regional distributions of Bank client respondents and of all Bank ESW and TA are less close, but there do not seem to be significant biases on this front (figure B.18). All the differences in shares were less than 10 percent, and for some Regions (Sub-Saharan Africa and East Asia and Pacific) they were much smaller.

**Table B.9: Stakeholder Profile of Respondents to ESW/TA User Survey**

	Shares of respondents from Bank client countries	Shares of respondents from developed countries
<b>Total number of respondents</b>	<b>389</b>	<b>114</b>
Academia/research (%)	40.9	40.4
Civil society (%)	7.2	3.5
Donor agency (%)	2.8	5.3
Private sector (%)	17.2	24.6
Public sector (%)	27.8	14.9
Multilateral (%)	1.8	5.3
Consultants (%)	2.1	6.1
Combination (research/private sector) (%)	0.3	—

Source: IEG survey.

Note: ESW = economic and sector work; TA = technical assistance.

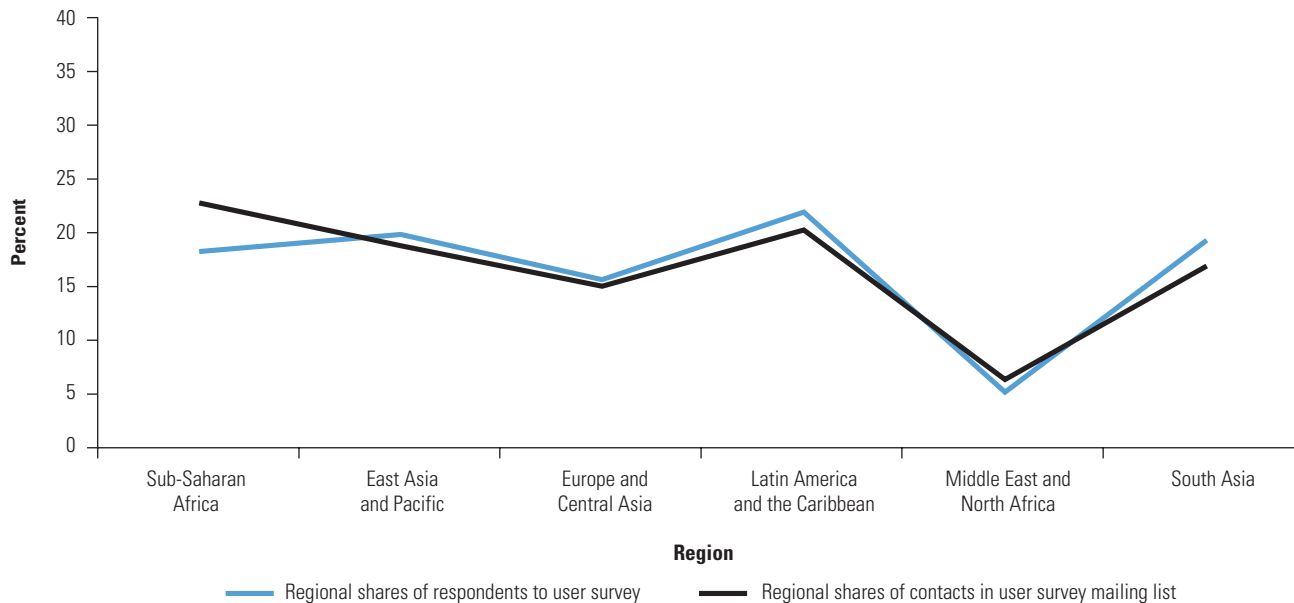
**Table B.10: Country Profile of Bank Client Respondents to User ESW/TA Survey**

Regions		Regions	
<b>Sub-Saharan Africa</b>		<b>Europe and Central Asia</b>	
Benin	2	Albania	2
Burkina Faso	1	Armenia	2
Cameroon	1	Azerbaijan	3
Chad	1	Bosnia and Herzegovina	1
Congo, Dem. Rep. of	2	Bulgaria	4
Côte d'Ivoire	1	Croatia	4
Ethiopia	2	Czech Republic	3
Gambia, The	1	Hungary	2
Ghana	2	Kazakhstan	2
Kenya	8	Kyrgyz Republic	2
Liberia	1	Lithuania	1
Mauritius	3	Poland	4
Mozambique	1	Romania	5
Nigeria	12	Russian Federation	3
Rwanda	2	Slovak Republic	3
Senegal	3	Slovenia	2
Sierra Leone	1	Turkey	19
South Africa	14	Turkmenistan	1
Sudan	2	Ukraine	3
Tanzania	2	<b>Subtotal</b>	<b>66</b>
Togo	1	<b>Latin America and the Caribbean</b>	
Uganda	3	Argentina	6
Zambia	3	Bolivia	2
Zimbabwe	1	Brazil	14
<b>Subtotal</b>	<b>70</b>	Chile	1
<b>East Asia and Pacific</b>		Colombia	3
Cambodia	13	Costa Rica	3
China	12	Dominican Republic	1
Fiji	2	Ecuador	4
Indonesia	10	El Salvador	1
Lao PDR	2	Grenada	1
Malaysia	1	Guatemala	1
Mongolia	1	Haiti	5
Papua New Guinea	2	Honduras	4
Philippines	13	Mexico	16
Republic of Korea	2	Nicaragua	1
Solomon Islands	1	Paraguay	2
Thailand	9	Peru	10
Vietnam	11	Suriname	2
<b>Subtotal</b>	<b>79</b>	Trinidad and Tobago	1
<b>Middle East and North Africa</b>		Uruguay	1
Algeria	2	Venezuela, R.B. de	7
Egypt	3	<b>Subtotal</b>	<b>86</b>
Iran, Islamic Rep. of	1	<b>South Asia</b>	
Jordan	4	Afghanistan	3
Lebanon	3	Bangladesh	3
Morocco	3	India	54
Tunisia	1	Nepal	1
Yemen, Republic of	2	Pakistan	7
<b>Subtotal</b>	<b>19</b>	Sri Lanka	6
<b>Total</b>		<b>Subtotal</b>	<b>74</b>
		<b>394</b>	

Source: IEG survey.

Note: ESW = economic and sector work; TA = technical assistance.

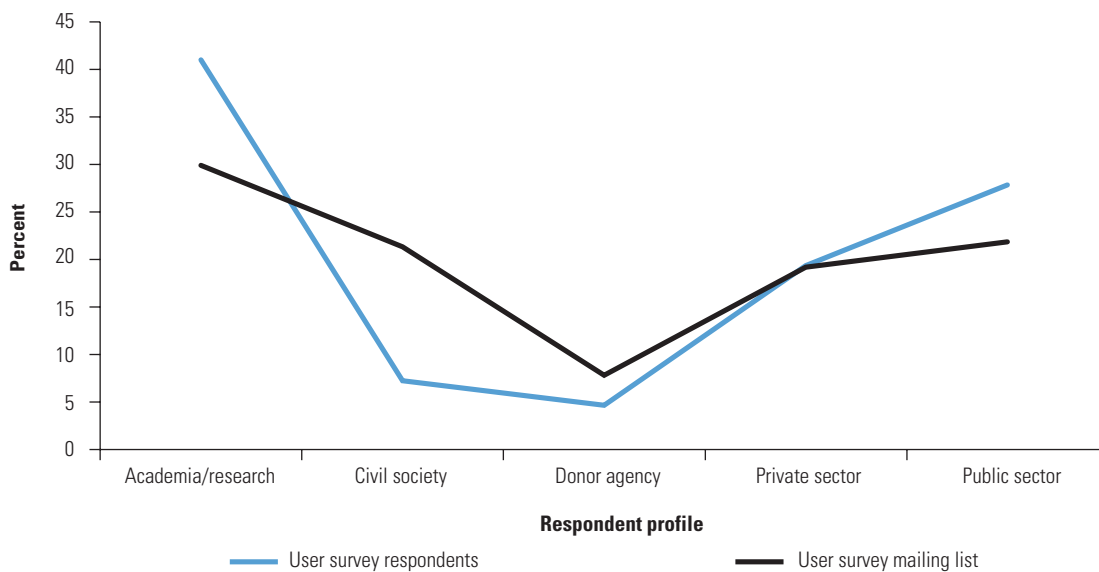
**Figure B.15: Regional Distribution of ESW/TA User Survey Mailing List and of Respondents**



Source: IEG survey.

Note: ESW = economic and sector work; TA = technical assistance.

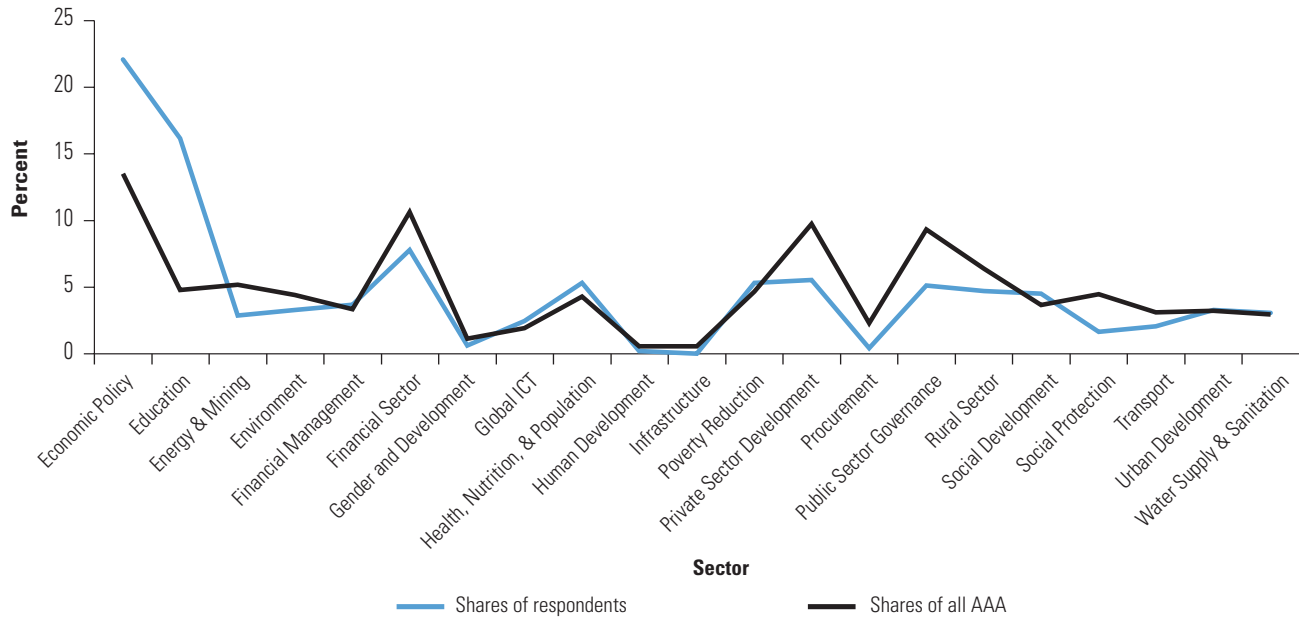
**Figure B.16: Stakeholder Profile of ESW/TA User Survey Mailing List and of Respondents**



Source: IEG survey.

Note: ESW = economic and sector work; TA = technical assistance.

**Figure B.17: Sectoral Distribution of ESW/TA User Survey Respondents, and Sectoral Shares of All Bank ESW and TA**



Source: IEG and World Bank administrative data (adjusted by IEG for misclassification).

Note: AAA = analytical and advisory activities; ESW = economic and sector work; Global ICT = global information, communications, and technology; TA = technical assistance.

## Matching ESW to Loans

This exercise began with the selection of a sample of loans from two portfolios of loans: those approved during fiscal 2003–05 that have quality at entry (QAE) ratings and those approved during fiscal 2003–06 that have IEG loan ratings. Only loans approved from fiscal 2003 were selected to account for the possibility that ESW delivered up to three years prior to loan approval could have informed the loan; hence, this would cover ESW delivered during the evaluation period of fiscal 2000–06.

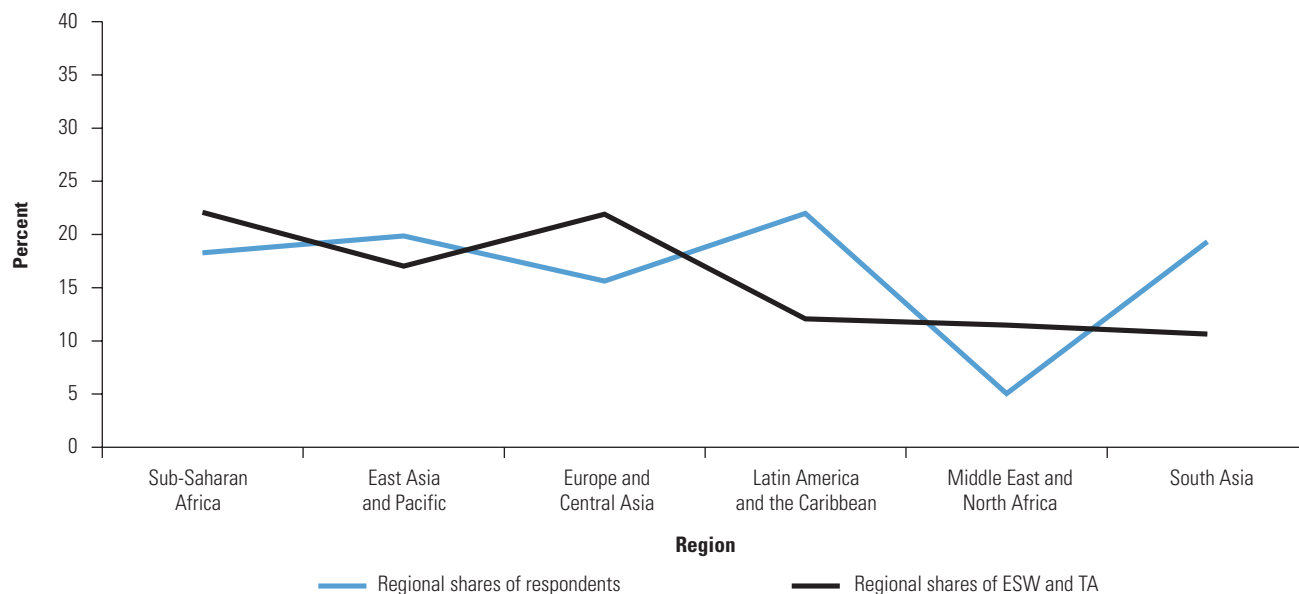
During fiscal 2003–06, the Bank approved 1,106 loans, of which 152 have IEG ratings (14 percent of all loans). During fiscal 2003–05, the Bank approved 809 loans, of which 196 have QAE ratings (24 percent of all loans). The sectoral distribution of loans with QAE ratings closely corresponds to that of the portfolio of all loans (figure B.19); that of loans with IEG ratings does not correspond very well (figure B.20). The latter is not surprising, given that only loans that were approved

and closed during fiscal 2003–06 would have IEG ratings, and these would have been mostly development policy loans (DPLs).

For each of the two portfolios of loans, 50 percent were selected randomly by the IEG team, stratified by sector and Region. This resulted in a sample of 119 loans with QAE ratings and 90 loans with IEG ratings, among which 13 have both QAE and IEG ratings. The *sectoral* distribution of the selected sample of loans with QAE ratings corresponds closely to that of the portfolio of all loans, but this was not the case for the selected sample of loans with IEG ratings, for reasons mentioned in the above paragraph.

The *Regional* distribution of the selected sample of loans with QAE ratings corresponds closely to that of the portfolio of all development policy and all investment loans, as well as all loans (figures B.21 and B.22). For loans with IEG ratings, however, the Regional distribution of the selected sample of loans corresponds closely only to that

**Figure B.18: Regional Distribution of ESW/TA User Survey Respondents, and Regional Shares of All Bank ESW and TA**



Source: IEG survey and World Bank administrative data.

Note: ESW = economic and sector work; TA = technical assistance.

of the portfolio of all DPLs (figure B.23) but not so closely to that of all investment loans (figure B.24). This is again not surprising, given that loans with IEG ratings are those that had closed during the evaluation, and these are mainly DPLs. In light of the above discussion, that is, the close approximation of both the Regional and sectoral distribution of loans with QAE ratings (but not that of loans with IEG ratings) to that of all loans, only inferences drawn from loans with QAE ratings were used in the discussion in chapter 3.

The matching entailed the review of loan documents and ESW to identify those ESW that could have informed the loans (the relevant ESW). For DPLs, which are generally multisectoral, ESW in all sectors were reviewed. For investment loans, the review included ESW in the economic policy and financial management sector in addition to the sector of the loan. Based on this review, only those ESW that could actually have informed the loans were selected for inclusion in the analysis.

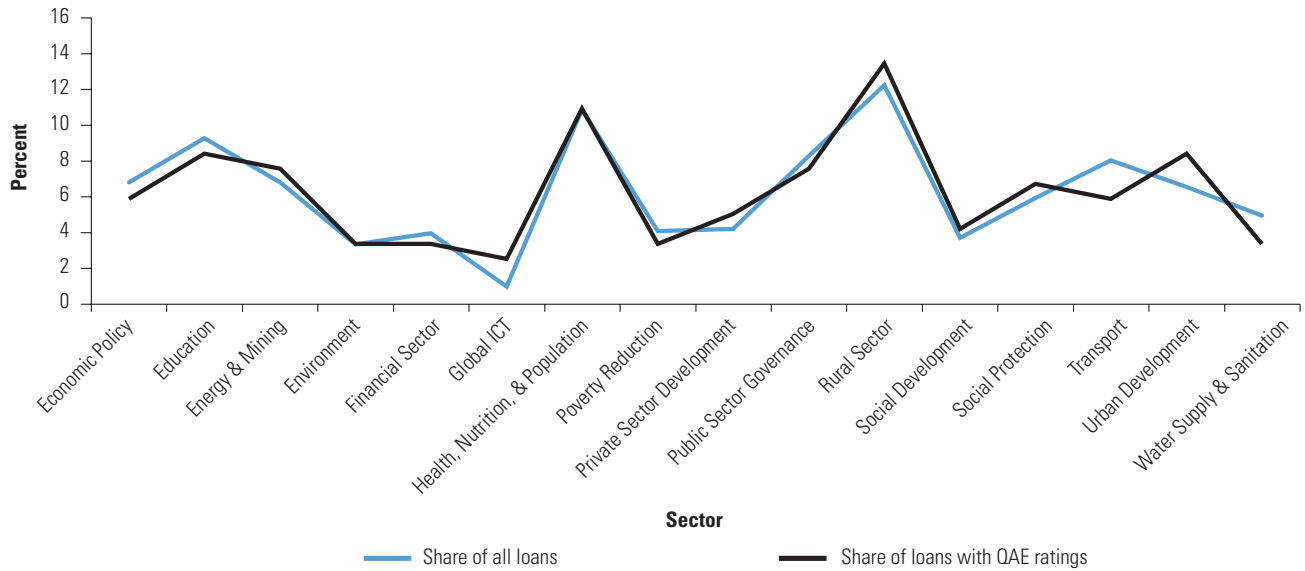
### QAG Quality Ratings

During fiscal 2000–06, QAG assessed 725 ESW and 157 TA tasks, including country-specific, regional, and global tasks. The distribution of TA tasks that were assessed by QAG closely reflects the distribution of TA tasks delivered by the Bank during the period. The match is not quite as close for ESW tasks, with an oversampling of country-specific tasks and an undersampling of regional and global tasks that QAG assessed (table B.11).

For country-specific tasks, there is a close match between the Regional distribution of ESW tasks that were assessed by QAG and of all such tasks delivered by the Bank during the period, but a less close match for TA tasks (table B.12).

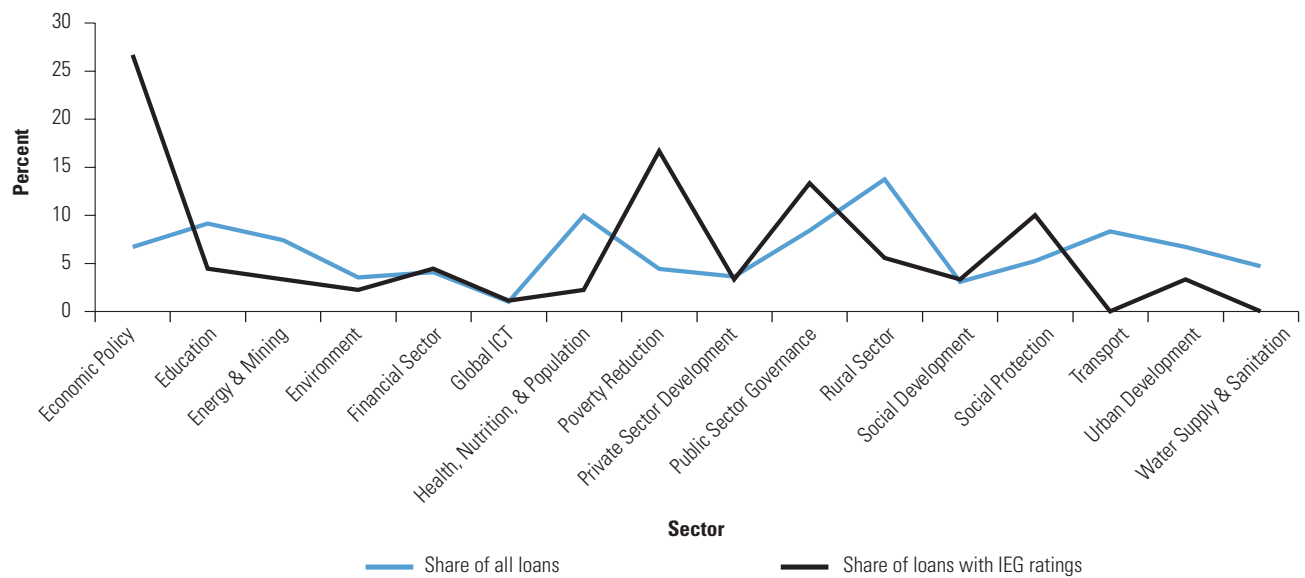
The Regional and sectoral distribution of ESW tasks with QAG ratings on both the four- and six-point scales are very close to such distributions for all Bank ESW, although they are somewhat less close for TA tasks (figures B.25–B.30).

**Figure B.19: Sectoral Distribution of All Loans and Selected Sample of Loans with QAE Ratings, Fiscal 2003–05**



Source: IEG and World Bank administrative data (adjusted by IEG for misclassification).  
 Note: Global ICT = global information, communications, and technology; QAE = quality at entry.

**Figure B.20: Sectoral Distribution of All Loans and Selected Sample of Loans with IEG Ratings, Fiscal 2003–06**



Source: IEG and World Bank administrative data (adjusted by IEG for misclassification).  
 Note: Global ICT = global information, communications, and technology.

**Table B.11: Country-Specific, Regional, and Global Tasks Assessed by QAG, Fiscal 2000–06**

	ESW		TA	
	Shares of all ESW (%)	Shares of ESW assessed by QAG (%)	Shares of all TA (%)	Shares of TA assessed by QAG (%)
Country	78	89	80	79
Regional	16	8	18	19
Global	6	3	2	3

Source: IEG staff calculation based on World Bank and QAG data.

Note: ESW = economic and sector work; QAG = Quality Assurance Group; TA = technical assistance.

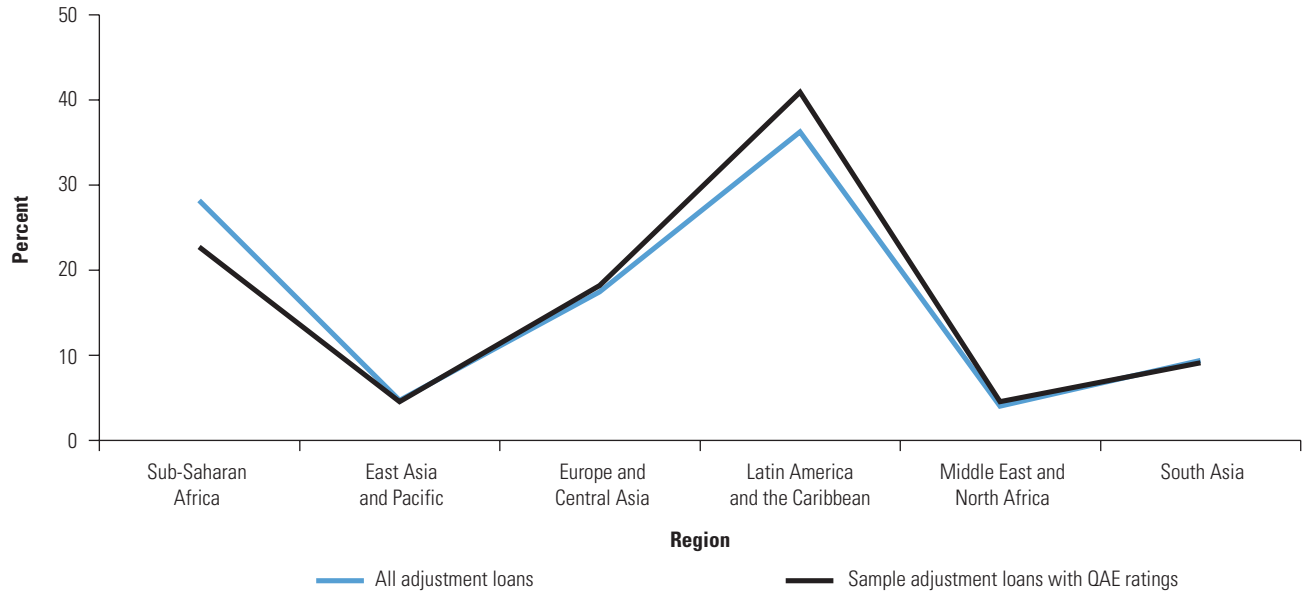
**Table B.12: Regional Distribution of Country-Specific ESW and TA Tasks Assessed by QAG, Fiscal 2000–06**

Region	ESW		TA	
	Shares of all ESW (%)	Shares of ESW assessed by QAG (%)	Shares of all TA (%)	Shares of TA assessed by QAG (%)
Sub-Saharan Africa	23	24	17	23
East Asia and Pacific	15	12	27	15
Europe and Central Asia	21	22	24	25
Latin America and the Caribbean	15	17	7	11
Middle East and North Africa	11	11	18	14
South Asia	15	15	8	12

Source: IEG staff calculation based on World Bank and QAG data.

Note: ESW = economic and sector work; QAG = Quality Assurance Group; TA = technical assistance.

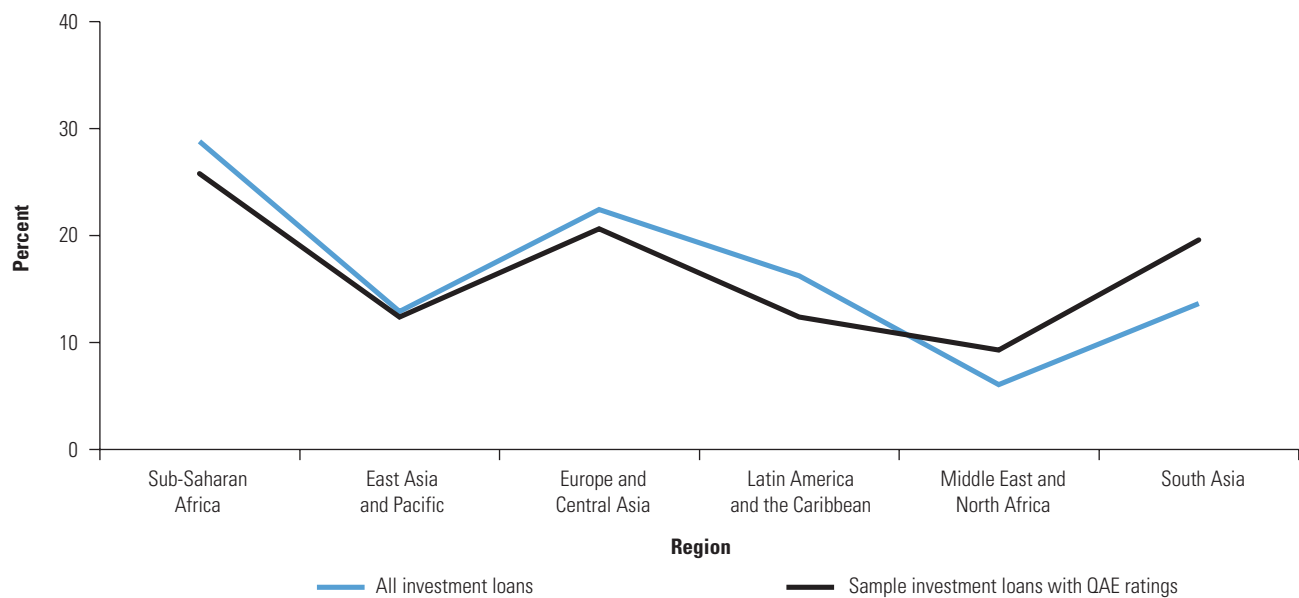
**Figure B.21: Regional Distribution and Selected Sample of All Development Policy Loans with QAE Ratings, Fiscal 2003–05**



Source: IEG, based on World Bank administrative data and QAG data.

Note: QAE = quality at entry.

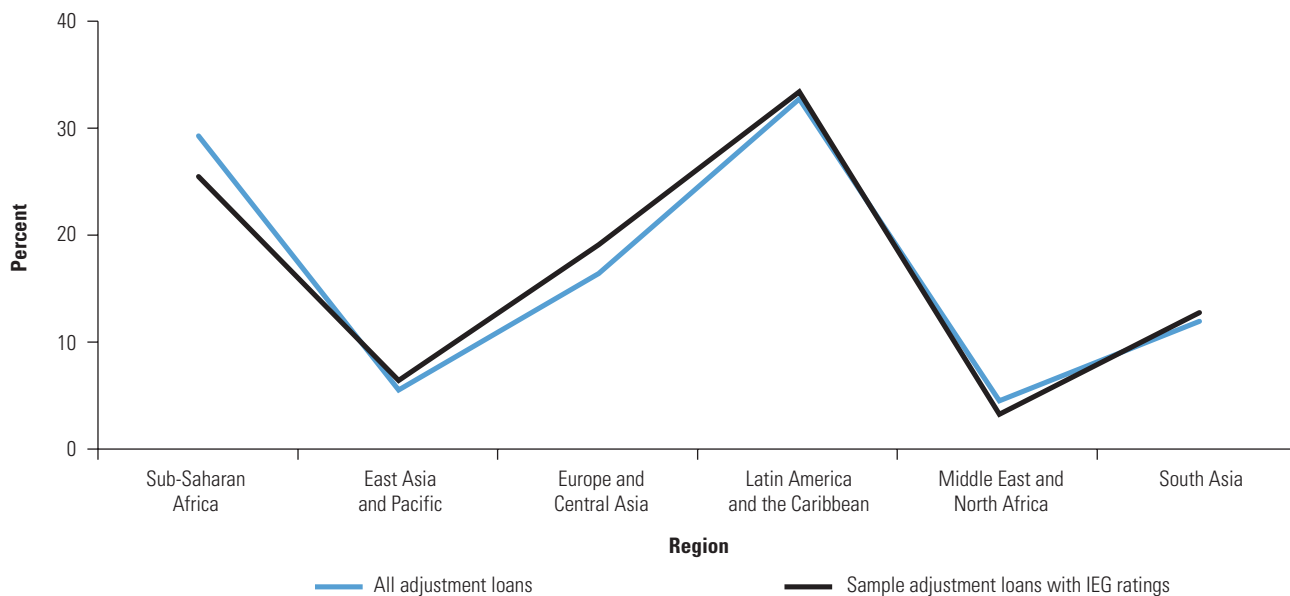
**Figure B.22: Regional Distribution and Selected Sample of All Investment Loans with QAE Ratings, Fiscal 2003–05**



Source: IEG, based on World Bank administrative data and QAG data.

Note: QAE = quality at entry.

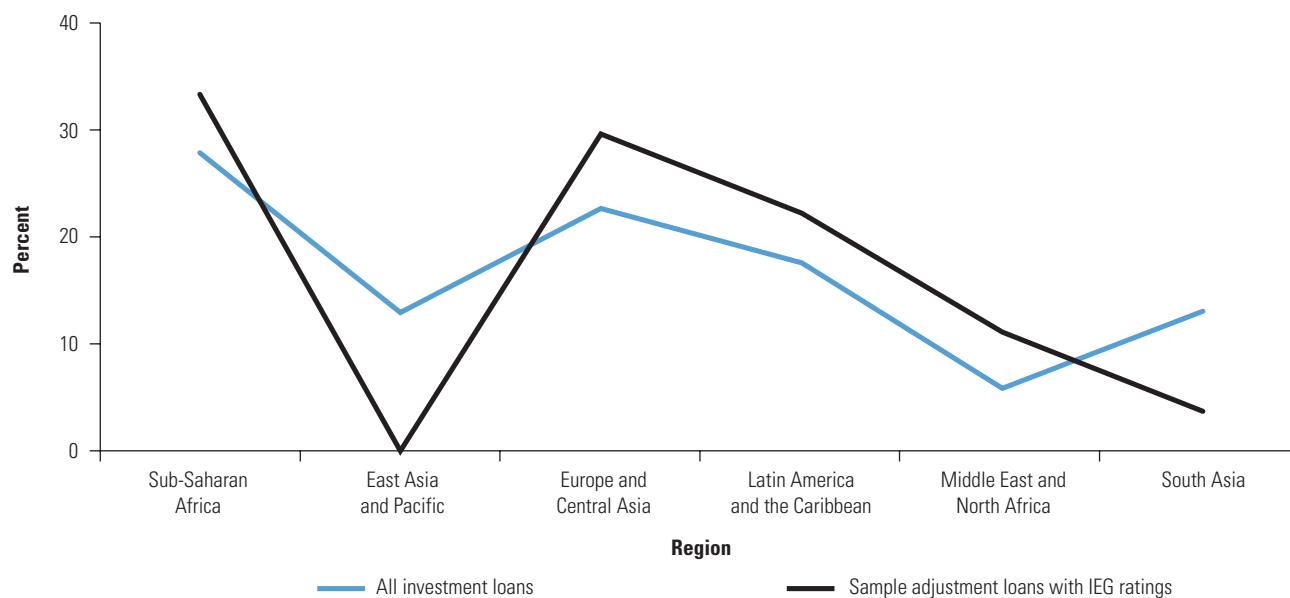
**Figure B.23: Regional Distribution and Selected Sample of All Development Policy Loans with IEG Ratings, Fiscal 2003–06**



Source: IEG and World Bank administrative data.

Note: IEG = Independent Evaluation Group.

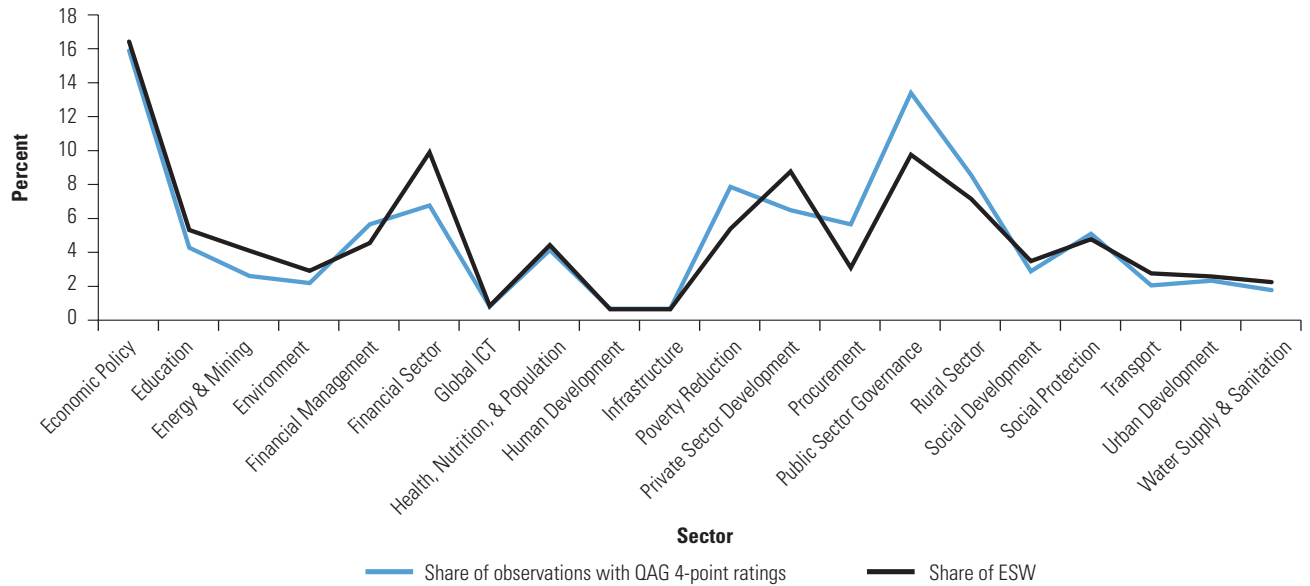
**Figure B.24: Regional Distribution and Selected Sample of All Investment Loans with IEG Ratings, Fiscal 2003–06**



Source: IEG and World Bank administrative data.

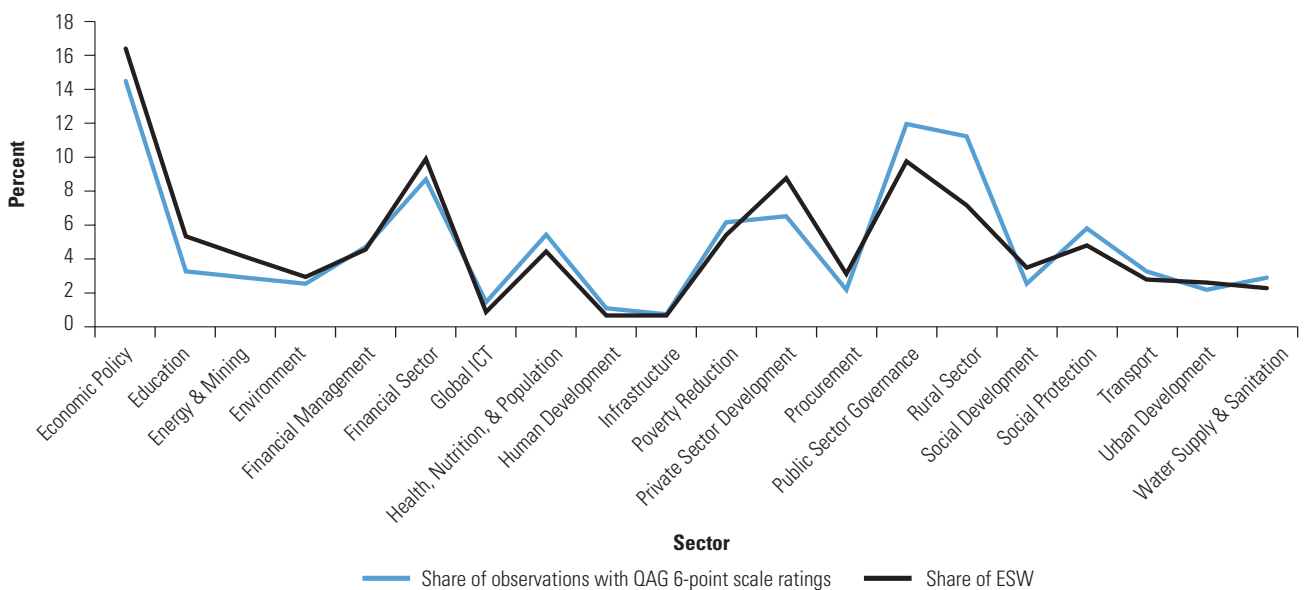
Note: IEG = Independent Evaluation Group.

**Figure B.25: Sectoral Shares of ESW with 4-Point QAG Ratings and All Bank ESW**



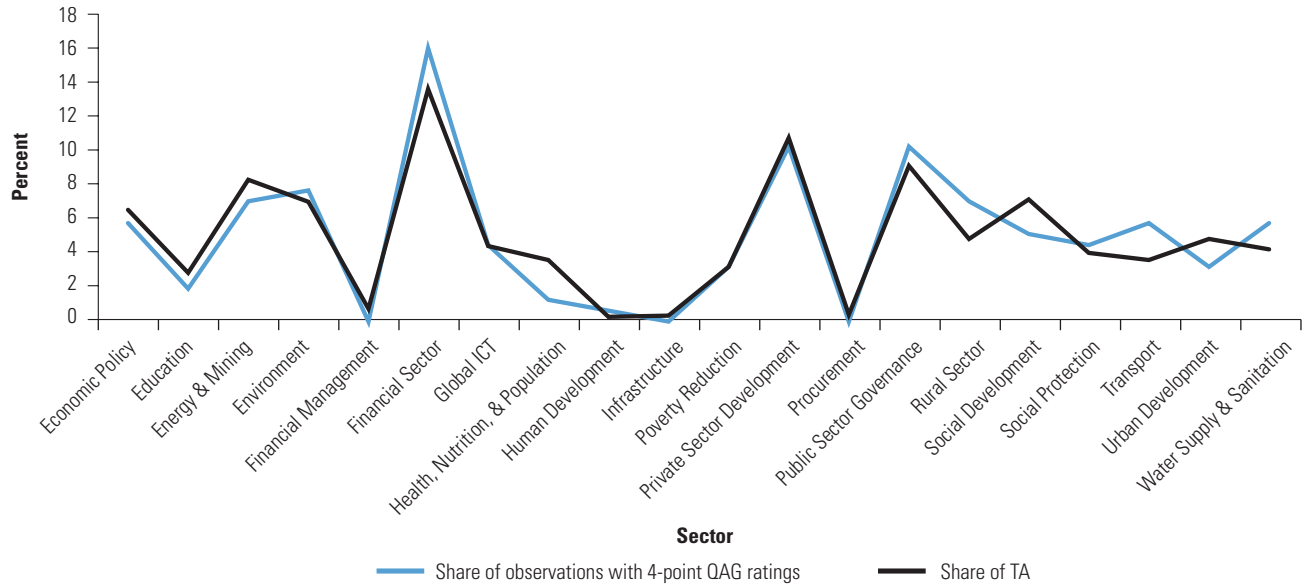
Source: IEG, based on World Bank administrative data (adjusted by IEG for misclassification) and QAG data.  
 Note: ESW = economic and sector work; Global ICT = global information, communications, and technology; QAG = Quality Assurance Group.

**Figure B.26: Sectoral Shares of ESW with 6-Point QAG Ratings and All Bank ESW**



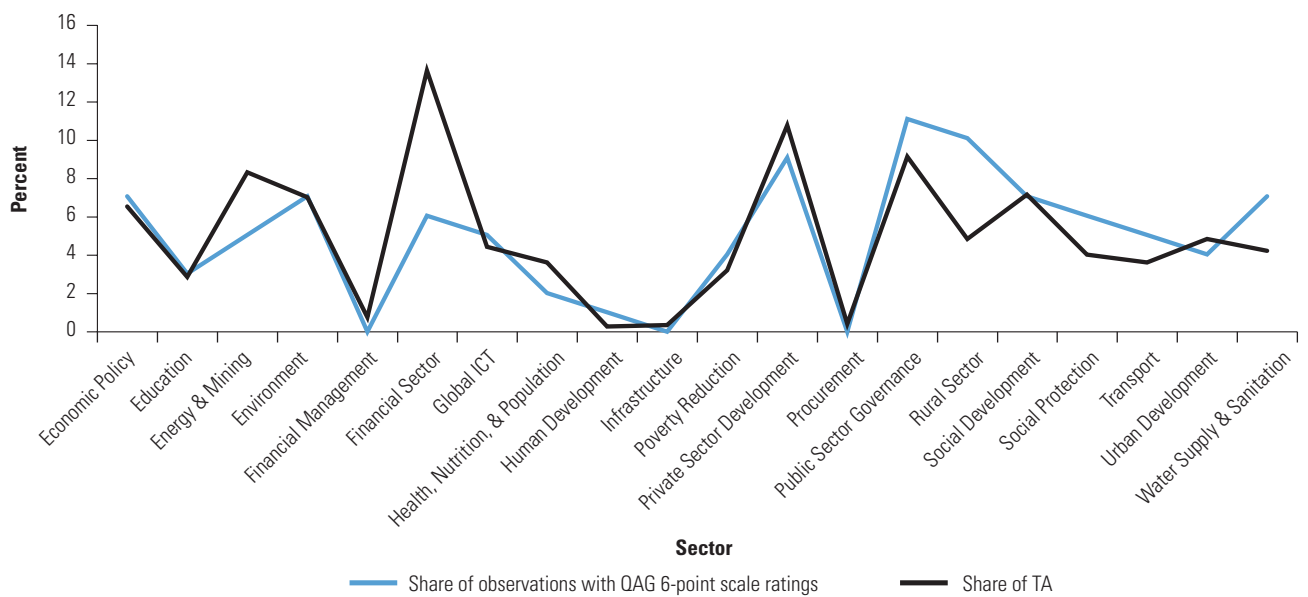
Source: IEG, based on World Bank administrative data (adjusted by IEG for misclassification) and QAG data.  
 Note: ESW = economic and sector work; Global ICT = global information, communications, and technology; QAG = Quality Assurance Group.

**Figure B.27: Sectoral Shares of TA with Four-Point QAG Ratings and All Bank TA**



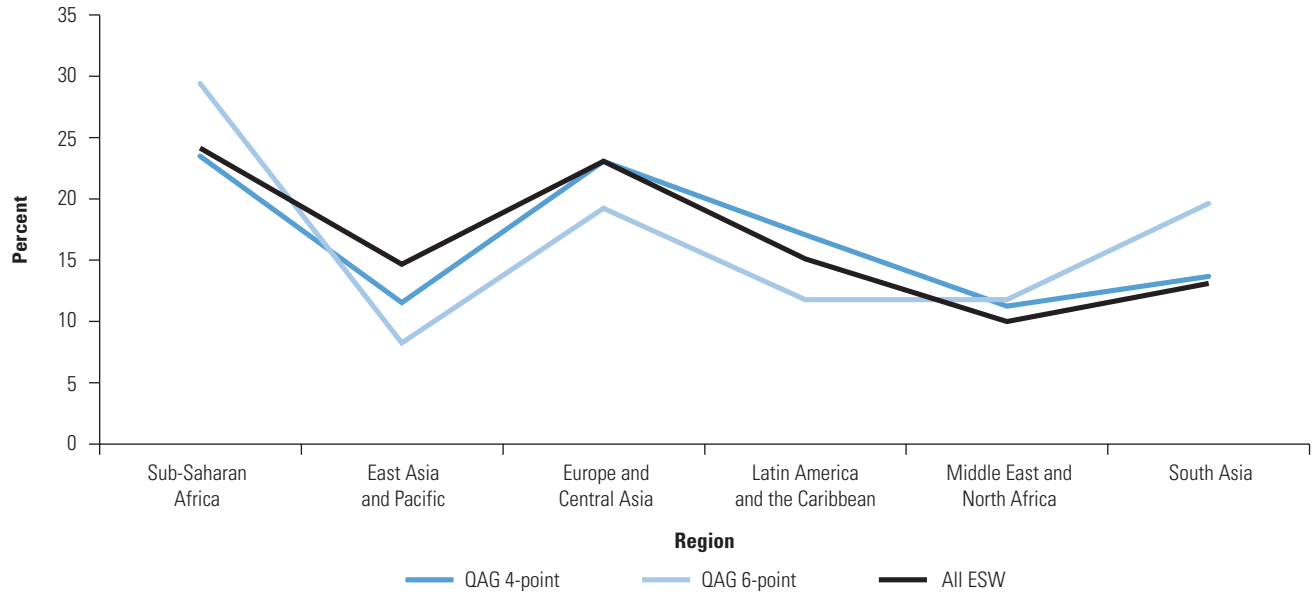
Source: IEG, based on World Bank administrative data (adjusted by IEG for misclassification) and QAG data.  
 Note: Global ICT = global information, communications, and technology; QAG = Quality Assurance Group; TA = technical assistance.

**Figure B.28: Sectoral Shares of TA with Six-Point QAG Ratings and All Bank TA**



Source: IEG, based on World Bank administrative data (adjusted by IEG for misclassification) and QAG data.  
 Note: Global ICT = global information, communications, and technology; QAG = Quality Assurance Group; TA = technical assistance.

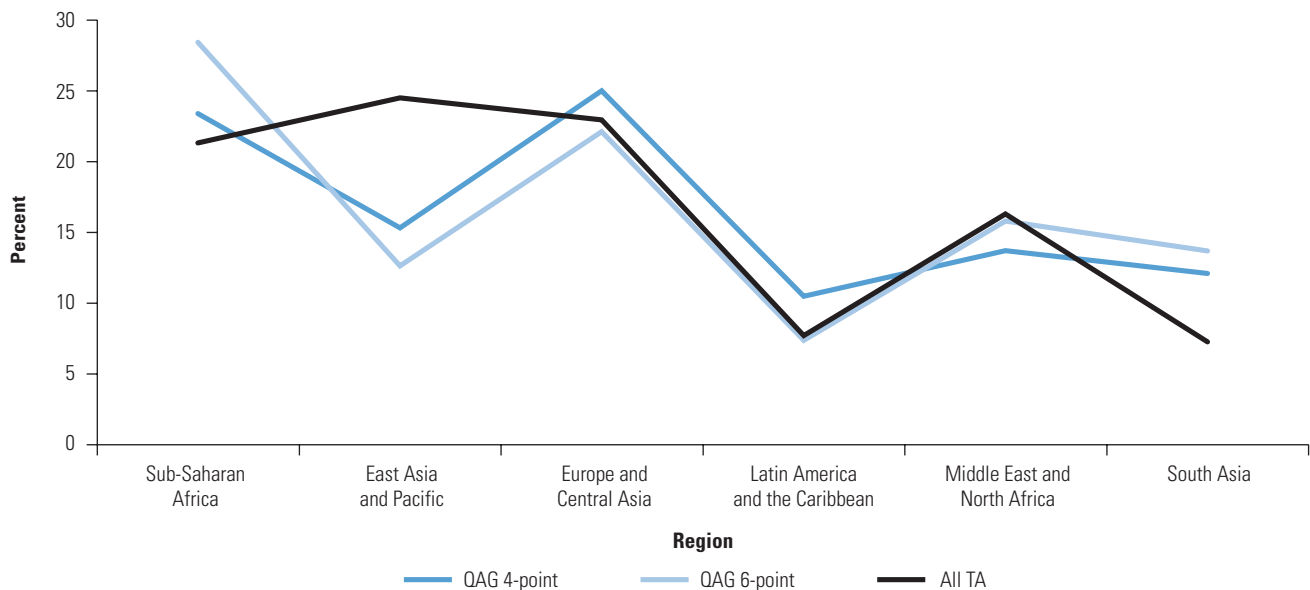
**Figure B.29: Regional Shares of ESW with Four- and Six-Point QAG Ratings and All Bank ESW**



Source: IEG, based on World Bank administrative and QAG data.

Note: ESW = economic and sector work; QAG = Quality Assurance Group.

**Figure B.30: Regional Shares of TA with Four- and Six-Point QAG Ratings and All Bank TA**



Source: IEG, based on World Bank administrative and QAG data.

Note: QAG = Quality Assurance Group; TA = technical assistance.



APPENDIX C: PORTFOLIO OF WORLD BANK ESW AND TA, FISCAL 2000–06

**Table C.1: Portfolio of World Bank ESW and TA, Fiscal 2000–06**

**A: Number of ESW Products Delivered to Clients**

	Fiscal 2000	Fiscal 2001	Fiscal 2002	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Total
Country	309	295	366	536	569	525	471	3,071
Regional	64	47	92	133	104	86	95	621
Global			2	57	61	83	35	238
Total	373	342	460	726	734	694	601	3,930
<b>Shares</b>								
Country (%)	82.8	86.3	79.6	73.8	77.5	75.6	78.4	78.1
Regional (%)	17.2	13.7	20.0	18.3	14.2	12.4	15.8	15.8
Global (%)	0.0	0.0	0.4	7.9	8.3	12.0	5.8	6.1

**B: Cost of ESW Products Delivered to Clients (US\$ 000)**

	Fiscal 2000	Fiscal 2001	Fiscal 2002	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Total
Country	46,745	46,423	51,185	71,455	86,010	91,153	97,916	490,887
Regional	15,610	4,275	7,766	16,093	16,055	27,916	21,338	109,053
Global			54	4,319	8,044	13,838	4,114	30,368
Total	62,355	50,698	59,004	91,867	110,108	132,907	123,368	630,308
<b>Shares</b>								
Country (%)	75.0%	91.6	86.7	77.8	78.1	68.6	79.4	77.9
Regional (%)	25.0%	8.4	13.2	17.5	14.6	21.0	17.3	17.3
Global (%)	0.0%	0.0	0.1	4.7	7.3	10.4	3.3	4.8

**C: Number of NLTA Products Delivered to Clients**

	Fiscal 2000	Fiscal 2001	Fiscal 2002	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Total
Country	95	147	219	276	235	282	233	1,487
Regional	28	15	34	57	56	67	71	328
Global	5	1	12	6	12	2	3	41
Total	128	163	265	339	303	351	307	1,856
<b>Shares</b>								
Country (%)	74.2	90.2	82.6	81.4	77.6	80.3	75.9	80.1
Regional (%)	21.9	9.2	12.8	16.8	18.5	19.1	23.1	17.7
Global (%)	3.9	0.6	4.5	1.8	4.0	0.6	1.0	2.2

(table continues on next page)

**Table C.1: Portfolio of World Bank ESW and TA, Fiscal 2000–06 (continued)**

**D: Cost of NLTA Products Delivered to Clients (US\$ 000)**

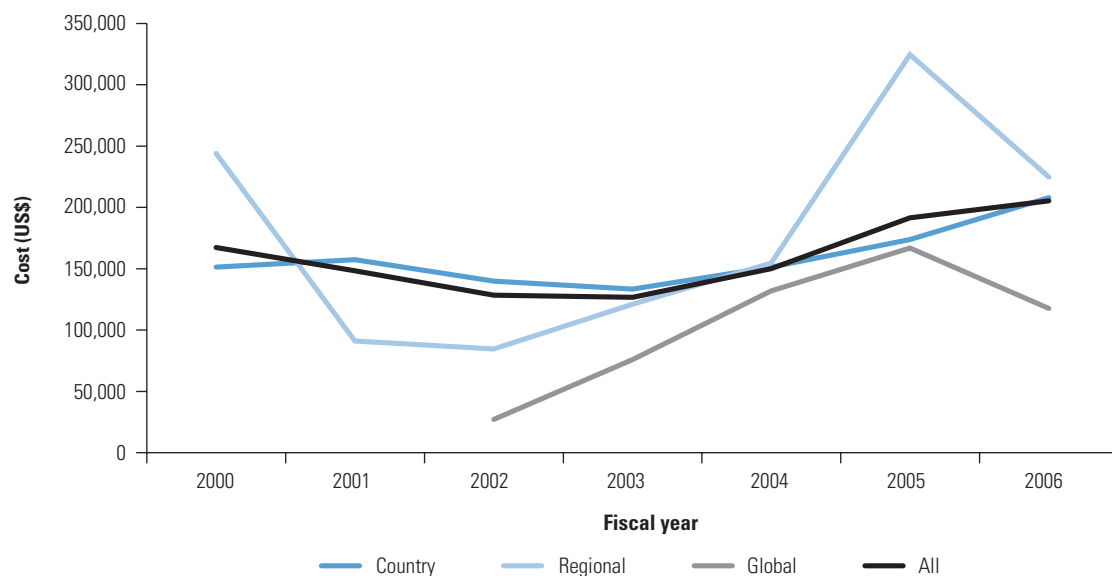
	Fiscal 2000	Fiscal 2001	Fiscal 2002	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Total
Country	9,615	14,908	36,800	35,557	26,974	34,886	34,159	192,898
Regional	6,314	4,582	5,992	13,150	14,492	16,213	17,913	78,657
Global	432	40	1,835	1,095	2,174	420	1,978	7,973
<b>Total</b>	<b>16,360</b>	<b>19,530</b>	<b>44,626</b>	<b>49,802</b>	<b>43,640</b>	<b>51,520</b>	<b>54,050</b>	<b>279,528</b>
<b>Shares</b>								
Country (%)	58.8	76.3	82.5	71.4	61.8	67.7	63.2	69.0
Regional (%)	38.6	23.5	13.4	26.4	33.2	31.5	33.1	28.1
Global (%)	2.6	0.2	4.1	2.2	5.0	0.8	3.7	2.9

Source: World Bank administrative data.

Note: n.a. = not applicable; NLTA = nonlending technical assistance.

**Average costs of country, regional, and global ESW and TA, fiscal 2000–06**

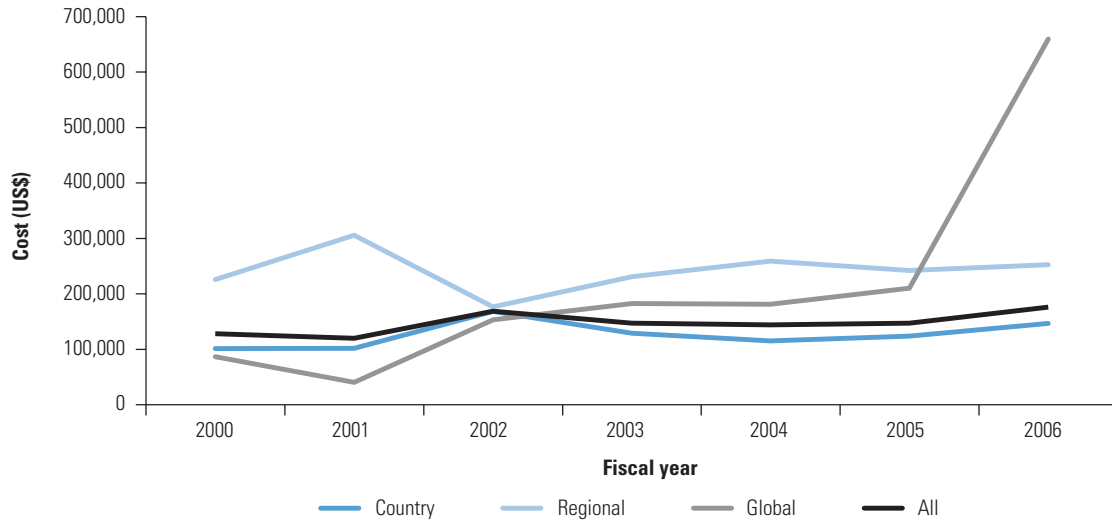
**Figure C.1: Average Cost of Country, Regional, and Global ESW, Fiscal 2000–06**



Source: Derived by IEG from Bank administrative data.

Note: ESW = economic and sector work.

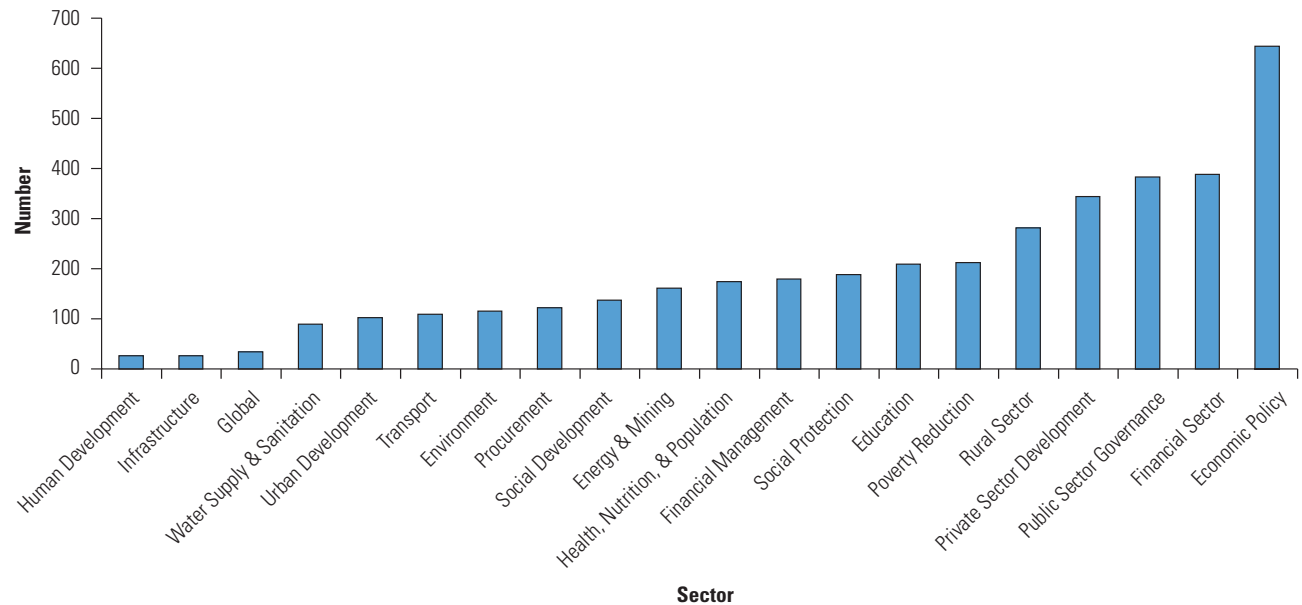
**Figure C.2: Average Cost of Country, Regional, and Global TA, Fiscal 2000-06**



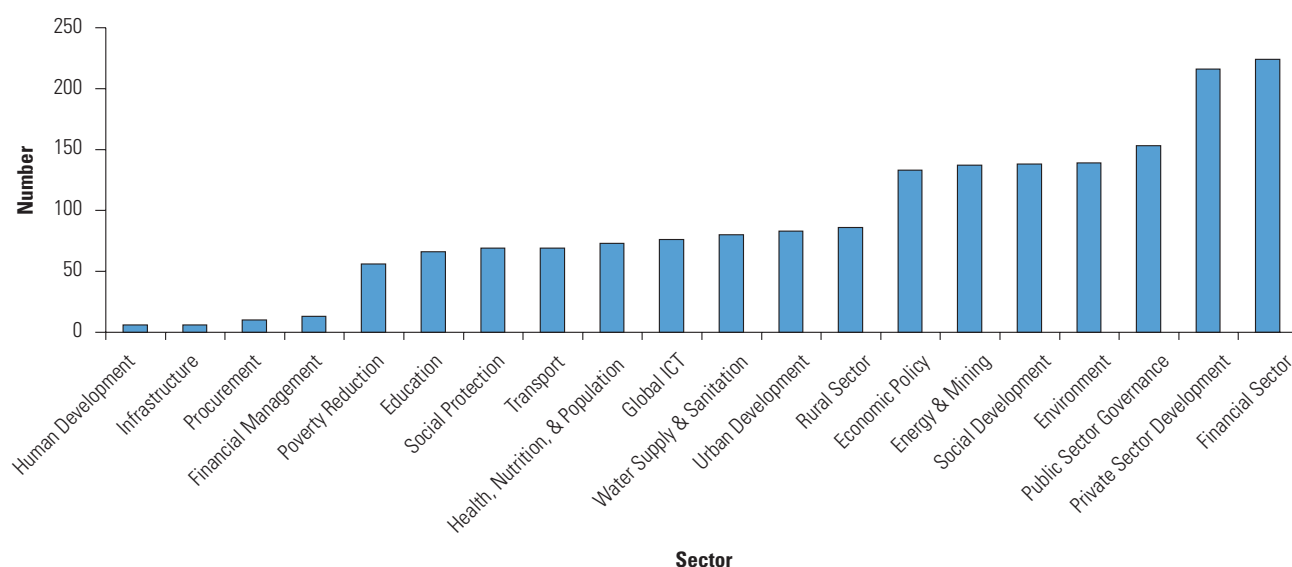
Source: Derived by IEG from Bank administrative data.  
 Note: TA = technical assistance.

**Sectoral distribution of ESW and TA, fiscal 2000-06**

**Figure C.3: Number of ESW by Sector Board Classification, Fiscal 2000-06**



Source: World Bank administrative data, adjusted by IEG for misclassification.  
 Notes: The number of ESW includes country, Regional, and global ESW. ESW = economic and sector work; Global ICT = global information, communications, and technology.

**Figure C.4: Number of TA by Sector Board Classification, Fiscal 2000–06**


Source: World Bank administrative data, adjusted by IEG for misclassification.

Note: The number of TA includes country, regional, and global TA. Global ICT = global information, communications, and technology; TA = technical assistance.

**Table C.2: The Top ESW Sectors (by numbers) by Region, Fiscal 2000–06**

Sector	Sub-Saharan Africa	East Asia and Pacific	Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	South Asia	Global	Total
Economic policy	✓	✓	✓	✓	✓	✓		✓
Financial sector	✓	✓	✓	✓	✓	✓	✓	✓
Public sector governance	✓	✓	✓	✓	✓	✓		✓
Private sector development	✓	✓	✓	✓	✓	✓	✓	✓
Rural sector		✓				✓	✓	✓
Energy and Mining			✓					
Poverty reduction				✓				
Education	✓				✓*			
Social protection					✓*		✓	
Health, nutrition, and population							✓	

Source: IEG.

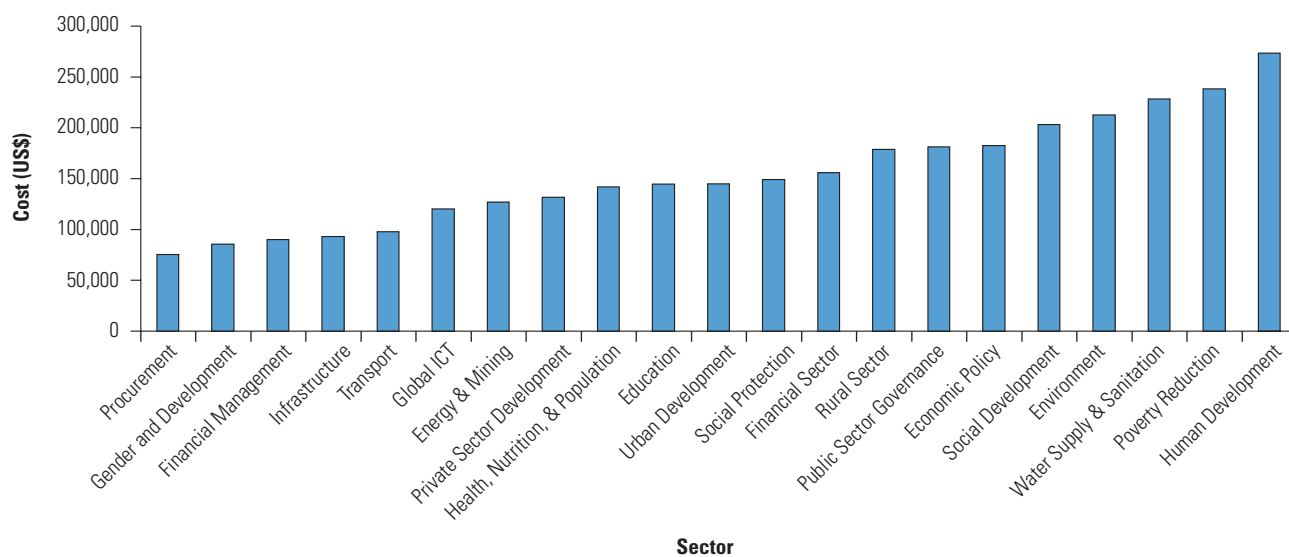
Note: Shaded cells are top ESW sectors for Bank. ✓ = a top five sector by the number of ESW. \* = equal numbers of ESW in the marked sectors for the particular Region.

**Table C.3: The Top TA Sectors (by numbers) by Region, Fiscal 2000–06**

Sector	Sub-Saharan Africa	East Asia and Pacific	Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	South Asia	Global	Total
Financial		✓	✓	✓	✓*	✓*	✓	✓
Private sector development	✓	✓	✓	✓*	✓	✓*		✓
Public sector governance	✓	✓	✓		✓	✓**		✓
Environment	✓	✓	✓*	✓**	✓	✓***	✓*	✓
Social development	✓	✓	✓	✓*			✓**	✓
Energy and Mining		✓	✓			✓**	✓	✓
Economic policy	✓	✓*	✓			✓***		✓
Rural sector	✓	✓*						
Water Supply and Sanitation	✓			✓			✓**	
Urban development		✓*		✓**		✓		
Social protection			✓*		✓			
Transport				✓				
Global ICT					✓	✓*	✓*	
Health, nutrition, and population					✓*			

Source: IEG.

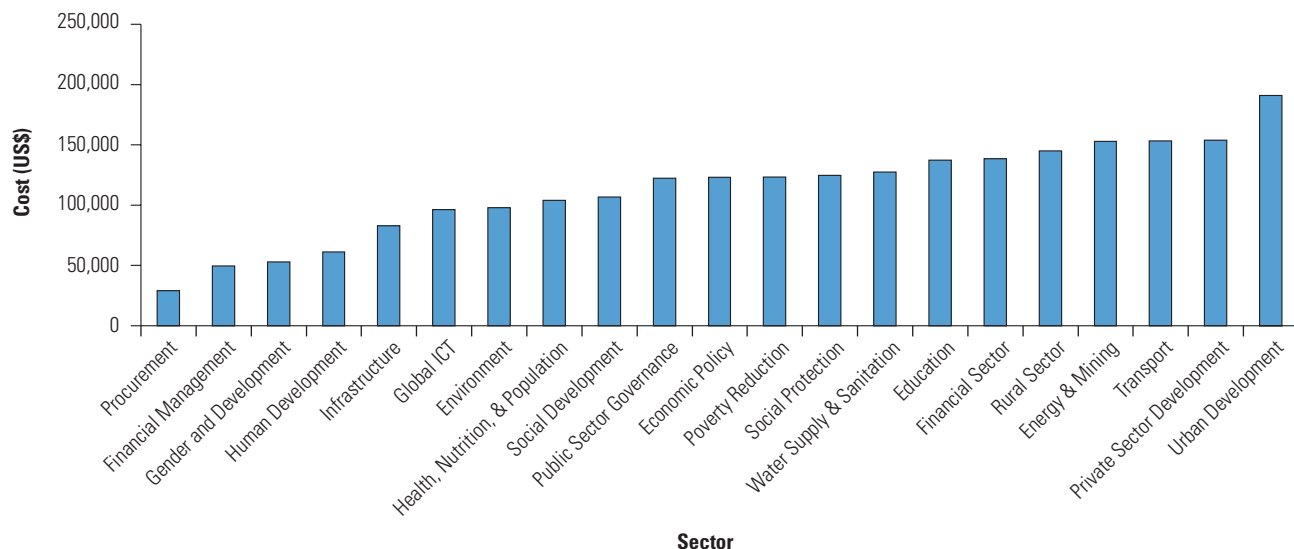
Note: Shaded cells are top TA sectors for Bank. ✓ = top sector by the number of TA. \*, \*\*, and \*\*\* indicate equal numbers of TA in the marked sectors for the particular Regions.

**Figure C.5: Average Cost of Country-Specific ESW by Sector, Fiscal 2000–06**

Source: World Bank administrative data.

Note: ESW = economic and sector work; Global ICT = global information, communications, and technology.

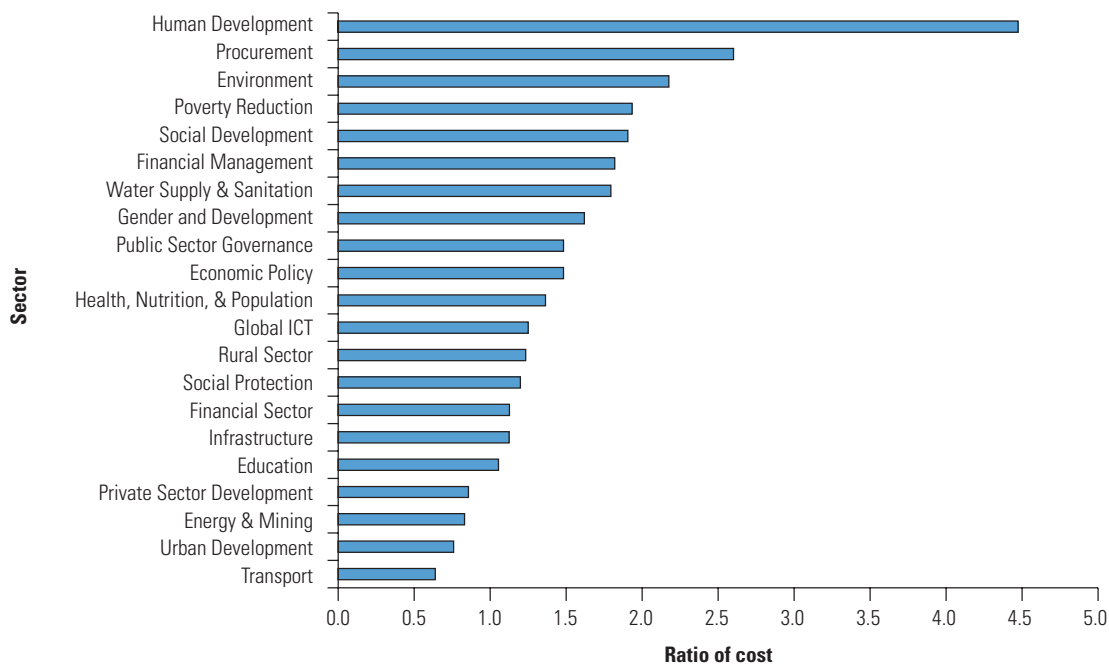
**Figure C.6: Average Cost of Country-Specific TA by Sector, Fiscal 2000–06**



Source: World Bank administrative data.

Note: Global ICT = global information, communications, and technology; TA = technical assistance.

**Figure C.7: Ratio of Average Cost of Country-Specific ESW to TA Tasks, Fiscal 2000–06**

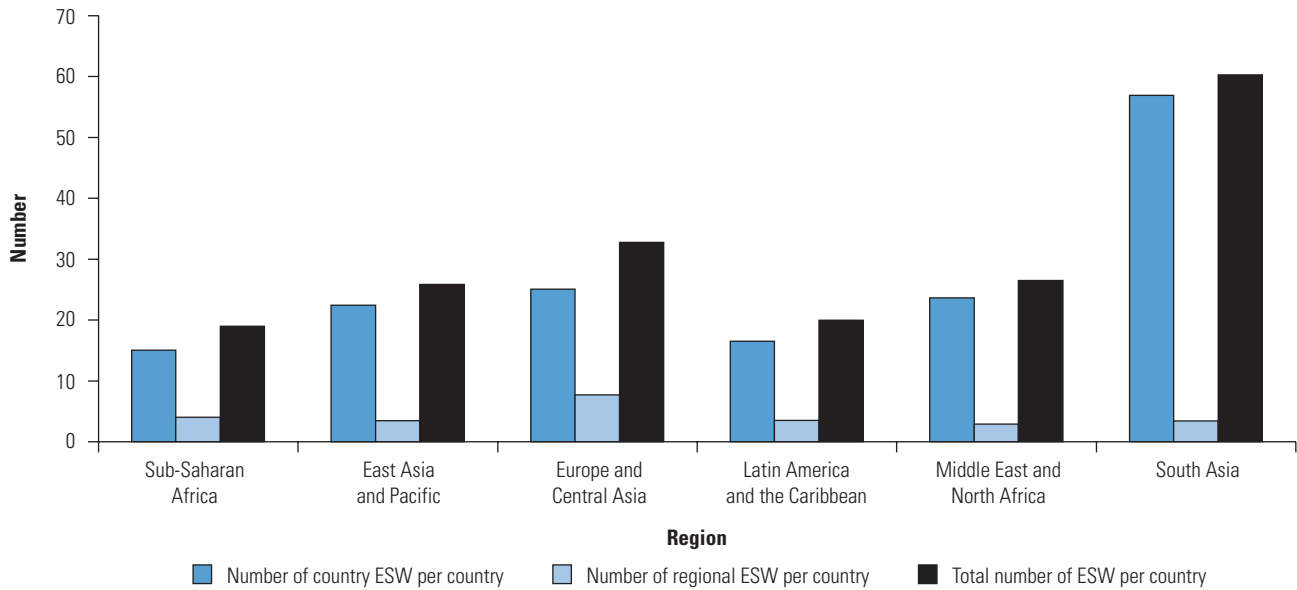


Source: IEG calculations based on World Bank administrative data.

Note: ESW = economic and sector work; Global ICT = global information, communications, and technology; TA = technical assistance.

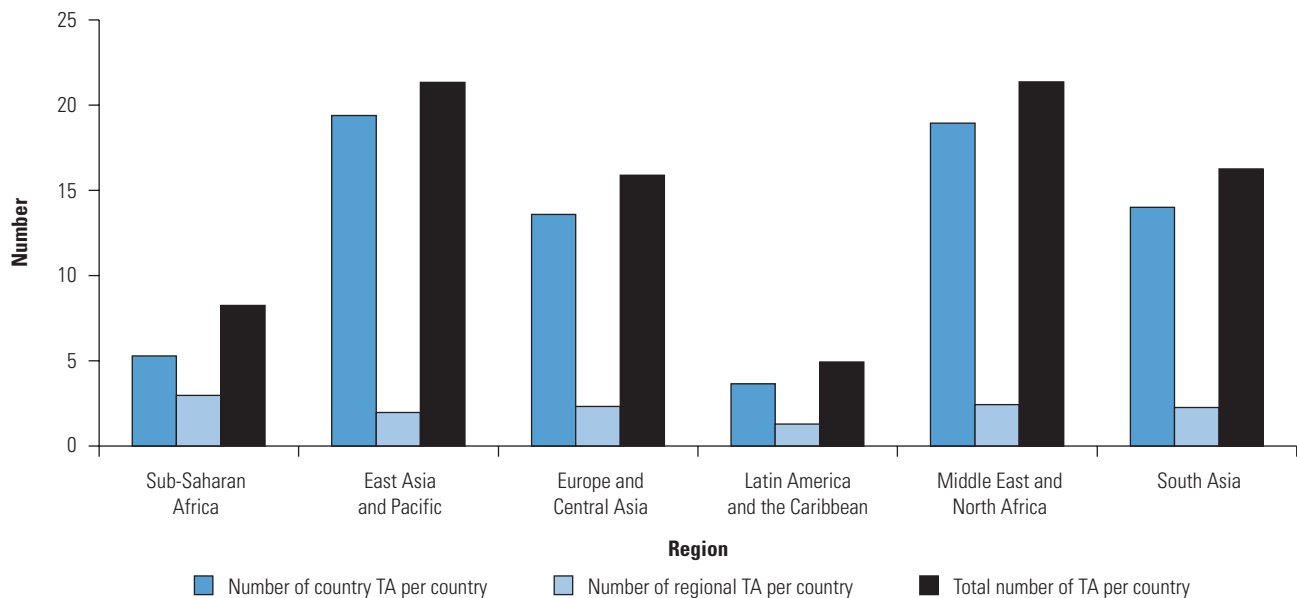
Regional distribution of ESW and TA

Figure C.8: Number of ESW per Country by Region, Fiscal 2000–06



Source: IEG calculations based on World Bank administrative data.  
 Note: ESW = economic and sector work.

Figure C.9: Number of TA per Country by Region, Fiscal 2000–06



Source: IEG calculations based on data from World Bank administrative data.  
 Note: TA = technical assistance.

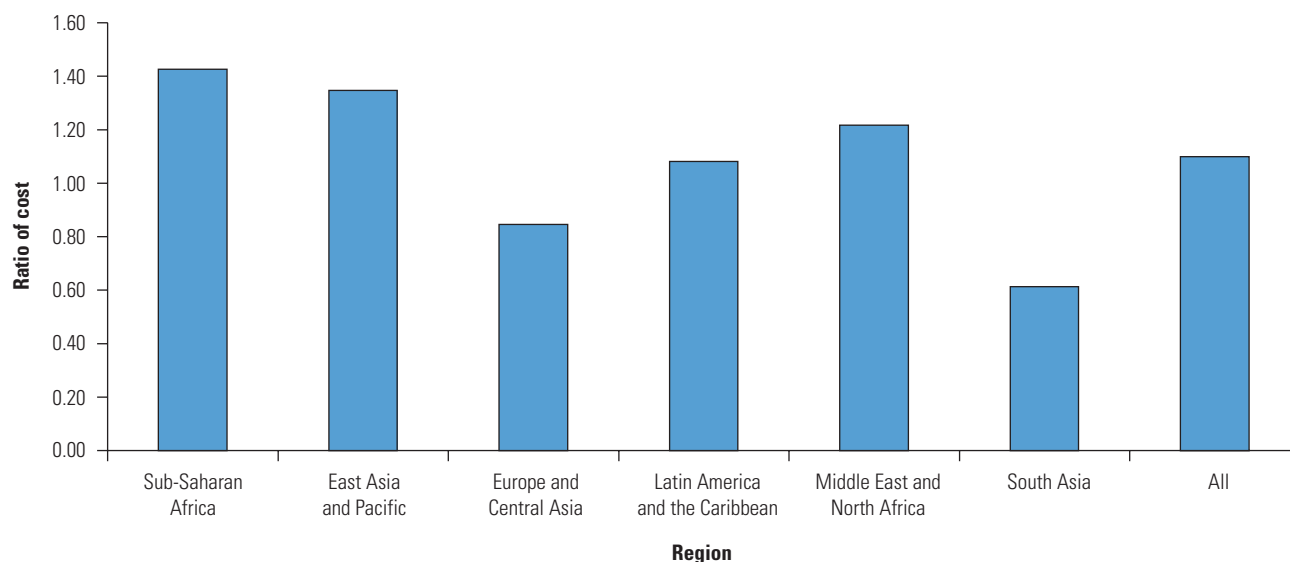
Although Sub-Saharan Africa delivered the smallest number of Regional ESW (per country), it spent the most on regional ESW as a share of total spending on ESW—27 percent compared with an average of 18 percent for all Regions (with South Asia spending the smallest share, 6 percent). These differences in the cost shares of Regional ESW were due entirely to differences in the average costs of such ESW—they were the most expensive in Sub-Saharan Africa, costing an average of around \$201,000, and the least expensive in South Asia, costing an average of around \$105,000.

Conversely, country-specific ESW cost the least in Sub-Saharan Africa, around \$141,000, compared with the average of around \$160,000 for all Regions. South Asia had among the most expensive country-specific ESW, averaging around \$171,000. That was topped by East Asia and Pacific, for which the average cost of country-specific ESW was \$177,000. This means that Sub-Saharan Africa had the highest ratio of average cost of Re-

gional ESW to country-specific ESW (followed closely by East Asia and Pacific), and South Asia the lowest (figure C.10).

Although Sub-Saharan Africa did not deliver the largest number of TA per country, it spent by far the most on Regional TA as a share of total spending on TA (as it did for ESW). Fifty-nine percent of Sub-Saharan Africa TA spending was on Regional TA, compared with an average of 29 percent for all Regions (with East Asia and Pacific and South Asia spending the least—12 and 13 percent, respectively). The average cost of Regional TA in Sub-Saharan Africa was the most expensive of all the Regions (as it was in the case of Regional ESW)—\$308,200 compared with the average of \$239,805 for all regional TA. Latin America and the Caribbean and South Asia had the least expensive Regional TA, which cost an average of around \$110,000 and \$125,000, respectively. Sub-Saharan Africa had the highest ratio of average cost of Regional TA to country-specific TA (as it did with ESW), and Latin America and the Caribbean the lowest (figure C.11).

**Figure C.10: Ratio of Average Cost of Regional ESW to Country-Specific ESW, Fiscal 2000–06**

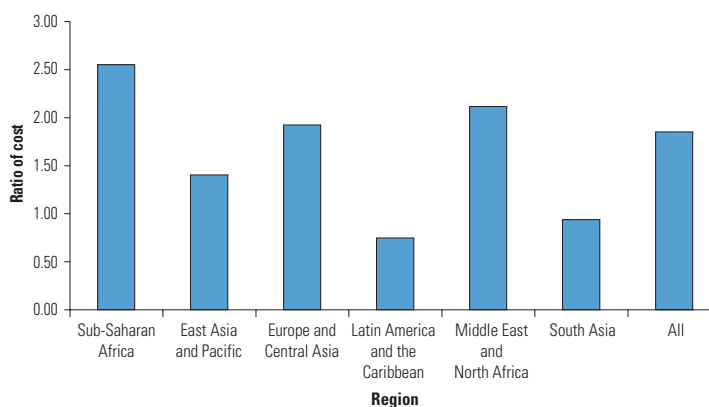


Source: IEG calculations based on World Bank administrative data.  
 Note: ESW = economic and sector work.

### Misclassification of ESW, TA, and Loans in the Bank Administrative Database

For the purpose of this evaluation, the IEG team reviewed the administrative database for ESW, TA, and loans for fiscal 2000–06 to correct for misclassification of sector board. The review indicated that 13 percent of ESW, 20 percent of TA, and 10 percent of loans were misclassified (tables C.4–C.6). Table C.7 provides numbers of ESW by report type.

**Figure C.11: Ratio of Average Cost of Regional TA to Country-Specific TA, Fiscal 2000–06**



Source: IEG calculations based on World Bank administrative data.

Note: TA = technical assistance.

**Table C.4: Misclassification of ESW**

Sector	Number of correctly classified ESW	Number of misclassified ESW	Total number of ESW	Percent of misclassified ESW
Economic policy	561	90	651	13.8
Education	202	5	207	2.4
Energy and mining	144	14	158	8.9
Environment	104	28	132	21.2
Financial management	176	16	192	8.3
Financial sector	369	26	395	6.6
Gender and development	44	1	45	2.2
Global ICT	23	0	23	0.0
Health, nutrition, and population	171	5	176	2.8
Operational services	1	17	18	94.4
Poverty reduction	198	82	280	29.3
Private sector development	304	26	330	7.9
Procurement	121	5	126	4.0
Professional development	2	0	2	0.0
Project finance and guarantees	1	0	1	0.0
Public sector governance	251	31	282	11.0
Resource management	2	0	2	0.0
Rural sector	254	35	289	12.1
Sector board not applicable	0	24	24	100.0
Social development	71	32	103	31.1
Social protection	163	28	191	14.7
Transport	103	8	111	7.2
Urban development	95	27	122	22.1
Water supply and sanitation	64	6	70	8.6
<b>Total</b>	<b>3,424</b>	<b>506</b>	<b>3,930</b>	<b>12.9</b>

Source: IEG and World Bank administrative data.

Note: ESW = economic and sector work; global ICT = global information, communications, and technology.

**Table C.5: Misclassification of TA**

<b>Sector</b>	<b>Number of correctly classified TA</b>	<b>Number of misclassified TA</b>	<b>Total number of TA</b>	<b>Percent of misclassified TA</b>
Administrative and client support	2	0	2	0.0
Economic policy	102	28	130	21.5
Education	65	3	68	4.4
Energy and mining	98	10	108	9.3
Environment	133	15	148	10.1
Financial management	13	34	47	72.3
Financial sector	195	21	216	9.7
Gender and development	18	2	20	10.0
Global ICT	35	0	35	0.0
Health, nutrition, and population	68	4	72	5.6
Operational services	7	6	13	46.2
Poverty reduction	48	36	84	42.9
Private sector development	191	128	319	40.1
Procurement	9	2	11	18.2
Professional development	3	0	3	0.0
Project finance and guarantees	1	0	1	0.0
Public sector governance	110	19	129	14.7
Resource management	1	0	1	0.0
Rural sector	71	15	86	17.4
Sector board not applicable	0	9	9	100.0
Social development	96	7	103	6.8
Social protection	57	13	70	18.6
Transport	49	0	49	0.0
Urban development	79	12	91	13.2
Water supply and sanitation	38	3	41	7.3
<b>Total</b>	<b>1,489</b>	<b>367</b>	<b>1,856</b>	<b>19.8</b>

Source: IEG and World Bank administrative data.

Note: Global ICT = global information, communications, and technology; TA = technical assistance.

**Table C.6: Misclassification of Loans**

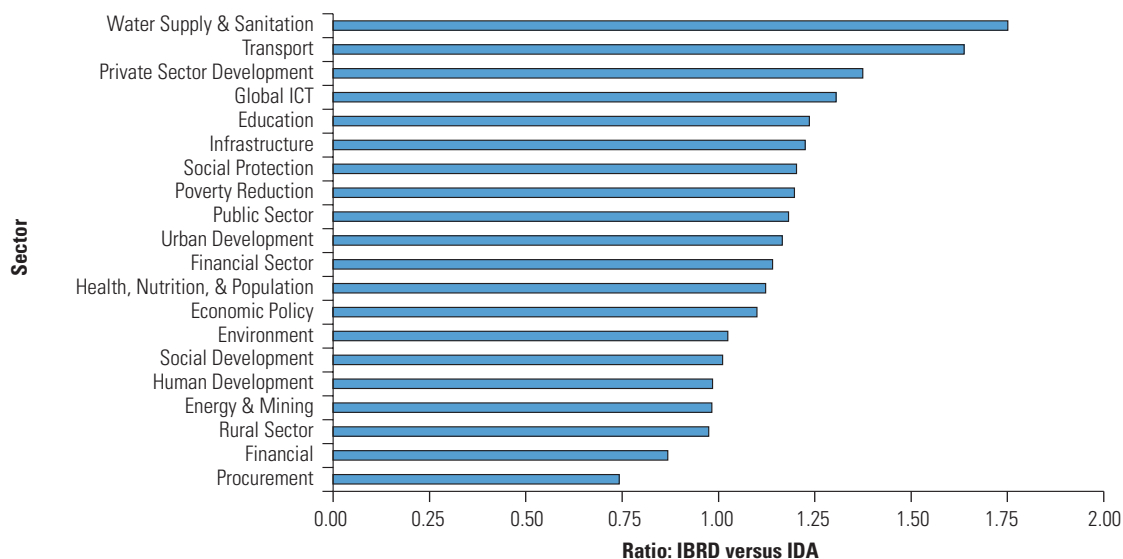
<b>Sector</b>	<b>Number of correctly classified loans</b>	<b>Number of misclassified loans</b>	<b>Total number of loans</b>	<b>Share of misclassified loans</b>
Economic policy	104	21	125	16.8
Education	160	3	163	1.8
Energy and mining	125	2	127	1.6
Environment	49	8	57	14.0
Financial sector	89	9	98	9.2
Gender and development	1	0	1	0.0
Global ICT	16	0	16	0.0
Health, nutrition, and population	171	4	175	2.3
Poverty reduction	22	7	29	24.1
Private sector development	58	22	80	27.5
Public sector governance	149	41	190	21.6
Rural sector	239	18	257	7.0
Social development	36	4	40	10.0
Social protection	90	22	112	19.6
Transport	163	6	169	3.6
Urban development	91	5	96	5.2
Water supply and sanitation	85	10	95	10.5
<b>Total</b>	<b>1,648</b>	<b>182</b>	<b>1,830</b>	<b>9.9</b>

*Source:* IEG and World Bank administrative data.

*Note:* Global ICT = global information, communications, and technology.

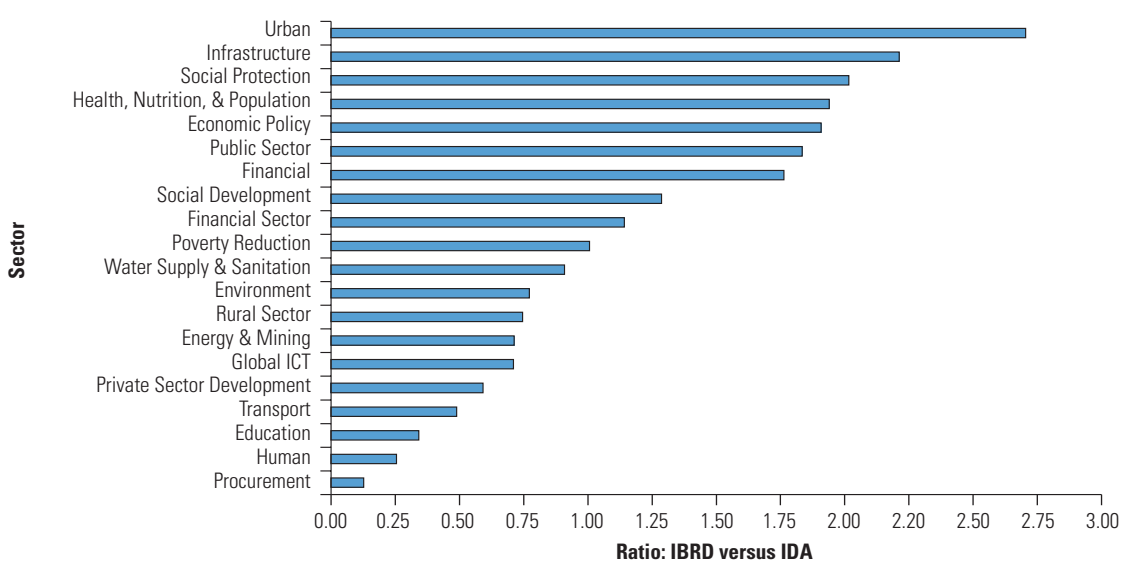
Average cost of ESW and TA in IBRD versus IDA countries

**Figure C.12: Ratio of Average Cost of ESW for IBRD versus IDA Countries, Fiscal 2000–06**



Source: IEG calculations based on World Bank administrative data.  
 Note: ESW = economic and sector work; Global ICT = global information, communications, and technology; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association.

**Figure C.13: Ratio of Average Cost of TA for IBRD versus IDA Countries, Fiscal 2000–06**



Source: IEG calculations based on World Bank administrative data.  
 Note: Global ICT = global information, communications, and technology; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; TA = technical assistance.

### **Trust fund contribution to ESW costs, by Region and sector**

Sub-Saharan Africa received the largest amount of trust funds for ESW among all the Regions, although it was not the top recipient of such funds on a per country basis. On a per country basis, South Asia received the largest amount, and Latin America and the Caribbean received the smallest amount.

Of the trust funds that went to ESW, 65 percent went to country-specific ESW, 31 percent to regional ESW, and 4 percent to global ESW. More trust funds went to country-specific than to Regional ESW in all the Regions except for Sub-Saharan Africa, where it was the reverse.

The bulk of trust funds for *global ESW* (28 percent) went to PSD. Smaller amounts went to energy and mining and urban development, but trust funds played a very important role in these sectors, contributing 98 and 89 percent, respectively, of the costs of ESW.

With respect to *Regional ESW*, PSD was favored by trust funds, receiving 27 percent of all trust funds that went to Regional ESW in the Bank, followed by the rural sector; education; energy and mining; and health, nutrition, and population. All the sectors favored by trust funds except for energy and mining were among the top sectors for Regional ESW Bank-wide.

Trust funds spread across more sectors with respect to *country-specific ESW* than Regional ESW, focusing on the rural, poverty reduction, environment, economic policy, water supply and sanitation, and education sectors. Three of these overlapped with the top sectors for country-specific ESW Bank-wide: economic policy, rural sector, and poverty reduction.

### **Trust fund contribution to TA costs, by Region and sector**

Similar to ESW, a larger amount of trust funds went to country-specific tasks (which received

58 percent of all trust funds for TA) than to Regional (38 percent) or global tasks (4 percent). As with ESW, Sub-Saharan Africa received more trust funds for Regional than for country-specific TA.

As in the case for ESW, Sub-Saharan Africa received the largest amount of trust funds for TA among all the Regions, although again it was not the top recipient of these funds on a per country basis. On a per country basis, East Asia and Pacific was the top recipient, and Latin America and the Caribbean received the lowest amount (as it also did in the case of ESW).

For *global TA*, trust funds favored PSD and global ICT (information, communications, and technology), which received 34 and 22 percent, respectively, of all the trust funds that financed global TA in the Bank. Global TA tasks in global ICT were virtually all trust funded, as were global TA in environment and in water supply and sanitation; trust funds contributed to around 95 percent of all the costs of all these global TA. Global ICT and environment were also among the top sectors (in numbers) for global TA Bank-wide.

For *Regional TA*, social development was the top sector favored by trust funds, receiving 15 percent of all trust funds that financed Regional TA in the Bank; this was followed by energy and mining, environment, water supply and sanitation, and the rural sector. Of the sectors of trust fund focus, social development and environment were among the top sectors for Regional TA Bank-wide.

For *country-specific TA*, the sectors favored by trust funds were PSD, urban development, energy and mining, water supply and sanitation, and environment. Compared with Regional TA, there was greater overlap between the top sectors for country-specific Bank-wide and those that were of trust fund focus, with PSD, energy and mining, and environment among the top sectors for both.

**Table C.7: Numbers of ESW by Report Types, Fiscal 2000–06**

<b>Core diagnostic</b>		<b>Advisory reports</b>	
Integrative Fiduciary Assessment	14	Public Investment Review	3
Development Policy Review	35	Strategic Environmental Assessment/Analysis	3
Country Financial Accountability Assessment	104	Commodities Study	5
Country Economic Memorandum	105	Law and Justice Study	8
Poverty Assessment	107	Other procurement study	9
Country Procurement Assessment	109	Women in Development and Gender Study	11
Public Expenditure Review	148	Debt and Creditworthiness Study	14
<b>Subtotal</b>	<b>622</b>	Other financial accountability study	14
		Mining/Oil and Gas	27
		Economic updates and modeling	28
<b>Other diagnostic</b>		AML/CFT	34
City Development Strategy	1	Other urban study	53
Energy-Environment Review	2	Energy study	54
Recent Economic Developments in Infrastructure	2	Other rural study	61
Country Infrastructure Framework	6	Foreign Trade, FDI, and Capital Flows	72
Knowledge Economy Study	9	Other education study	74
Country Environmental Analysis	14	Other social protection study	78
Country Gender Assessment	16	Other environmental study	82
Risk and Vulnerability Assessment	17	Other health study	82
Institutional and Governance Review	18	General economy, macroeconomics, and growth	83
Legal and Judicial Sector Assessment	20	Other agricultural study	85
Rural Development Assessment	22	Other poverty study	95
Insolvency Assessment (ROSC)	27	PSD, Privatization and Industrial Policy	99
Health Sector Review	32	Other public sector study	109
Education Sector Review	40	Other infrastructure study	131
Social analysis	42	Other financial sector study	141
Corporate Governance Assessment (ROSC)	48	<b>Subtotal</b>	<b>1,455</b>
Accounting and Auditing Assessment (ROSC)	54	Other report types (not classified by the Bank)	
Investment Climate Assessment	80	Human capital development	6
Financial Sector Assessment Program	100	Social and structural review	2
<b>Subtotal</b>	<b>550</b>	Not assigned	1,240
		Other	55
<b>Total</b>			<b>3,930</b>

Source: World Bank data.

Note: AML/CFT = anti-money laundering and combatting the financing of terrorism; FDI = foreign direct investment; ROSC = Report on the Observance of Standards and Codes.

### Effects of ESW on Lending

An econometric exercise was conducted to analyze the effects of ESW on the quality of lending. The exercise looked at several dimensions of ESW that could have an effect on lending:

- The existence of ESW (that is, whether there was at least one ESW that could have informed the loan)
- The number of ESW
- The unit cost of ESW
- The quality of ESW
- Whether partnership in the production of ESW mattered for ESW to have an effect on lending
- Whether origination of ESW mattered for ESW to have an effect on lending.

The first three dimensions are self-explanatory. The quality dimension is based on the hypothesis that ESW that have been rated highly (for internal quality or strategic relevance or likely impact) could lead to better quality of lending. The last two dimensions are predicated on the hypothesis that ESW that were undertaken in partnership with or requested by clients could be more pertinent to the needs of the countries and that such ESW would be more relevant for lending and would improve the quality of lending.

QAE ratings provided by QAG were used to proxy for the quality of lending. The regressions were run on a selected sample of 119 loans with QAE ratings. This sample represents approximately 50 percent of all the loans approved during fiscal 2003–05<sup>1</sup> that have QAE ratings (196 loans), stratified by Region and sector. The 119 loans with QAE ratings consist of 97 investment loans and 22 DPLs. Given that the evaluation period is

fiscal 2000–06, only those loans approved from fiscal 2003 onward were selected to allow for ESW delivered up to three years prior to loan approval to be considered for informing the loan.

Two sets of regressions were run. The first set estimates the effects of various dimensions of ESW on lending quality ratings for those ESW that could have informed the loan (see Data section, below). The second set estimates the effects of various dimensions of ESW on loan ratings for all the ESW in the same sector of the loan delivered up to three years prior to loan approval.

### Data

#### Lending quality

As mentioned, QAE ratings given by QAG were used to proxy for lending quality. These ratings are given to a randomly selected sample of lending operations soon after Board approval. The ratings are based on QAG’s assessments of loan objectives, the likelihood of achieving development objectives, and the underlying logic and results framework.

Ratings are given for nine categories: strategic relevance and approach; technical, financial, and economic aspects; poverty, gender, and social development; environmental aspects; fiduciary aspects; policy and institutional aspects; implementation arrangements; risk assessment; and bank inputs and processes. There are also ratings on subcategories under each of the categories. Additionally, there is an overall assessment rating that is a synthesis of the ratings for the first eight categories (excluding the ratings for Bank inputs and processes).

For fiscal 2003, the QAE ratings are on a four-point scale, with a lower number associated with a better rating. From fiscal 2004 onward, the ratings are on a six-point scale. For the purpose of this analysis, the ratings on a six-point scale are converted to ratings on a four-point scale using the conversion formula used by QAG.

### **ESW that could have informed the loans**

The portfolio of ESW delivered up to three years prior to loan approval was reviewed to identify those ESW that could have actually informed the loan (the relevant ESW). The matching entailed review of loan documents as well as ESW to identify the relevant ESW. For DPLs, which are generally multisectoral, ESW in all sectors were reviewed. For investment loans, the review included ESW in the economic policy and financial management sectors in addition to those in the same sector as the loan. Based on this review, only those ESW that could actually have informed the loans were selected for inclusion in the analysis.

## **Econometric Specification**

### **Dependent variables: Lending quality ratings**

A subset of the QAE ratings and subratings was selected for the econometric exercise. The selection was based on the possibility of their being influenced by ESW, as well as data availability. Specifically, the following QAE ratings were selected:

- a. *Strategic relevance and approach*, and all four subratings:
  - Coherence and consistency of development rationale and results framework underpinning the project
  - Consistency of the project's objectives with the country and sector strategies
  - Clarity, realism, and scope of the project's development objectives
  - Adequacy of country and sector knowledge underpinning the project
- b. *Technical, financial and economic aspects*
- c. *Fiduciary aspects—two subratings*:
  - Financial management
  - Adequacy and quality of financial management arrangements

d. *Policy and institutional aspects*

e. *Quality of risk assessment*—The subrating on financial management capacity

f. *Overall assessment* of projects.

### **The explanatory variables**

These include the numbers (costs) and the average unit costs of ESW supporting a loan. When the number of ESW was found to have no significant effect on the lending quality rating, the evaluation also looked into the possible effect of the existence of ESW on lending quality, that is, whether the loans that are supported by at least one ESW have better quality.

Two sets of *origination* data were used, separately: Bank administrative data and responses to the ESW TTL survey. The *partnership* data are from responses to the ESW TTL survey. For *quality* of ESW, four QAG quality ratings were used, separately: overall quality, strategic relevance and timeliness, dialogue and dissemination, and likely impact. Because the regressions are at the loan level but these variables are at the ESW task level, the latter are averaged for the regressions. And because these task-level data are available only for a limited number of ESW, the averages are not necessarily representative of all the ESW supporting a loan.

### **The controls**

The regressions controlled for:

- Size of the loan
- Loan preparation cost
- QAE rating on *task team's composition in relation to the operation's complexity* as proxy for the quality of the task team (the QAE subratings of this category are for skill mix, continuity, experience, and staff/consultants mix)
- Whether the loans are investment or DPLs
- Whether the country is an IDA country
- Region of the loan.

Apart from ESW, loans can also be informed by Bank research. However, no reliable systematic information was available on the size and costs of these research activities to be included in the econometric analysis.

In specifications where the variables of interest are origination, partnership, and the quality of the ESW, no control variables were used because of the low number of observations.

### Estimation Methodology

Ordered probit models were used to estimate the specifications because the quality of lending ratings are ordinal rather than cardinal (an ordinary least square model is not appropriate, as it requires the dependent variable to be cardinal).

The validity of the ordered probit model crucially hinges on the parallel regressions (or parallel lines) assumption, which implies that the relationship between all pairs of rating categories is the same. In other words, an ordered probit model assumes that the coefficients describing the relationship between rating category 1 and rating categories 2, 3, and 4 combined are the same as those that describe the relationship between rat-

ing categories 1 and 2 versus 3 and 4 or rating categories 1, 2, and 3 versus 4. When the parallel lines assumption is violated for some explanatory variables, using an ordered probit model can lead to erroneous conclusions because one set of coefficients can no longer describe the relationship between different groups of rating categories.

Accordingly, the parallel regression assumption was tested for each ordered probit specification. Whenever the assumption is violated, a generalized ordered probit model was used. This allows for the relaxation of that assumption.

Specifications have been estimated with and without the control variables. Control variables in different combinations were introduced to ensure that the results are not sensitive to the specification. Some lending quality rating variables did not have enough observations in every rating category. For specifications involving those variables,

**Table D.1: Generalized Ordered Probit Regressions on Lending Quality**

Dependent variable	QAE overall assessment		QAE policy and institutional aspects		QAE financial management capacity	
	1→2,3	1,2→3	1→2,3	1,2→3	1→2,3	1,2→3
Existence of ESW	-0.536** (0.270)	-0.536** (0.270)	-0.709*** (0.206)	-0.709*** (0.206)		
Financial management ESW					-0.404*** (0.118)	-0.404*** (0.118)
Size of the loan	-0.000676 (0.000760)	-0.000676 (0.000760)	-0.000159 (0.000921)	-0.000159 (0.000921)	-0.000116 (0.000617)	-0.000116 (0.000617)
Loan preparation cost	0.00125*** (0.000474)	-0.000484 (0.000818)	0.000423 (0.000653)	0.000423 (0.000653)	-0.000104 (0.000528)	0.000985 (0.000662)
Task team quality	1.530*** (0.181)	1.530*** (0.181)	1.433*** (0.345)	1.433*** (0.345)	0.147 (0.214)	0.147 (0.214)
Dummy for IDA countries	0.156 (0.332)	0.156 (0.332)	0.612 (0.519)	-0.910*** (0.168)	0.382 (0.319)	0.382 (0.319)
Dummy for investment loans	-0.284 (0.333)	-0.284 (0.333)	-0.171 (0.652)	3.619*** (0.280)	-0.193 (0.135)	-0.193 (0.135)
Number of observations	116		116		115	
Wald chi-square	82.70		3365.5		21.92	
Prob > chi <sup>2</sup>	0.00		0.00		0.00	

Source: IEG calculations.

Note: Standard errors are in parentheses. ESW = economic and sector work; IDA = International Development Association; QAE = quality at entry.

\*, \*\*, and \*\*\* indicate significance at 10%, 5%, and 1% level, respectively.

**Table D.2: Ordered Probit Regressions on Loan Quality**

Dependent variable	QAE strategic relevance and approach	QAE adequacy of country and sector knowledge
Existence of ESW	-0.250*** (0.0696)	
Number of ESW		-0.132* (0.0700)
Size of loan	-0.00129 (0.00116)	0.00173 (0.00124)
Loan preparation cost	-0.000163 (0.000400)	0.000964 (0.000766)
Loan supervision cost		
Task team quality	1.357*** (0.266)	1.602*** (0.419)
Dummy for IDA countries	-0.340 (0.230)	0.395 (0.248)
Dummy for investment loans	-0.0486 (0.216)	-0.353 (0.327)
Inflation rate		
GDP growth rate		
Initial level of GDP per capita		
Number of observations	116	115
Wald chi-square	337.91	131.17
Prob > chi <sup>2</sup>	0.00	0.00

Source: IEG calculations.

Note: ESW = economic and sector work; GDP = gross domestic product; IDA = International Development Association; QAE = quality at entry. \* and \*\*\* indicate significance at 10% and 1% level, respectively.

the ratings scale was transformed by combining the ratings category in a way that preserves the ordering across categories. For specifications involving the number and the average unit cost of ESW, a robustness check was performed by dropping some extreme observations to ensure that the results are not driven by those observations.

## Results

### *Regressions of loans on ESW that could have informed the loans*

The regression results are presented in tables D.1 and D.2. For the purpose of brevity, only those results for which ESW had a significant effect on lending quality are presented.

- **Overall assessment**—Loans that are preceded by at least one ESW are more likely to get a better rating, although the actual number of ESW did not matter. Loans with high task team quality are more likely to get better ratings.
- **Policy and institutional aspects**—Loans that are preceded by at least one ESW are more likely to get a better rating. The actual number of ESW did not matter. Loans with high task team quality are more likely to get better ratings. DPLs are more likely to get a rating of 2 or better.
- **Strategic relevance and approach**—Loans that are preceded by at least one ESW are more likely to get a better rating. The actual number of ESW did not matter. Loans with high task team quality are more likely to get better ratings.
- **Adequacy of country and sector knowledge**—The number of ESW has a significant effect on the rating, although the coefficient is significant only at the 10 percent level.<sup>2</sup> Loans that are preceded by a greater number of supporting ESW are more likely to have better ratings. Loans with high task team quality are also more likely to get better ratings.
- **Financial management capacity**—Loans that actually cited Country Financial Accountability Assessment (or other similar financial management ESW) in the project appraisal documents are more likely to get a better rating. The mere existence of a Country Financial Accountability Assessment has no effect on the rating. None of the control variables is significant.

ESW (existence, number, average unit cost) did not have any effects on the QAE ratings on three of the four subratings under the strategic relevance and approach dimension (specifically coherence and consistency of development rationale and results framework underpinning the project; consistency of project objectives with country and sector strategies; and clarity, realism, and scope of project's development objectives). ESW also did not have any effects on the QAE ratings on technical, financial, and economic aspects or the fiduciary aspects.

### *Regressions of loans on ESW in the same sector*

A similar econometric exercise was carried out for all loans approved during fiscal 2003–05 that

have QAE ratings. For this exercise, all ESW (completed up to three years prior to loan approval) in the same sector board as the loans were included, not just those ESW that could have informed the loans.

The results for the overall QAE assessment and adequacy of country and sector knowledge ratings were very similar to the results discussed above. However, there were some counterintuitive results. This reflects the shortcomings of including ESW based purely on sector boards without ascertaining whether the ESW could have actually informed the loans. The results have not been reported for the sake of brevity.

#### *For all the regressions*

The average cost of ESW has no effect on lending quality. Further, no significant association was found between origination, partnership, or quality of ESW and different dimensions of lending quality. However, given the limited data availability, the regression results involving origination, partnership, and quality of ESW variables are not conclusive.

### **Bank Budget versus Trust Fund Cost and Quality**

Regression analysis was undertaken to determine the association between technical quality and the cost of ESW and TA. The cost data are from the Bank's administrative database and the quality data are from QAG (specifically, the internal quality rating). The independent variables are the Bank budget component of total cost, the trust fund component of total cost, dummies for regional and global products, and dummies for each Region. The specifications were estimated using ordered probit models for ESW and TA separately.

Overall, the regressions indicate that the positive and significant association between cost and quality for ESW only holds for the bank budget component of the total cost; no association was

**Table D.3: Cost and Quality for ESW**

Specifications	Specification 1	Specification 2
Bank budget	-1.388*** (0.271)	-1.298*** (0.271)
Trust fund	0.420 (0.260)	0.482* (0.274)
Regional ESW dummy		-0.319** (0.140)
Global ESW dummy		-0.392 (0.260)
East Asia and Pacific		-0.135 (0.161)
Europe and Central Asia		-0.231* (0.134)
Latin America and the Caribbean		-0.297** (0.145)
Middle East and North Africa		-0.004 (0.159)
South Asia		-0.099 (0.155)
Number of observations	725	725
Wald chi-square	26.23	36.79
Prob > chi <sup>2</sup>	0.000	0.000

Source: IEG calculations.

Note: Standard errors are in parentheses; \*, \*\* and \*\*\* indicate significance at 10%, 5%, and 1% level, respectively. ESW = economic and sector work.

found for the trust fund component of the total cost (table D.3). More specifically:

- The Bank budget component of total cost was significantly (at the 1 percent level) associated with the quality of the ESW. In other words, as more Bank budget is spent on ESW, the more likely it is that the ESW will have a higher quality rating.
- The trust fund component of total cost of ESW was not significantly associated with the quality of the ESW.
- There was no significant association between the cost (trust fund or Bank budget components) and the quality of TA.



APPENDIX E: SPECIFIC EXAMPLES OF EFFECTS OF ESW  
AND TA FROM COUNTRY REVIEWS

**Table E.1: Selected Examples of FSAP Informing Policy**

Country	Effects
Bangladesh	Defined the agenda for reforms in the financial sector (of both the Central Bank and the commercial banks), including improving risk-management systems, capital adequacy norms, and changes in the governance structure of the Central Bank.
Guyana	Some recommendations are being implemented, for example, strengthening oversight of the insurance industry and the Bank of Guyana having regular meetings with commercial banks.
Jordan	Led to the adoption of the supervisory ladder by the Insurance Commission; informed the authorities' Strategy for Promoting Foreign Investments in Securities; led to the implementation of the prompt corrective action framework (although staff from the Central Bank of Jordan indicated that these recommendations were adopted but not implemented after the termination of the IMF program); led to the introduction of cross-border supervision with other central banks and publication of guidelines on corporate governance.
Mauritius	Helped strengthen banking supervision and led to the creation of the Financial Sector Commission.
Peru	Almost all the recommendations have been implemented: at the Central Bank, it helped introduce improvements in the payments and exchange systems; at the Superintendency of Banks, Insurance and Pension Fund Administrators, it confirmed that they were on the right track, led to the issuance of legislation on legal protection for supervisors, helped define strategies to deal with bank resolutions, and helped establish commercial judges. The "seal of approval of the Bank" enhanced the reputation of the superintendency, which facilitated its pushing changes through legislation.
Serbia	Together with the Financial Sector Policy Note and the post-FSAP TA, the FSAP has been associated with major reforms of and improvements in banking supervision (including improvements in regulatory procedures, education and development of staff, relations with third parties, and actuarial professions), bank privatizations, and bank closures.

*Source:* IEG country reviews.

*Note:* FSAP = Financial Sector Assessment Program; TA = technical assistance.

**Table E.2: Selected Examples of ESW on Public Sector Governance Informing Policy**

Country	ESW task	Effects
Guyana	PER	Led to changes in the budget, including timely budgets, and greater transparency through the removal of discretions (all related to heavily indebted poor countries).
Jordan	Work Program for Consolidating Budget Management Reforms	Resulted in the setting of cash expenditure ceilings for each line ministry and did away with annual budget negotiations for each ministry; also resulted in results-oriented budgeting and the removal of subsidies.
	PER	Resulted in the consolidation of expenditures by sectors (rather than by ministries) using the IMF GFS 2001 classification, and the development of a Medium-Term Expenditure Framework to replace annual budgeting.
Peru	PER	Focused attention on the quality of expenditures, especially in the social sectors (for example, the "Vaso the Leche" program); made mergers of social programs possible; influenced the budget law in moving toward results budgeting; and led to the issuance of public expenditure norms.
Romania	PEIR (2002)	Became a basis for macroeconomic stabilization policies of the Natase government.
	Public Expenditure Management (2005)	Contributed to the modification of the financial structure of the public sector in 2006, including the introduction of stress testing of insolvency conditions for local authorities.
Serbia	PEIR (2003)	Resulted in improvements in public sector governance.
	Review of Public Expenditures	Helped launch reforms of the state administration.
Vietnam	PER (various years)	Have been very important for strengthening budget and expenditure policy, and balancing the goals of growth and poverty reduction; the 2005 PER produced a comprehensive evaluation of expenditure and now the government has a more sustainable fiscal policy; PERs have been used regularly by the government for policy-making and for preparing resolutions to reduce weaknesses in public expenditure management.

Source: IEG country reviews.

Note: ESW = economic and sector work; IMF GFS = International Monetary Fund government finance statistics; PEIR = Public Expenditure and Institutional Review; PER = Public Expenditure Review.

**Table E.3: Selected Examples of ESW Informing Policy in the Economic Policy, Private Sector Development, and Social Protection Sectors**

Country	ESW task	Effects
<b>Economic policy</b>		
Malaysia	Assessing Fiscal Incentives	Provided information on the value of fiscal incentives and inputs for public policy in the areas of investment climate, service delivery, agriculture, higher-end manufacturing, and human resources; helped convince the government to lower the corporate income tax rate in the 2007 budget.
Romania	Restructuring for European Union (EU) Integration—The Policy Agenda ESW (CEM)	Became a blueprint for negotiating accession with the EU, especially regarding chapters that were not closed (public institutions and agriculture); instrumental in introducing top-up subsidies that resolved one of the open issues with the EU; recommendations for the financial sector led to the creation of the Securities Commission.
Serbia	Debt report	Assisted in working out limits for foreign borrowing.
Vietnam	World Trade Organization Accession Preparation and Poverty, Trade Reform, and Export Policy and Performance Study	Contributed to the country's accession to the World Trade Organization, which constituted the third round of big reforms in the country; the ESW helped set the agenda for trade reform.
<b>Private sector development</b>		
Malaysia	ICA	Led the government to establish a committee to ensure that deregulation and improvements in public service delivery are carried out smoothly; contributed to changing the approach to skills development and supporting small and medium enterprises, for which government programs were too cumbersome.
Serbia	ICA	Together with the Private Sector Note was credited as being important for regaining the momentum in the privatization process and in attracting foreign investment and in helping determine priorities in reforming the registration process for new businesses and identifying areas where further action was needed.
<b>Social protection</b>		
Jordan	Note and policy dialogue on pensions	Together with the Programmatic Economic Sector Work on Pension Reform (TA), led to a variety of changes in the pension system (although there is still an outstanding reform agenda), including raising the age of eligibility to get a pension; widening the membership of the committee (from only the military) that decides who is disabled and who is not; closing civil service funds to new entrants since 1996 and to the military since 2003 and shifting them to the Social Security Corporation (which, according to one in-country stakeholder, is a clear case of impact, "as clear a case as can be documented"); restructuring and changing the management of the Social Security Corporation; and preparing instructions to regulate the pension industry.
Peru	"Peru: Restoring the Multiple Pillars of Old Age Income Security" (World Bank 2004d)	Cited by in-country stakeholders as one of the most useful reports; led to the creation of a commission to make pensions sustainable; led to reforms in the second pillar and helped reduce the costs of the system and introduce more competitiveness for pension fund management companies; led to the issuance of norms on disability and survivors, introduction of competition, and the reduction in the cost of premiums; currently informing the discussions of reforms to the first pillar.

Source: IEG country reviews.

Note: CEM = Country Economic Memorandum; ESW = economic and sector work; ICA = Investment Climate Assessment; TA = technical assistance.

**Table E.4: Selected Examples of ESW and TA Informing Strategy**

Country	ESW and TA task	Effects
<b>Human development</b>		
Congo, Dem. Rep. of	Country Status Reports on Education and Health (ESW)	Informed the government's strategy for education and health.
Lesotho	Development Impact of AIDS (ESW)	Helped identify the focus of the Poverty Reduction Strategy Paper by showing the AIDS trend and the country situation.
Malaysia	International Best Practice Note for Financing Public Tertiary Education (TA)	Recommendations incorporated into the Ninth Five-Year Plan of Malaysia.
<b>Private sector development</b>		
Guyana	ICA	Informed the country's National Competitiveness Strategy.
Lesotho	Private Sector Development Strategy (ESW)	Led to the adoption of a new government strategy to promote the private sector: influenced business licensing procedures; involved government in partnerships with private sector in construction, telecommunications, and health.
<b>Transport</b>		
Mali	Transport report	Together with the Mali Transport Corridor Improvement Project, contributed to a coherent transport strategy (government cannot distinguish between effects of ESW and those of loan).
Mauritius	Transport report	Together with follow-up TA, resulted in an 18-point program.
<b>Economic policy</b>		
Serbia	Breaking with the Past (ESW)	Helped formulate a reform strategy for the rural sector by, among other things, proposing solutions for cooperatives and land privatization.
<b>Rural</b>		
Romania	Forest governance study (TA)	Helped establish the National Strategy for the Forestry Sector.
<b>Financial sector</b>		
Romania	Financial Sector Reform Program (TA)	Assisted in the preparation of a strategy for banking reforms.

Source: IEG country reviews.

Note: ESW = economic and sector work; ICA = Investment Climate Assessment; TA = technical assistance.

**Table E.5: Selected Examples of ESW and TA Informing Legislation**

ESW task	Country	Effects
<b>IDA mandates/core diagnostics</b>		
Financial accountability	Guyana	Informed the Procurement and Tender Act, the Budget Law, the Audit and Accountancy Act.
Procurement assessment	Guyana	Influenced modification of the Procurement Law (although not to the extent the World Bank had wanted).
Procurement assessment	Mauritius	Resulted in a new procurement act, which is being implemented; the study was cited by a former government minister in Mauritius as perhaps the most effective study of the Bank for the country.
	Peru	Providing the basis for the reform of the procurement legislation (one and a half years after completion).
ICA	Malaysia	Propelled changes in labor law and in the registration of property.
PER	Guyana	Informed the Fiscal Management Accountability Act (although a number of things under the Act are still not done).
	Peru	Led to the Law of Fiscal Decentralization, Legislative Decree 955 (supported by DPLs).
PER Update	Serbia	Led to a new law on wages in state administration (2006), an amended law on civil servants (2006), and amendments to the social security law (2006).
<b>FSAP and associated ROSCs</b>		
AML/CFT	Bangladesh	Cited as a catalyst for the anti-money-laundering legislation that the government has implemented.
	Jordan	Resulted in new improved draft legislation that has replaced preexisting legislation that had been presented (though not passed) in Parliament; the Jordanian authorities are now in the process of issuing instructions for the new AML Law.
	Mauritius	Informed new AML/CFT legislation; as a result, a strong anti-money-laundering framework is now in place.
FSAP	Serbia	Associated with changes to and implementation of the Banking Law (2005) (together with the Financial Sector Policy Note and the post-FSAP TA).
Corporate Governance ROSC	Jordan	Resulted in a draft corporate governance code that was put on the Securities' Commission Web site in February 2005.
	Romania	Resulted in the amendment of the Law on Companies (2005–06), the adoption of the Law on Insolvency, and the promulgation of the Code of Conduct for the Bucharest Stock Exchange, which was later adopted by the Securities Commission.
Accounting and Auditing ROSC	Jordan	Led to the preparation of a law for accounting.
	Mauritius	Led to a new draft Financial Reporting Law (drafted with Bank TA), which provides legal backing to the accounting body and creates oversight for the accountant profession, and created the Financial Reporting Council.
<b>Other ESW</b>		
<b>Economic policy</b>		
Breaking with the Past ESW	Serbia	Starting point for major subsequent reforms, especially in the areas of banking and privatization (Law on Privatizations 2001), mortgages, and business registrations; led to improvements in the investment climate via changes in the FDI law, cadastre law, mortgages law, and regulations affecting small and medium enterprises.

*(table continues on next page)*

**Table E.5: Selected Examples of ESW and TA Informing Legislation (continued)**

ESW task	Country	Effects
<b>Economic policy (continued)</b>		
World Trade Organization Accession Preparation and Poverty, Trade Reform, and Export Policy and Performance Study	Vietnam	Had large effects on the legal agenda that was required for World Trade Organization accession.
<b>Financial sector</b>		
Capital markets study	Romania	Resulted in the modification of the Law on Capital Markets (2004), which included the establishment of the National Securities Commission (also a EU requirement); also instrumental in regulations regarding the insurance and reinsurance frameworks (Law 136 was amended in 2004–05 and 2006).
<b>Private sector development</b>		
Private Sector Development Strategy	Lesotho	Led to changes in the Company Act, in regulations, and in licensing and registration.
Private sector study	Vietnam	Was useful as an underpinning for the Enterprise Law, which was cited by a stakeholder (from a government think tank) as perhaps the most important change in Vietnam in recent years. The law introduced the freedom to do business by private parties.
<b>Public sector governance</b>		
Anticorruption study	Romania	Majority of recommendations adopted in Law 161 on Public Sector Institutions; basis of all anticorruption efforts in Romania since it was prepared in 2001.
<b>Rural</b>		
Forest sector study	Congo, Dem. Rep. of	Informed the decree that froze new forestry concessions to halt speculation and curb illegal logging, resulting in 25 million hectares being taken back into the public domain as many illegal concessions were cancelled.
Food Safety and Agricultural Health Action Plan	Vietnam	Helped prepare a basic guideline for meeting food safety standards, which is a requirement for World Trade Organization members.
<b>Water supply and sanitation</b>		
Water Sector Review Update	Jordan	Led to changing of Article 28 in the Water Authority of Jordan Law, which allowed the private sector to participate in managing the projects; also led to the 2002 groundwater bylaw to regulate the use of wells that put limits on how much water people could pump from the ground without paying.
<b>TA</b>		
Forest Governance Study	Romania	Assisted the authorities in preparing a new forest code, which was submitted to Parliament.
Civil Service and Anticorruption Work	Serbia	Provided a basis—through regular consultations and drafting suggestions—for the Law on Civil Service.
Banking Sector Review	Vietnam	Helped the state bank in drafting two basic laws, the Central Bank Law and the Credit Institutions Law.
Telecom Reform and ICT/E-Commerce Development Agenda	Vietnam	The expert consultant supported by the TA presented alternative models from several countries, read Vietnamese laws and regulations, and offered suggestions on what to do on telecom laws and related matters.

Source: IEG country reviews.

Note: AML/CFT = anti-money laundering and combating the financing of terrorism; DPL = development policy lending/loan; ESW = economic and sector work; EU = European Union; FDI = foreign direct investment; FSAP = Financial Sector Assessment Program; ICA = Investment Climate Assessment; ICT = information, communications, and technology; IDA = International Development Association; PER = Public Expenditure Review; ROSC = Report on the Observance of Standards and Codes; TA = technical assistance.

**Table E.6: Selected Examples of TA Assisting in the Implementation of Government Policies and Programs**

Country	TA tasks	Effects
<b>Financial sector</b>		
Romania	Capital Market Development Program	Was instrumental in establishing a regulatory regime for the pension, insurance, and mortgage markets (in conjunction with the European Commission and the IMF).
	Financial Sector Reform Program	Assisted in dealing with the serious problem of large state banks through privatizations, closures, and restructuring.
<b>Public sector governance</b>		
Romania	Anticorruption Diagnostic	Was the basis for Romania's anticorruption efforts through initiating a public debate and educational efforts and helped privatize the former RomTelecom monopoly and establish the National Agency for Regulation and Communication, which arbitrated among private operators and was charged with protecting the public interest.
<b>Infrastructure</b>		
Jordan	Private Participation in Infrastructure	Led to the launching of the Public-Private Partnership Policy.
Peru	Public-Private Infrastructure	Helped jump start the concessions program and in particular resulted in the revision of the tariffs in the port system; the estimate from the TA that poor logistics constituted the equivalent of a 34 percent tariff on exports propelled reforms in transport; also, regulatory accounting and financial modeling provided by the TA are currently used to monitor concessioned enterprises.
<b>Rural</b>		
Romania	Challenges of EU Accession in Romanian Agriculture	Was very helpful in closing the chapter on agriculture in preaccession discussions with the EU.
Vietnam	Forest Sector Support	Helped put in place a system of forest certification for plantations.
<b>Private sector development</b>		
Malaysia	International Experience in Privatization International Best Practice Note for Financing Tertiary Education	Resulted in the government's review of its privatization policy and, among other things, has led to concessions becoming widespread. Contributed to the government's emphasis on quality and relevance, including the need to benchmark universities to international standards and the need to coordinate policy and actions in tertiary education with those in primary and secondary education.

Source: IEG country reviews.

Note: EU = European Union; IMF = International Monetary Fund; TA = technical assistance.

**Table E.7: Selected Examples of TA and ESW Facilitating Knowledge Exchange**

Country	Tasks	Effects
Mauritius	Real Time Gross Settlement Initiative TA	Allowed the Monetary Authority to know the liquidity position of banks and enabled better debt management for the Treasury.
	Aid for Trade TA	Helped the government prepare a trade reform package.
	Corporate Governance ROSC	Mainstreamed the concept of corporate governance in the country.
Romania	Agricultural Sector TA	Translation of the TA into Romanian provided the Ministry of Agriculture with Romanian equivalents of EU technical agricultural terminology.
Vietnam	Corporate Governance ROSC (ESW)	Government official noted that many new concepts on corporate governance were learned.
	Telecom Reform and ICT/E-Commerce Development Agenda TA	Government counterpart indicated that a lot was learned from the conceptual framework provided by the Bank consultant, with applications of the framework at every opportunity.
	PER	Facilitated the transfer of knowledge to universities and research institutes.

Source: IEG country reviews.

Note: ESW = economic and sector work; EU = European Union; ICT = information, communications, and technology; PER = Public Expenditure Review; ROSC = Report on the Observance of Standards and Codes; TA = technical assistance.

**Table E.8: Selected Examples of ESW Informing the Development Community**

Donor	ESW	Effects on donor activities
<b>Guyana</b>		
DFID	Financial accountability	Started working on procurement issues.
European Commission	Financial accountability	One of three conditions required for eligibility to European Commission poverty-reduction budget support; European Commission issues annual reports on the implementation of CFAA recommendations.
	AML/CFT Assessment for All Eastern Caribbean Currency Union	Informed regional program.
IDB	Financial accountability	Informed Technical Cooperation Project on Strengthening Auditor General's Office.
	New combined financial accountability and procurement assessment	Informing new loans that are being developed.
	FSAP	Informed Financial Sector Reform Program
	ICA	Informed Strengthening Competitiveness Program; Agricultural Diversification Program; electricity loan.
IMF	Financial accountability	Used it to track relief conditions for heavily indebted poor countries.
	DPR, PER	Informed the Poverty Reduction Growth Facility (which was essential for other donors to go forward with their activities).
	ICA	Developing program to address constraints identified in ICA.
<b>Jordan</b>		
Danida	Gender Assessment	Provided funding for the Jordan National Women's Commission.
GTZ	PER	Providing funding.
USAID	Work Program for Consolidating Budget Management Reforms, PER	Led to provision of support to improve budget management.
	FSAP	Used as a blueprint for TA financing for USAID to support implementation of Prompt Corrective Action Framework and Corporate Governance of Banks.
US Treasury	AML/CFT	Led to provision of TA on outreach campaign on AML/CFT.
<b>Lesotho</b>		
MDC	Private Sector Development Strategy	Designed an intervention after participating in the private sector development forum, which was held to disseminate the report.
<b>Mauritius</b>		
AFD	Transport Action Plan, PER	Mobilized additional resources and shifted priorities.
European Commission	CEM	Led to additional budget support through cofinancing of the Trade and Competitiveness DPL.
	Procurement	Made recommendations that provided conditions for European Commission financial support.

*(Table continues on next page)*

**Table E.8: Selected Examples of ESW Informing the Development Community (continued)**

Donor	ESW	Effects on donor activities
<b>Mali</b>		
European Commission	Transport Support to Sustainable Economic Growth	Led to increased funding for road subsector; agreed to directly finance routine road maintenance for the first time.
<b>Peru</b>		
IDB	PER	Informed policy-based loan to support Reform of Poverty Reduction and Human Capital Development Program.
IMF	FSAP, PER	Informed conditionalities of IMF programs.

Source: IEG country reviews.

Note: AFD = Agence Française de Développement; AML/CFT = anti-money laundering and combatting the financing of terrorism; CEM = Country Economic Memorandum; CFAA = Country Financial Accountability Assessment; Danida = Danish International Development Agency; DFID = Department for International Development of the United Kingdom; DPL = development policy lending/loan; DPR = Development Policy Review; FSAP = Financial Sector Assessment Program; GTZ = German Agency for Technical Cooperation; ICA = Investment Climate Assessment; IDB = Inter-American Development Bank; IMF = International Monetary Fund; MCD = Millennium Development Corporation; PER = Public Expenditure Review; TA = technical assistance; USAID = U.S. Agency for International Development.

**Table E.9: Selected Examples of TA Informing the Development Community**

TA	Donor	Effects on donor activities
<b>Jordan</b>		
Skills and Vocational Training Workshop	CIDA, European Commission	Led to provision of funds
Jordan Vision for Education Forum	CIDA, European Commission, USAID	Led to provision of funds
Poverty Institutional Framework	United States	Led to provision of funds
<b>Mauritius</b>		
Aid for Trade	Multiple donors	Led to provision of funds

Source: IEG reviews.

Note: CIDA = Canadian International Development Agency; TA = technical assistance; USAID = U.S. Agency for International Development.