

# Chapter 2

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## Evaluation Highlights

- The number and cost of ESW and TA rose over the evaluation period.
- About one-third of ESW and 60 percent of TA were requested by clients.
- Larger shares of both ESW and TA were requested by International Bank for Reconstruction and Development countries than by International Development Association countries.
- Core diagnostic reports are more costly than other types of reports.
- In-country stakeholders rated technical quality of ESW and TA significantly higher than either dissemination or overall impact.
- It can be inferred that the ESW reforms resulted in increased ESW quality.



Newsroom in Maputo, Mozambique, that provides copy for its own and other publications. Stimulating public debate is one of the objectives of ESW.  
Photo by Eric Miller, courtesy of the World Bank Photo Library.

# Trends and Patterns of Bank ESW and TA, Fiscal 2000–06

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## Number and Cost of ESW and TA

During fiscal 2000–06, the Bank delivered 3,930 ESW and 1,856 TA to clients, at a total cost of around \$910 million (\$630 million for ESW and \$280 million for TA).<sup>1</sup> The annual outlays on ESW more than doubled—from \$62 million in fiscal 2000 to \$133 million in fiscal 2005—concurrent with the ESW reforms described in chapter 1.

The increase in annual outlays on TA was even greater, more than tripling, from \$16 million to \$52 million over the same period (figure 2.1).<sup>2</sup> The increase in outlays was due to both an increase in the number of ESW and TA products delivered to clients (figure 2.1) and an increase (albeit more modest) in the average cost of these products (see appendix C).

In parallel with the increase in outlays on ESW and TA, Bank spending on these products as a share of its spending on country services rose from 22 percent in fiscal 2001 to 27 percent in fiscal 2006. Over the same period, Bank spending on lending operations (lending preparation and development and project supervision) fell from 59 to 56 percent.

During fiscal 2000–06, around 78 percent of the ESW delivered was country specific, 16 percent regional, and 6 percent global. Over the same period, around 80 percent of the TA delivered was country specific, 18 percent regional, and 2 percent global (see appendix C).

The average cost of ESW was somewhat higher than that of TA (table 2.1). Overall, the average

cost of ESW was 13 percent higher for International Bank for Reconstruction and Development (IBRD) countries than International Development Association (IDA) countries, while the average cost of TA was 7 percent higher. The average cost of ESW was higher for 15 of the 20 sectors for IBRD compared with IDA countries, and the average cost of TA was higher for IBRD countries for only half of the sectors (see appendix C). The average costs of ESW and TA tasks were higher in IBRD than in IDA countries in all the Regions (table 2.2).<sup>3</sup>

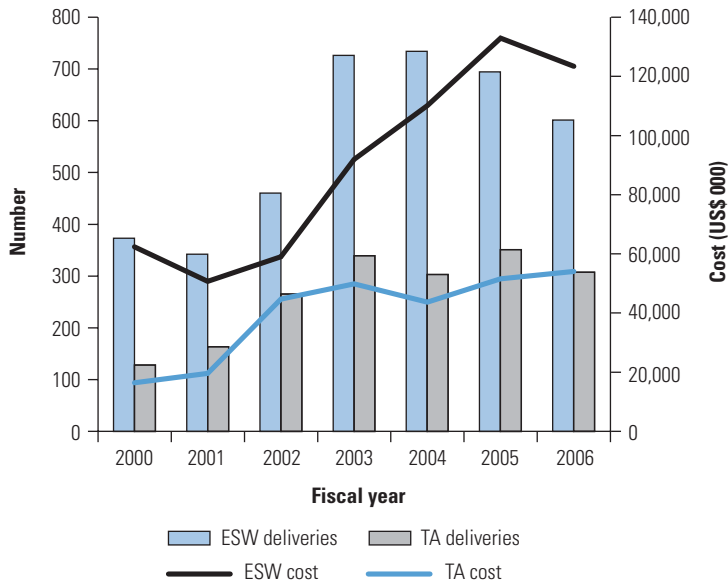
## Sectoral Distribution of ESW and TA

During fiscal 2000–06, the largest number of ESW delivered by the Bank (including country-specific, regional, and global ESW) was in economic policy, followed by the financial sector, public sector governance, private sector development (PSD), and the rural sector. ESW in these five sectors made up more than half of the number of ESW delivered during that period.<sup>4</sup> The same five sectors are also at the top with respect to the cost of ESW.

*The Bank increased spending on ESW and TA during fiscal 2000–06 in dollar terms and as a share of spending on country services.*

*The average cost of ESW was slightly higher than for TA, and the average costs of both ESW and TA were higher in IBRD than IDA countries.*

**Figure 2.1: Number and Cost of ESW and TA Delivered to Clients**



Source: World Bank administrative data.  
 Note: ESW = economic and sector work; TA = technical assistance.

These five sectors overlap with many of the sectors of core diagnostic ESW (see box 2.1). ESW in these sectors dominated in most of the Regions (see appendix C) and in IBRD and IDA countries. In fragile states, social development replaced the financial sector as one of the top sectors.

During the same period, the largest numbers<sup>5</sup> of TA (including country-specific, regional, and global

**Table 2.1: Average Costs of Country, Regional, and Global ESW and TA, Fiscal 2000–06**

	Average cost of ESW (\$US)	Average cost of TA (\$US)
Country	159,846	129,723
Regional	175,609	239,807
Global	127,597	194,471
All	160,384	150,608

Source: IEG staff calculations based on World Bank administrative data.  
 Note: ESW = economic and sector work; TA = technical assistance.

TA) delivered by the Bank were in the financial sector, followed by PSD, public sector governance, and almost equal numbers in environment, social development, energy and mining, and economic policy. TA in these seven sectors made up 62 percent of all Bank TA delivered during that period. TA in these sectors dominated in most of the Regions (see appendix C) and in IBRD and IDA countries. For fragile states, water supply and sanitation and the rural sector replaced financial sector and PSD among the top sectors.

**Regional Distribution of ESW and TA**

During fiscal 2000–06, the Sub-Saharan Africa Region delivered the largest number of ESW (country-specific and Regional), accounting for 23 percent of ESW delivered by the Bank. However, per country, the Region delivered the fewest ESW, and the South Asia Region delivered the most. Per task, country-specific ESW costs the least, but Regional ESW costs the most in Sub-Saharan Africa, compared with other Regions. Hence, Sub-Saharan Africa had the highest ratio of average cost of Regional versus country-specific ESW (see appendix C).

With respect to TA, East Asia and Pacific delivered the largest absolute number (accounting for 24 percent of TA delivered Bank-wide), as well as the largest number per country. Per country, the Middle East and North Africa Region accompanied East Asia and Pacific in delivering the most; Latin America and the Caribbean delivered the fewest. As in the case of ESW, Sub-Saharan Africa also had the most expensive Regional TA, as well as the highest ratio of the average cost of Regional to country-specific TA (see appendix C).

**Trust Fund Contribution to ESW and TA Costs**

Trust fund contributions rose in parallel with the increase in Bank budget for ESW and TA during fiscal 2000–06, in line with the Bank’s focus on these activities during the period.<sup>6</sup> During that period, roughly equal amounts of trust funds went to ESW and TA (\$115 million and \$118 million, respectively), contributing to around 18 percent of expenditures on ESW and a much higher 42 per-

**Table 2.2: Average Costs of ESW and TA by Region, IBRD versus IDA, Fiscal 2000–06 (\$US 000)**

	Africa	East Asia and Pacific	Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	South Asia	Total
<b>Average cost of ESW tasks</b>							
<b>IBRD</b>	153.5	192.9	167.7	174.4	160.0	n.a.	172.1
<b>IDA</b>	139.9	161.9	158.0	116.5	110.3	170.7	152.1
<b>Average cost of TA tasks</b>							
<b>IBRD</b>	154.4	168.0	123.7	151.5	90.4	n.a.	136.4
<b>IDA</b>	116.1	154.1	94.1	124.6	84.5	133.6	127.7

Source: IEG staff calculations based on World Bank administrative data.

Note: n.a. = not applicable; ESW = economic and sector work; IBRD = International Bank for Reconstruction and Development; IDA = International Development Bank; TA = technical assistance.

cent of expenditures on TA. The share of trust funds in TA expenditures rose from 35 to 43 percent during the period but remained more or less the same for ESW, at around 20 percent (with lower shares in fiscal 2002 and fiscal 2003 of 12 and 7 percent, respectively). Certain sectors were favored by trust funds for ESW and TA, not all of which overlapped with the top sectors of focus by the Bank for these products (see appendix C).

### Origination of ESW and TA

According to ESW TTLs, client governments requested about one-third of the ESW delivered during fiscal 2000–06. This came from two sources of information, both provided by ESW TTLs: the Bank's administrative database and the responses to the ESW TTL survey.<sup>7</sup> Although the aggregate shares from the two sources are similar, there are significant differences for individual tasks. Specifically, of the 218 ESW tasks classified in the Bank's administrative database as requested by the client, only about half were reported that way in the survey responses. In other words, *in only half the cases did TTLs give the same information in the survey as they did in the Bank's administrative database.*

Fifty-four percent of ESW tasks were originated by the Bank, either by sector or country units or a combination thereof, by Regional management, or as IDA mandates (box 2.1); 12 percent by senior management; 2 percent by a combination of client

governments and the Bank; 1 percent requested by the Board; and 1 percent by donors (table 2.3).

Compared with ESW, client governments requested a much larger share (around 60 percent) of TA tasks delivered during fiscal 2000–06 (table 2.4). This information came from TA TTLs in two sources of information: the Bank's administrative database and responses to the TA TTL survey. Unlike for ESW, there is a higher degree of congruence between the two sources of information: of the 134 TA tasks classified as client requested in the Bank's administrative database, 95 were reported as requested by the government in the survey responses.

Twenty-seven percent of TA tasks were originated by the Bank either by sector or country units or a combination thereof, or by Regional management, by the World Bank Institute, or by team leaders themselves. Eight percent were requested by senior management,<sup>8</sup> 1 percent by donors, and 1 percent by a combination of client governments and the Bank.

According to the survey responses of Bank TTLs, larger shares of both ESW and TA were requested by clients in IBRD

*The Sub-Saharan Africa Region delivered the most ESW but the fewest per country, and East Asia and Pacific delivered the most TA and the most per country.*

*Trust fund contributions increased, along with the Bank budget for ESW and TA.*

*Client governments requested about one-third of the ESW tasks and about 60 percent of the TA tasks.*

*IBRD countries requested more ESW and TA than IDA countries.*

### Box 2.1: IDA-Mandated ESW and Core Diagnostics

Some ESW products have been required for IDA countries in the context of IDA replenishment exercises. The first ESW products mandated by IDA were Poverty Assessments; specifically, IDA 11 (fiscal 1997–99) provided that Poverty Assessments should be completed for all IDA borrowers. IDA 12 (fiscal 2000–02) provided that Poverty Assessments and PERs should be undertaken in each IDA country. IDA 13 (fiscal 2003–05) set out targets for the completion of Country Financial Accountability Assessments (CFAAs), Country Procurement Assessment Reviews (CPARs), PERs, and Investment Climate Assessments (ICAs). These targets were met in the spring of 2004, as scheduled. The IDA 14 replenishment (fiscal 2006–08) did not specify targets for ESW.

In fiscal 2002, Bank management made a commitment to the Board that all active countries have in place by the end of fiscal 2004 current (that is, delivered in the past five years) core diagnostics. The core diagnostics are Poverty Assessments, CEMs or a Development Policy Review, PERs, CFAAs, and CPARs, or their functional equivalents.

In August 2005, the Bank stated that the experience since 2003 of required coverage and mix of diagnostic work sometimes resulted in inefficient use of Bank resources and uneven benefits to clients. Management decided that diagnostic work from then on would be programmed country by country, depending on the type and level of Bank engagement, client priorities and circumstances, and the availability of relevant knowledge from partners. Management would continue to monitor the status of diagnostic work.

Source: World Bank.

than in IDA countries (figures 2.2 and 2.3). According to both TTL survey responses and Bank administrative data, during fiscal 2000–06 the sectors with the highest shares of client-requested ESW were PSD; global information, communications, and technology (ICT); energy and mining; and urban development.<sup>9</sup> Also according to both

sources, more than half of the TA tasks were client requested for all sectors except social development.<sup>10</sup>

### ESW Report Types

According to the Bank’s administrative database, during fiscal 2000–06, 16 percent of the ESW delivered to clients were core diagnostic reports, 14 percent were other diagnostic reports, 37 percent were advisory reports, and 32 percent were not assigned any report types provided by the Bank’s ESW report type classification system (see table 2.5; also see appendix A for the report type classification system and appendix C for the numbers of ESW by report type).

Given the already large number of report types (53) provided by the Bank’s classification system, *the fact that nearly one-third of the ESW delivered to clients (1,240 tasks) was not assigned any of these types raises questions about the current system in the Bank for reporting and monitoring ESW.* It is possible that the 53 types of reports provided in the system are not exhaustive, although an “other types” category is provided and 1.4 percent of the ESW was assigned that classification. The other possibility is that Bank staff do not take reporting on ESW seriously, which in

**Table 2.3: Origination of ESW, Fiscal 2000–06 (percent)**

Requestor/Originator	According to survey of Bank TTLs	According to Bank administrative data
Client	31	32
Board	1	1
Senior management	12	9
Strategic task	—	57
Government and Bank	2	—
Donor	1	—
Sector unit	23	—
Country unit	19	—
IDA mandate	2	—
Other Bank <sup>a</sup>	10	—

Source: IEG ESW TTL survey and World Bank administrative data.

Note: ESW = economic and sector work; TTLs = task team leaders. Numbers do not total 100 because of rounding.

a. See text description.

turn reflects the lack of attention of the Bank to such data in the system. This point will be addressed in more detail in chapter 6.

Of the tasks assigned report types in the Bank's administrative data, among the most numerous were the core diagnostic reports. This reflects the Bank's emphasis on such report types during the first part of the decade (box 2.1). Additionally, the Financial Sector Assessment Program (FSAP), introduced by the governors of the Bank and the International Monetary Fund (IMF) in 1999 in the wake of the financial crises of the late 1990s, and the ICA, which was required for IDA countries (box 2.1), were also numerous. Finally, the types of Other Financial Sector Studies, Other Infrastructure Studies, and Other Public Sector Studies were also numerous, although none of these was mandated.

During fiscal 2000–06, the average cost of a report was \$160,384. On average, core diagnostic reports were the most costly (see table 2.5), exceeding the cost of an average report by more than

**Table 2.4: Origination of TA, Fiscal 2000–06 (percent)**

Requestor/Originator	According to survey of Bank TTLs	According to Bank administrative data
Client	61	62
Senior management	8	2
Strategic task	—	30
Government and Bank	1	—
Donor	1	—
Sector unit	14	—
Country unit	10	—
Other Bank <sup>a</sup>	3	—

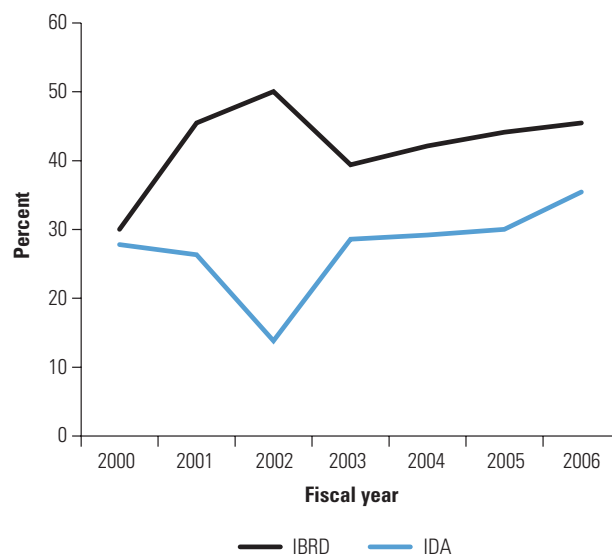
Source: IEG TA TTL survey and administrative data.

Note: TA = technical assistance; TTL = task team leader. Numbers do not total 100 because of rounding or "not assigned" category in the Bank database.

a. See text description.

one-third. Of the core diagnostic reports, the Integrative Fiduciary Assessments were the most expensive, while the CFAAs and CPARs were the least costly, on average around half the cost of an average report. With respect to other mandated

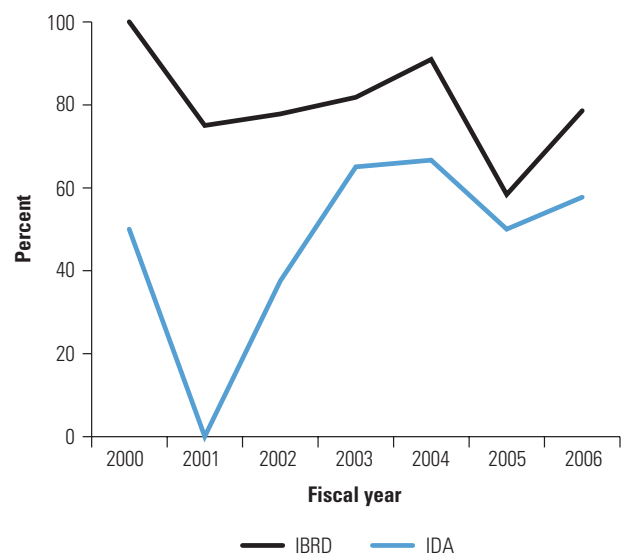
**Figure 2.2: Share of Client-Requested ESW in IBRD and IDA Countries, Fiscal 2000–06**



Source: IEG ESW TTL survey.

Note: ESW = economic and sector work; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association.

**Figure 2.3: Share of Client-Requested TA in IBRD and IDA Countries, Fiscal 2000–06**



Source: IEG TA TTL survey.

Note: IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; TA = technical assistance.

**Table 2.5: Numbers and Average Costs of ESW, by Report Type, Fiscal 2000–06**

Report types	Numbers	Average cost (\$US)
<b>Core diagnostic</b>	<b>622</b>	<b>214,151</b>
Public Expenditure Review	148	242,792
Country Procurement Assessment Review	109	76,360
Poverty Assessment	107	308,489
Country Economic Memorandum	105	332,955
Country Financial Accountability Assessment	104	89,367
Development Policy Review	35	191,388
Integrative Fiduciary Assessment	14	356,030
<b>Other diagnostic<sup>a</sup></b>	<b>550</b>	<b>165,593</b>
Financial Sector Assessment Program	100	240,946
Investment Climate Assessment	80	184,549
<b>Advisory reports<sup>a</sup></b>	<b>1,455</b>	<b>175,134</b>
Other financial sector study	141	154,804
Other infrastructure study	131	140,332
Other public sector study	109	162,269
Not assigned reports	1,240	115,429
<b>Total number of reports</b>	<b>3,930</b>	<b>160,384</b>

Source: World Bank administrative data.

Note: ESW = economic and sector work.

a. For a complete list of other diagnostic reports, see appendix A and appendix table C.7.

*Although there are already 53 report types in the Bank classification system, nearly a third of the ESW was not assigned to any of those categories.*

*Core diagnostic reports were among the most costly products.*

*Technical quality received high ratings from in-country stakeholders, validating the high QAG ratings on internal quality.*

reports, FSAPs cost more than the average core diagnostic (hence much more than the average report), and ICAs cost somewhat more (about 15 percent) than the average report.

### Quality of ESW and TA

This evaluation sought the ratings from in-country stakeholders on various dimensions of ESW and TA through country reviews and three electronic surveys (one on specific ESW, one on specific TA, and one on general views on Bank ESW and TA; see appendix B for details). The dimensions are technical quality, relevance, timeliness, dissemination, and overall impact. The ratings are on a six-point scale (where 1 is low and 6 is high, 4 is slightly above average, and 3 slightly below average).<sup>11</sup>

Similar dimensions of Bank ESW and TA are rated by the Bank's internal QAG. QAG assesses the quality of these tasks on relevance, quality of the analysis, dialogue and dissemination, and likely impact. In addition, there is an overall quality rating that synthesizes these ratings. The QAG ratings are on a six-point scale:<sup>12</sup> highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, and highly unsatisfactory.

Tables 2.6 and 2.7 present the ratings provided by the in-country stakeholders from the different sources and by QAG on the various dimensions. Several observations emerge.

First, *for each IEG source of information, the ratings of most of the dimensions are positively and significantly<sup>13</sup> correlated with each other*. The exception is timeliness and relevance, which were not correlated consistently across the different sources of information. The absence of a significant correlation between these two dimensions from the responses to the specific ESW and specific TA surveys is noteworthy in light of the combination of these two dimensions in the QAG ratings (that is, QAG considers them to be similar).

Second, *technical quality received high ratings from all sources*. More than 95 percent of the in-country stakeholders interviewed in the country reviews gave ratings of 4 and above for the technical quality of Bank ESW and TA. Slightly smaller shares of in-country stakeholders from the other three sources gave ratings of 4 and above for technical quality (table 2.6), although the average ratings from these other sources are not significantly different from those obtained in the country reviews. Ratings of 4 and above provided by in-country stakeholders are comparable to QAG ratings of moderately satisfactory and above (table 2.7), which are given to 91 percent of Bank ESW and TA for internal quality. Hence, *this evaluation validates the internal quality ratings by QAG*.

Third, *dissemination received significantly lower ratings than technical quality from the in-country stakeholders from almost all sources* (the exception is the respondents to the specific TA survey, who provided the same ratings on



**Table 2.6: Shares of In-Country Stakeholders Giving Ratings of 4 and Above on Different Dimensions of Bank ESW and TA, by Source (percent)**

	Country reviews	Specific ESW survey	Specific TA survey	User ESW/TA survey
Relevance	83	99	94	85
Timeliness	60	81	88	75
Technical quality	95	90	88	88
Dissemination	42	79	85	69
Overall impact	66	81	85	78

Source: IEG surveys and country reviews.

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

**Table 2.7: Shares of Tasks with QAG Ratings of Moderately Satisfactory and Above (percent)**

	ESW and TA	ESW	TA
Strategic relevance and timeliness	98	97	99
Internal quality	91	90	95
Dialogue and dissemination	90	87	98
Likely impact	88	87	93

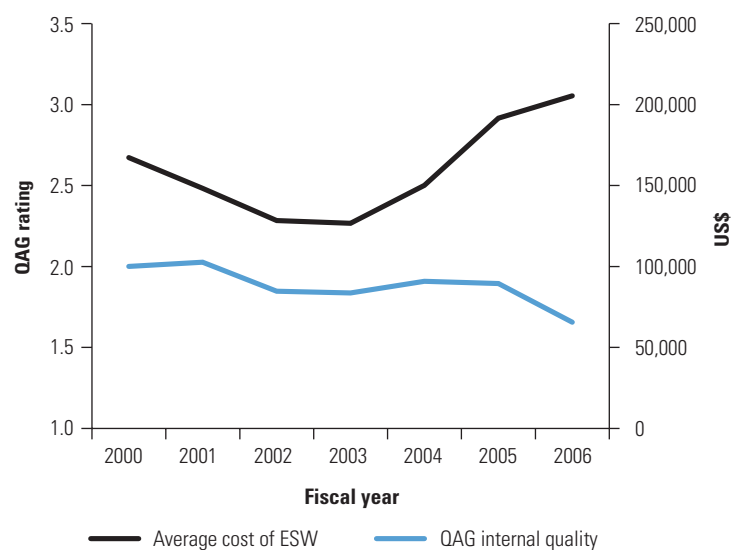
Source: QAG.

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

average for the two dimensions). In contrast, similar shares of ESW and TA received QAG ratings of moderately satisfactory and above for internal quality (91 percent) as for dialogue and dissemination (90 percent). In other words, *QAG gave much higher ratings than in-country stakeholders for dissemination relative to technical quality.*

Fourth, *overall impact received significantly lower ratings than technical quality from the in-country stakeholders from almost all sources* (the exception again is the respondents to the specific TA survey). In contrast, only a slightly lower share of ESW and TA received QAG ratings of moderately satisfactory and above for likely impact (88 percent) than for internal quality (91 percent). This could in part be because QAG provides ratings on “likely impact,” compared with the ratings provided by in-country stakeholders on “impact.”

Further, *QAG internal quality ratings for ESW are significantly and positively correlated with the*

**Figure 2.4: Quality and Average Cost of ESW**

Source: Quality Assurance Group and Bank administrative data.

Note: The QAG internal quality rating scale is from 1 to 4, with 1 being high. ESW = economic and sector work.

*Dissemination and overall impact received significantly lower ratings than technical quality from in-country stakeholders.* cost of the ESW, but the same is not true for TA.<sup>14</sup> Also, the positive and significant association only holds for the Bank budget component of cost; no association was found for the trust fund component of cost (see appendix D).

*An increase in ESW quality accompanied the ESW reforms of fiscal 1999.* As mentioned on page 11, the increase in annual outlays on ESW during fiscal 2000–06 was accompanied by a moderate increase in the average cost of ESW

(the average cost of ESW rose for 16 of 20 sectors).<sup>15</sup> At the same time, there was also an increase in the quality of ESW (as seen in figure 2.4), consistent with the finding of a positive correlation between cost and quality. In other words, the ESW reforms of fiscal 1999 were accompanied by an increase in the quality of ESW.