

Chapter 3

Evaluation Essentials

- Almost all countries get some AAA for PSR.
- A large majority of IDA countries get lending for PSR, both investment lending and development policy lending.
- The IBRD countries are much more selective in taking PSR lending; some take investment lending and others take development policy lending.
- The Bank has put more staffing and resources for analytic work into PFM than into the areas of political economy and civil service (public administration).



Tanzanian Parliament Building, Dodoma, Tanzania. Photo © Shawn McCullars.

World Bank Support for Public Sector Reform

This chapter examines the patterns of the Bank’s lending and non-lending support for PSR—over time, by Region, and by type of borrower—and the public sector outcomes associated with that support.

First, the overall package is considered, and then different types of ESW, lending, and other non-lending support are examined in more detail. Each country situation—and the Bank’s response to it—is unique, yet there are some trends and patterns.

Lending Projects for Public Sector Reform

Aggregate trends

The Bank approved 467 lending projects from 1990 to 2006 with significant PSR components in the areas evaluated in this report (see figure 3.1).¹ These projects represent 11 percent of all World Bank (IBRD and IDA) loans approved over the period. Of the projects, 62 percent were development policy loans (DPLs) or credits, and the rest were investment loans. IDA financed 305 of the projects fully and 12 in part (blend financing). About two-thirds of these loans (304) have been made since 1999, and the analysis concentrates on those.

The majority of the 467 PSR projects were not categorized under (“pathed to”) public sector governance (PSG), which reflects the prevalence of DPLs with PSR components that are managed by other sectors, especially economic policy.² The public governance sector managed about a third³ of development policy projects with significant PSR components from 1998 to 2006. In contrast, more than three-fourths of investment loans with significant PSG components have been categorized under PSG since the mid-1990s.

Total funding to these 467 projects represents about \$47 billion in commitments, or about 13 percent of Bank project lending over the period. Many of these projects contain a variety of non-PSR-related components; only 14 percent funded PSR activities exclusively.⁴

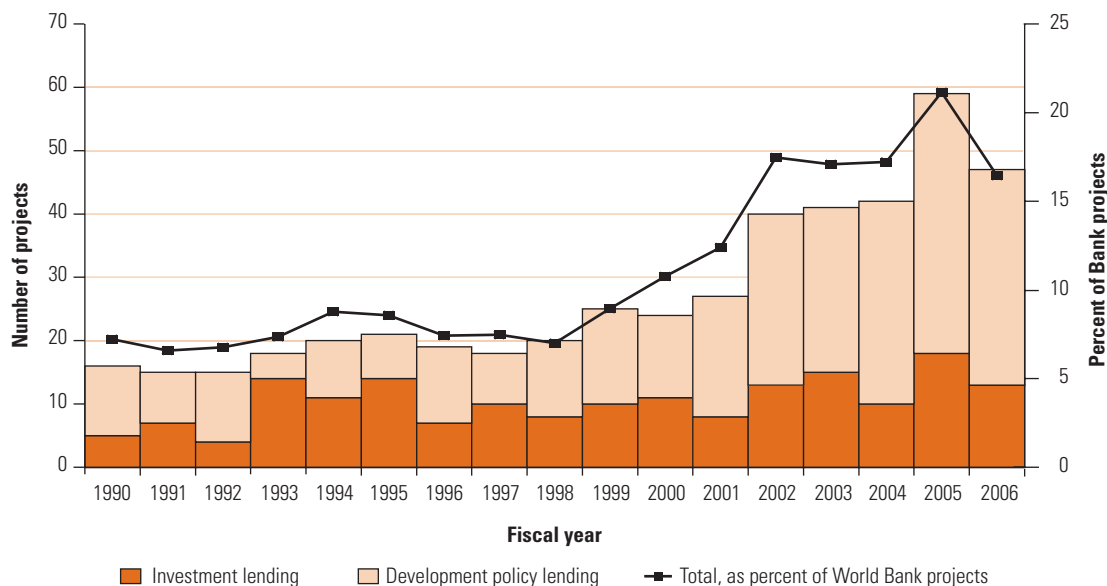
Considering only the fraction of each project (43 percent, on average) associated with PSR (see appendix A), these 467 projects represent about \$20 billion (about 5.4 percent of Bank lending) in commitments designated specifically for PSR⁵ (figure 3.2). About 83 percent of this funding was from DPLs. The number of DPLs (289) represented 62 percent of the 467 projects. Whereas the majority of these PSR projects were IDA agreements, more than half of the commitment amounts had IBRD funding.

Both the number and funding of PSR-related projects have risen over the last two decades. In particular, there have been significantly higher levels of PSR lending since about fiscal 2000.

There was an average of 19 PSR programs per year from 1990 to 1999, but this number more than doubled to 40 programs per year from 2000 to 2006. Projects with a significant PSR component almost doubled, from 7.6 percent of Bank projects to 14.5 percent,⁶ which reflects trends in Bank thinking.⁷ The value of PSR lending, measured as a percentage of total Bank lending, increased sharply around 2000, from 2.6 percent of

The 467 projects represent about \$20 billion in commitments designated for PSR.

Figure 3.1: Lending Projects with Significant PSR Components, 1990–2006



Source: World Bank database and IEG staff calculations.

Bank loans in 1990–99 to 10.2 percent of lending in 2000–06.

Although development policy lending for PSR has grown steeply since 2001, the number of investment loans with significant PSR components peaked in 1993–95 (at 12–14 projects per year) and has been at or below that rate since. In other words, this mechanism for sustaining medium-term support for institutional development has not grown apace with the other means for PSR support.

The number and funding of PSR-related projects have been rising, much of the recent increase coming from policy lending related to PSR.

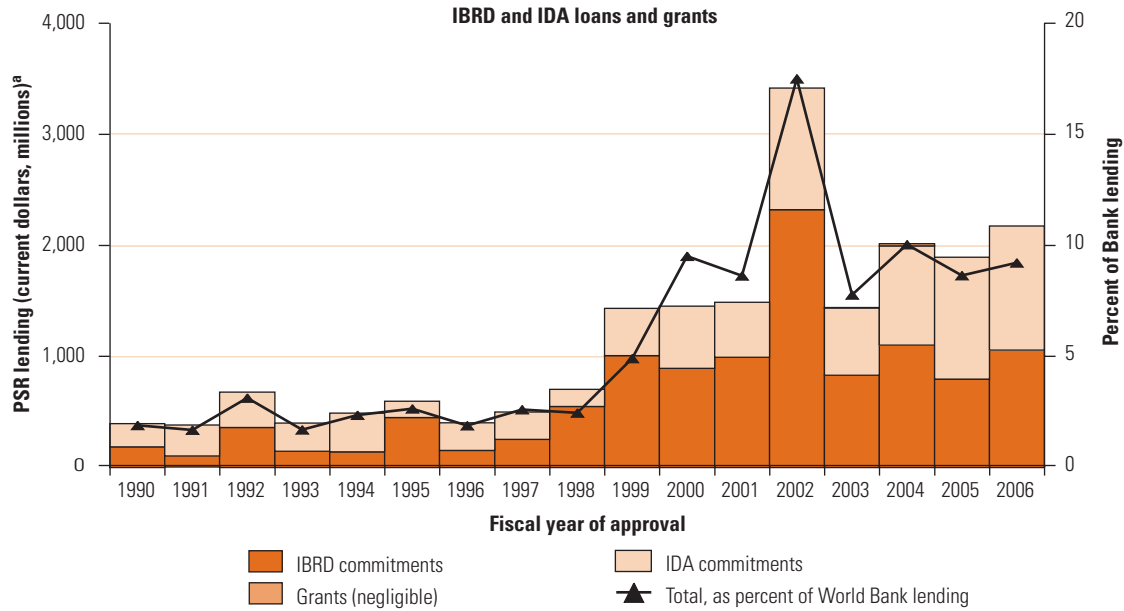
The number of DPLs with significant PSR components did not grow rapidly until about fiscal 2001. Since then, they have predominated, partly because of the expansion of Poverty-Reduction Support Credits (PRSCs). Sometimes, and for some parts of PSR, technical assistance loans accompany the PRSCs, but in other cases the country strategy anticipated that general budget support would provide adequate incentives and resources for institutional development. At least in the cases investigated in detail,

such as Honduras, Tanzania, and Uganda, this did not happen reliably. The budget-support projects gave incentives to put resources toward big-budget, front-line, poverty-reduction sectors such as education and health but not to the smaller, back-office, institutional development for PSR. So investment PSR projects had value added in getting attention and resources to the institutional reforms, according to Bank and government sources.

Regional distribution

PSR projects were geographically concentrated in Sub-Saharan Africa (173), Latin America and the Caribbean (103), and Europe and Central Asia (90). The number of projects increased in all Regions throughout the last 20 years, although the pace of growth varied (figure 3.3). Africa has the highest share of PSR projects throughout the period (about 15 percent of projects in the Region had significant PSR components), followed by Latin America and the Caribbean and Europe and Central Asia. South Asia had relatively few PSR projects in the 1990s; it has had 33 PSR projects since 2000, making it the second most active Region recently.

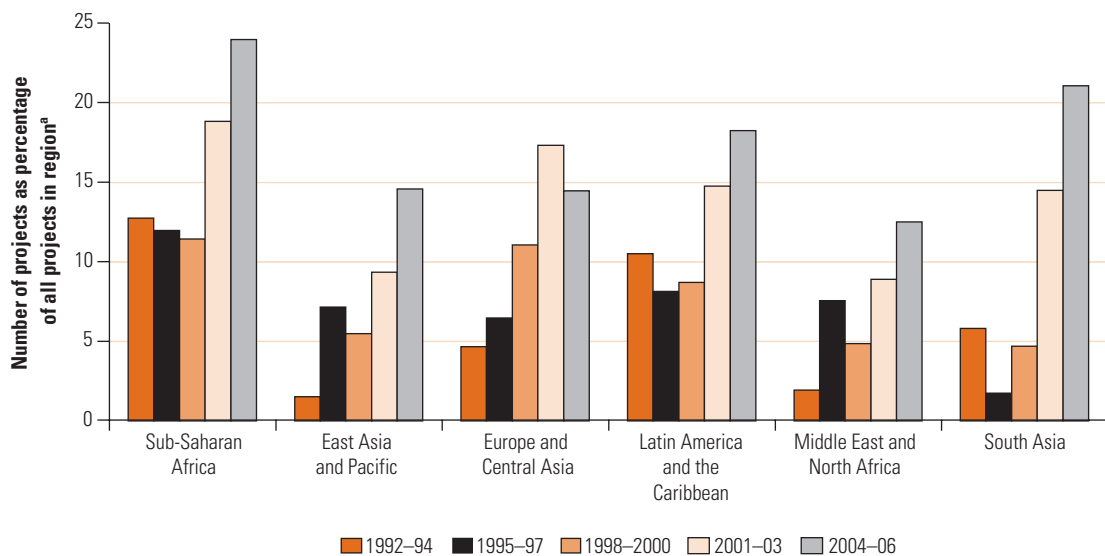
Figure 3.2: Lending Value in Projects with a Significant PSR Component



Source: World Bank data and IEG staff calculations.

a. The graph represents the sum of loans and grants for all projects multiplied by the share that each project allocated to a PSR theme.

Figure 3.3: Regional Distribution of Public Sector Reform Projects



Source: World Bank data and IEG staff calculations.

a. The graph represents numbers of projects with significant PSR components, as a percentage of all projects in the Region.

AAA Tasks for Public Sector Reform⁸

In 1999, the Bank committed to deliver for every active borrower a set of five core diagnostics: a poverty assessment, a Country Economic Memorandum (CEM)/Development Policy Review, a PER, a CPAR, and a CFAA.⁹ The pace accelerated in 2001 when the Bank sought to have an up-to-date core diagnostic (less than five years old) for all active countries. The requirement was removed in 2004 because it became obvious that core diagnostic requirements were driven by Bank-specified timetables and not by the borrowers' needs.

As a result of the Bank's changing policy, as well as the increased coverage, the number of CFAAs, CPARs, and PERs peaked between 2002 and 2004 (see table 3.1). After a sharp decline in the number of CEMs in 2001, the number increased again

in 2003 and has remained stable since. The number of IGRs has steadily increased in the past four years (appendix C [<http://www.worldbank.org/ieg/psr.appendix.html>] has a list of AAA on PSR).

Coverage of AAA for IDA countries has increased. At the end of fiscal 2006, 54 percent of active IDA-eligible countries were covered with up-to-date (five years or less) core diagnostic products, compared with only 13 percent at the end of fiscal 2003. About 85 percent of these had an up-to-date fiduciary study at the end of fiscal 2006, compared with only 46 percent three years earlier. Analytical work in fragile states has significantly increased since 2001: More than 85 percent have up-to-date PERs and CFAAs; roughly 80 percent have CPARs; more than half have a recent poverty assessment, and more than one-third have a CEM/Development Policy Review. The Bank also

Coverage of PSR-related AAA has increased for IDA countries.

Table 3.1: Public Sector Reform AAA Products (number of products)

	Fiscal 1999–2000	Fiscal 2001–02	Fiscal 2003–04	Fiscal 2005–06	Total
Core ESW	41	111	198	124	474
Fiduciary studies ^a	14	66	104	44	228
PSR CEM/Development Policy Review ^b	12	14	46	40	112
PSR Public Expenditure Review ^b	15	31	48	40	134
Noncore products					
ESW	42	46	43	67	198
Public financial management	13	18	16	39	86
Tax administration	1	0	0	1	2
Civil service and administration	8	9	8	6	31
Anticorruption and transparency	20	19	19	21	79
of which: IGRs	0	3	5	10	18
Nonlending technical assistance	15	25	41	50	131
Public financial management	4	10	18	34	66
Tax administration	0	2	2	1	5
Civil service and administration	1	2	9	10	22
Anticorruption and transparency	10	11	12	5	38
Total, core and noncore	98	182	282	241	803

Source: World Bank data and IEG staff calculations.

Note: AAA = analytical and advisory activities; CEM = Country Economic Memorandum; ESW = economic and sector work; IGRs = Institutional Governance Reviews; PSR = public sector reform.

a. Country Financial Accountability Assessment, Country Procurement Assessment, and Integrative Fiduciary Assessment.

b. Reports that had as main two sectors the following sectors: general public administration, central government administration, PSM, PFM, civil service reform, other PSR, institutional development, and subnational government.

nearly doubled the budget for AAA in low-income countries under stress during fiscal 2003–05 compared with fiscal 2000–02.

PERs have the longest history of AAA in addressing PSR issues, along with macrofiscal and sectoral concerns. Since 1999 there have been 161 PERs, with at least one in 72 percent of borrower countries. More than three-fourths of PERs since the late 1990s have given substantial attention to PSR, typically with chapters on the process of formulating and (more recently) executing the budget.

A forthcoming IEG review of AAA finds that PERs have substantial positive effect, especially programmatic ones that are becoming more common. In some cases, PERs have become part of the regular budget cycle and thus contribute to the PFM capacity building, even if there is not an explicit section on institutions.

For instance, in Tanzania, a good PER with substantive institutional analysis led the government to decide to do a PER every year and to have a public conference on the report every year to launch its budget discussions. The PERs discuss how well the execution of the budget matched what was approved by parliament the year before and lay out options for the future composition of spending. Donors participate in this conference, and it has become a focal point for their decisions about what aid to pledge in support of the budget.

Fiduciary studies, CFAAs, and CPARs are now the most widespread form of AAA—79 percent of countries have at least one—and are often done in conjunction with PERs. IEG’s evaluation of the instrument (IEG 2007) found that CFAAs have shown steady improvement in quality since guidelines were issued in 2003, increasing from 27 percent satisfactory (including moderately satisfactory) in fiscal 2001 to 97 percent in fiscal 2004 and 2005. For CPARs, the average quality of reports before the 2002 guidelines was 49 percent satisfactory; this increased to 84 percent satisfactory between fiscal 2003 and 2005.

Nonetheless, action plans often lack an appropriately phased approach. Client consultation in

the preparation of CFAAs and CPARs has increased, but the three Bank units dealing with PFM have often not coordinated adequately, resulting in fragmented action plans for clients.

Although core diagnostics added coherence to overall country AAA, in small countries they sometimes crowded out other AAA for PSR that might have had better value.

Institutional Development Grants

IDF grants concentrate on PSR. The IDFs, established in fiscal 1993, support capacity building and are part of nonlending technical assistance. IDF grants are relatively small and last no more than three years.¹⁰ A 2001 review recommended that the IDF “focus its grants more sharply, particularly on governance,” and identified two focus areas: financial accountability (financial management and procurement) and legal and judicial systems (World Bank 2001).

Most IDF grants are concentrated in the area of PSG (table 3.2): in public expenditure and financial accountability (44 percent in fiscal 2004, 34 percent in fiscal 2005), in monitoring and evaluation (16 percent in fiscal 2004 and 22 percent in fiscal 2005), and in procurement (10 percent in fiscal 2004, 18 percent in fiscal 2005). Civil service, on the other hand, has a low and static number of IDFs.

Country Portfolios of PSR Activities

Overall improvement to PSM requires achievements in all thematic areas, which the Bank can and often does support in multiple ways. The success of PSR in a country therefore depends on the package of activities that the Bank and other multilateral and bilateral organizations support. In the country case studies (further discussed in chapters 4 and 5), the evaluation considers the overall donor package. This chapter considers how the package of Bank support for PSR—lending and AAA—varies across countries and in different situations.

Table 3.3 shows how the pattern of Bank activities—PSR investment and DPLs/credits and AAA—

Fiduciary studies have been done in 79 percent of countries, but even with improving quality, many still result in fragmented action plans.

Table 3.2: IDF Grants on Public Sector Reform Themes (numbers of grants)

PSR theme	Fiscal 1995–98	Fiscal 1999–2002	Fiscal 2003–06	Total
Public financial management	38	37	110	185
Tax administration	3	2	1	6
Civil service and administration	21	8	12	41
Anticorruption and governance	4	14	6	24
Total	66	61	129	256

Source: World Bank data and IEG calculations.

Note: IDF = institutional development funds; PSR = public sector reform.

varies according to the borrowing window (IBRD, blend, IDA) and to the initial (1999) CPIA (13–16) governance rating as well as the change in the rating until 2006.

PSR lending has nearly always been accompanied by PSR advisory work in recent years. In contrast, that AAA was frequently unaccompanied by any significant PSR lending. From fiscal 1999 through 2006, 45 countries received PSR-related AAA without any PSR lending, but only one country received PSR lending without any PSR advisory services. For the countries that had both, AAA tasks were more fre-

quent; only three countries had more loans than AAA.

IDFs are mostly for PSR but are less common than PFR lending in support. Of countries with PSR lending support, 43 had no IDFs for PSR, and only a few had more IDFs than loans for PSR. Fourteen countries had an IDF without any lending. Unlike with AAA, there is no reason IDFs should accompany lending, as they are intended only for agencies that are *not* getting support from lending operations. Interviews in case study countries indicated that country commitment tended to be stronger with a loan than with an IDF grant.

Table 3.3: Public Sector Reform Lending and AAA Activities in Relation to Public Sector Governance

Lending category and governance CPIA score in 1999	Percent with any PSR lending project	Percent with PSR investment project	Percent with PSR development policy project	Percent with PSR AAA task	Percent with PSR IDF	Number of countries in row (of table)
IBRD—all	47	32	40	82	49	54
4+	27	20	13	73	47	11
3–3.9	57	32	57	86	57	28
< 3	50	43	36	86	36	15
IDA and blend—all	74	54	65	94	64	80
4+	50	0	50	100	50	2
3–3.9	79	55	71	95	69	42
< 3	69	56	58	92	58	36

Source: World Bank data and IEG staff calculations.

Note: CPIA governance score is the average of CPIA 13–16. Countries are separated by their classification in 1999 as an IBRD, IDA, or blend country. Development policy and investment loans include those with the approval date in fiscal 1999–2006. If there is no 1999 CPIA score, the score from 2000 or 2001 is used. AAA = analytical and advisory activities; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IDF = institutional development funds; PSR = public sector reform.

IBRD lending

Among IBRD borrowers, governments have wide scope for selecting areas for which to borrow or to have AAA. The pattern of Bank involvement differs according to each country's initial governance situation.

Countries with initial governance CPIA ratings of 4.0 or above (11 countries) had no or, at most, one project (3 cases) in the PSR area. All but one had at least one and usually several AAA activities (ESW or nonlending technical assistance). This indicates that they no longer perceive much need for Bank PSR lending, but the governments still put at least some value in the Bank's advice on PSR via AAA.¹¹ Case studies verified this.

Almost all countries with an initial governance CPIA score between 3.0 and 3.9 had AAA in the PSR areas, but the lending activity varied widely: one-third had none, and almost half had two or more loans. It appears, therefore, that the PSR advice has some value for all countries, but the governments have divergent views about the usefulness of Bank lending for PSR. (Presumably it was available to virtually all of them if they wanted it. Some received support from other agencies as well or instead.)

Half of IBRD countries with poor initial governance—with scores below 3.0—asked for and received PSR lending, usually two or more loans, and all but one of the borrowers improved their governance CPIA at least 0.5 points. Therefore, it appears that (i) the Bank often did stay engaged with these problem governance states, (ii) it often did so with lending (if countries wanted it), and (iii) the engagement was usually associated with improvement in the public sector dimensions measured by the CPIA.

IDA financing

Of countries with access to IDA or blend resources,¹² three-fourths took PSR lending (credits) and almost all had AAA activities, usually numerous. Forty-eight of the countries had two or more PSR loans. These countries usually took both policy-based and investment lending, including technical assistance. IDA countries are,

therefore, more likely than mid-range IBRD countries to take PSR lending. This could reflect both a greater need in these countries for PSR and stronger pressure from the Bank and other donors to make reforms.¹³

For the 39 IDA-blend countries with initial governance CPIAs below 3.0, a larger share of cases (28) had PSR lending, and all but four had some PSR AAA. In almost all the cases with lending, the governance CPIA improved (to above 3.0 about half the time).¹⁴ Even IDA states with relatively good initial governance (CPIA scores above 3.5) received PSR lending in five of seven cases, often multiple loans.

Of the six IDA-blend countries with Standard & Poor's credit scores in 1999 (which presumably indicated at least some credit access via the private sector), all received PSR subsequent loans; all but one received at least one DPL for PSR, and two (Pakistan and India) borrowed heavily for PSR. All six experienced improvements in their CPIA governance score from 1999 to 2006, showing the benefits of undertaking PSR reforms when the country is not desperate for funds.

If having poor public sector institutions is one of the main reasons that countries have income low enough to qualify for IDA (as many now believe), then it is appropriate and relevant that the Bank had PSR activities in virtually all these countries.¹⁵ Global governance performance and indicators usually take longer to improve, but on the narrower measures of most CPIA governance dimensions, there was at least some improvement in the majority of cases.

Recovering postconflict states typically got substantial amounts of PSR lending and AAA. The typically strong improvement in CPIA ratings for these countries presumably reflects a combination of benefits from Bank (and other donor) support and spontaneous rebounding when a development-oriented government takes over. Some very small states, mostly islands in the

IBRD borrowers that most needed lending for PSR—those with low CPIA governance ratings—often did borrow, and the engagement usually brought improvement in public sector dimensions measured by the CPIA.

Most of the countries that did borrow for PSR improved their CPIA governance ratings.

Pacific and eastern Caribbean, got little or no lending or AAA in the PSR area. But countries that demonstrated clear disregard for good governance usually still had some AAA for PSR, although they received little or no lending.

Thematic Distribution of PSR Projects

For each PSR project, it is possible to identify whether it has components related to the four themes of PSR: PFM, CSA, tax administration (TAX), and ACT (see appendix A).

Public financial management reform

PFM was by far the most common theme: it was a major component of 81 percent (379) of the PSR projects in the data set. Although 13–14 projects per year contained PFM components in the late 1980s and 1990s, this figure has risen to more than 30 projects per year since 2000 (see figure 3.4). Many of these projects contained PFM as a primary theme of the project.¹⁶ Although PFM investment lending has increased somewhat, DPLs with PFM components have risen the fastest since 2000.

If one multiplies the commitment amount of each loan by the share designated as a PFM theme, the amount we can attribute to PFM lending in the 467 projects with significant PSR components in-

creased from an average of \$126.9 million in 1990–99 to \$912.0 million per year in 2000–06. This represented an increase from 0.6 percent to 4.7 percent of total Bank lending. Institutional development grants for PFM also increased strongly, from 15 in 1992–99 to 90 in 2000–06, rising from 3 percent to 18 percent of the total number of IDF grants.

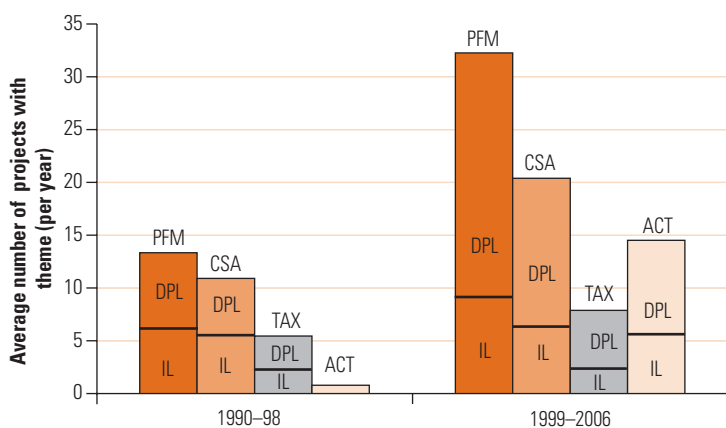
Since 1990, there has been an increase in total Bank support to PFM (including procurement); within this, there has been an increase in program lending. The number of projects with PFM components of 25 percent or greater increased from 59 over the period 1990–99 to 157 over the period 2000–06. About 31 percent of these PFM loans were DPLs in 1990–99, and this increased to about 67 percent during the years 2000–06.¹⁷ The increased lending was supported by IDF grants for PFM, which increased from 15 in 1992–99 to 90 in 2000–06, and from 3 percent to 18 percent of the total number of IDF grants.

Loan commitments on projects with PFM components of 25 percent or greater increased from \$2,179 million over the period 1990–99 to \$14,946 million over the period 2000–06.

The number of PFM-focused projects (at least 25 percent of the projects) rose in all Regions from 1990–99 to 2000–06, including an increase from 22 to 64 projects in Africa, from 5 to 18 projects in East Asia and the Pacific, and from 11 to 22 projects in Europe and Central Asia. Total commitments on projects with PFM components over 25 percent rose in all Regions, most notably in Africa, Europe and Central Asia, and Latin America and the Caribbean. A World Bank review (2006g) found that 32 of 34 recent development policy operations had conditions, triggers; milestones linked to PFM-related analytic work and in most cases were appropriately sequenced, took into account parallel actions, supported the evaluation of results, and avoided addressing too many issues.

The World Bank Institute (WBI) and the Financial Management network (under Operations Policy and Country Services [OPCS]) have provided considerable nonlending technical assistance to pub-

Figure 3.4: Themes Included in Projects with Significant PSR Funding



Source: World Bank database and IEG staff calculations.
 Note: ACT = anticorruption and governance (transparency); CSA = civil service and administrative; DPL = development policy loan; IL = investment loan; PFM = public financial management; TAX = tax administration.

lic accounts committees and supreme audit institutions, which typically report to legislatures. This part of the budget cycle rarely gets attention in the lending process, because lending usually goes to the executive branch, so the nonlending route has been important. The WBI, for instance, has had multiyear programs in the Dominican Republic, Ghana, Guatemala, Indonesia, Nigeria, Pakistan, Senegal, Sri Lanka, Thailand, and Vietnam. Other donors, such as the United Nations Development Programme and the Canadian International Development Agency, have also been active in these areas and often look to the Bank for leadership.

The Bank has, of course, used conditionality extensively with DPLs to encourage PSR. As shown in figure 3.5, there was a recent rapid expansion in the number of legally binding conditions related to PSR.¹⁸ This occurred even as the total number of conditions per loan declined (World Bank 2007a). This meant that the share of PSR in conditionality increased even more sharply.

The boom in PFM conditionality in 2001 reflects the growth of PRSCs and other budget-support lending, in which the expected positive effect on poverty depends on improving the country’s institutions to manage the budget funds. The efficacy of this strategy to reduce poverty is being evaluated, but evidence (see chapter 5) indicates some success in the intermediate step of improving PFM.

Civil service and administration reform

CSA reform was the second most prevalent theme in PSR lending: more than half (261) of the projects with significant PSR components included a CSA theme, a measure that remained roughly constant (unlike other themes). Consistent with the overall rise in the number of projects with significant PSR components, there was an increase from about 10 projects per year with CSA components to about 20 projects per year.

The number of projects with CSA components declined in Africa (where they had been very common) and, on average, rose in all the other Regions. Like PFM, the majority of the CSA projects were DPLs.¹⁹ The number of CSA investment

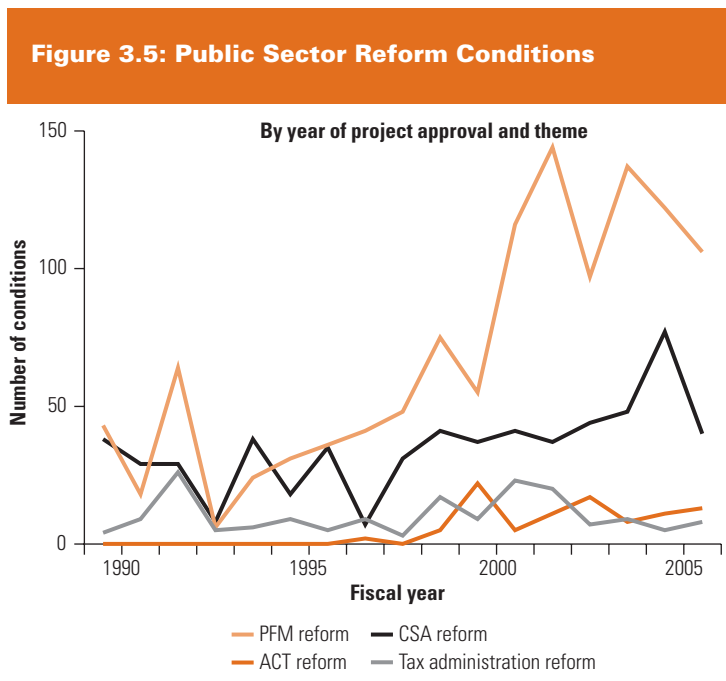
loans overall trended downward throughout the 1990s and early in this decade.

In 2002, however, there was a sudden and large increase in CSA lending, mostly with DPLs. If the commitment amount of each loan is multiplied by the share designated as a CSA theme, the amount that can be attributed to CSA lending rose from \$126 million per year in 1990–99 to \$422 million per year in 2000–06. This represents an increase from 0.54 percent to 2.17 percent of total Bank lending. Institutional development grants for CSA increased from 17 per year in 1992–99 to 34 in 2000–06. This represents about 35 percent of IDF grants over the entire period.

Looking at other measures of the Bank’s activity in CSA generally, the number of projects with significant PSR components has grown over time, particularly since 2000. This trend reflects an increasing number of PSR projects overall, rather

Public financial management was the most common theme in PSR projects and has increased sharply since the 1990s.

More than half of projects with PSR components addressed CSA reform, mostly through development policy lending.



Source: Adjustment Lending Conditionality and Implementation Database and IEG staff calculations. Note: ACT = anticorruption and governance (transparency); CSA = civil service and administrative; PFM = public financial management.

than a greater share of projects with a CSA component, which has stayed roughly constant. This trend contrasts with both the ACT and PFM themes, where the share of projects with these components has gone up significantly over the same period (see figure 3.5).

The mix of lending instruments between investment loans (or credits) and DPLs has fluctuated since 1990. The number of investment loans with CSA content declined gradually through most of the 1990s but has risen since 2001. The number of DPLs with CSA conditions increased substantially since 2004 (figure 3.5).²⁰

The case studies show that technical assistance funded with investment loans has been a particularly important tool for encouraging reform in the area of civil service reform, especially in poorer countries where capacity levels are usually very low. In some cases, the lack of supporting technical assistance was cited as a hindrance to progress where only DPLs supported CSA reform. Learning from such experiences, especially in PRSC countries, led in some cases (for example, Tanzania) to the revival of investment lending to support civil service reforms.

Tax administration reform

TAX reform was included in 24 percent of the projects with significant PSR components. It was included in almost six projects per year from 1990 to 1999 and in seven to eight projects per year from 2000 to 2006. Two-thirds of these projects were DPLs. Tax administration conditions were relatively less common overall, with only 192 legally binding conditions, roughly 27 per year

from 2000 to 2006. The strong role of the IMF on tax issues may account for this. In investment projects, TAX was often the sole focus (10 percent of the investment loans with significant PSR components).

Anticorruption and transparency reform

Project components explicitly identified as ACT reform became much more prevalent starting around fiscal 1999. Anticorruption and gover-

nance components typically supported anticorruption commissions or laws.

The term “governance” has many meanings—including legal and regulatory reform, public enterprises, public financial management, civil service, and administration of sector programs—but in the context of classifying project components, the term has usually meant transparency measures that would help reduce corruption and promote better accountability. This includes freedom of information laws and agencies. So in this evaluation, the category is called anticorruption and transparency.²¹

ACT components appeared in only nine percent of the PSR projects during the years 1990–99. From 2000 to 2006, however, 38 percent of PSR projects contained identifiable ACT components (an increase from 1.7 to 15.1 projects per year between these respective periods), mainly due to the presence of ACT conditions in policy reform projects. Increases in this indicator occurred in all Regions.

The number of projects with ACT components remains lower than the number of projects with CSA and PFM components. The number is, however, much higher than in the 1980s and 1990s, when almost no projects had ACT components. ACT does not appear to be crowding out other PSR themes. Rather, it appears that the other three themes are included in about the same fraction of PSR projects as earlier, and ACT should be understood as an addition to the typical package.²²

Staffing for PSR

Staffing is another indicator of Bank inputs, for not all work shows up as coded activity with clear attributes. Based on a survey of Regional public sector managers, table 3.4 shows the allocation of staffing across the Regions and thematic areas.

Within in the public sector part of PREM there are almost 100 staff and regular consultants working on country support in the four areas of this evaluation’s focus (not counting legal and judicial, de-

In 1999, the prevalence of anticorruption and governance reform components increased sharply.

Table 3.4: Public Sector Staffing and Specialties by Region

	Total	Sub-Saharan Africa	East Asia and Pacific	Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	South Asia
PREM	99	24	12	18	16	13	16
Public expenditure/financial management	60	11	7	7	12	7	16
Civil service	28	9	2	6	2	3	6
Tax administration	5	0	0	4	1	0	0
Anticorruption	13	2	0	3	1	2	5
Political analysis	15	2	4	1	1	1	6
Level E/F	24	6	3	4	7	3	1
Level G	60	16	7	11	7	8	11
Level H	15	2	2	3	2	2	4
OPCS							
Financial management	33	6	5	6	5	2	9
Procurement	78	16	17	14	7	9	15

Source: IEG survey and calculations.

Note: Some people work on more than one theme, so the total of people by themes exceeds the total number of people at various personnel grade levels. The procurement figures are all the G and H level; for staff at these levels, work on the country systems is a more substantial part of their activity (rather than just procurement for Bank financed projects). PREM = Poverty Reduction and Economic Management Network; OPCS = Operations and Policy Country Services.

centralization, and so forth), plus the OPCS staff working on country systems for financial management and procurement and the PREM Economic Policy staff working on public expenditure. The Regional distribution is roughly in proportion with the distribution of projects, with the largest number in Africa, followed by Europe and Central Asia, Latin America and the Caribbean, and South Asia.

PFM specialists account for more than half of PREM staff, and there is an even larger contingent within OPCS (not counting those who mainly do financial management and procurement for Bank projects). About one-fourth of PREM public sector staff specialize in civil service. The rest specialize in tax administration or anticorruption

and political analysis, plus some in decentralization and legal/judicial; those themes, however, are not the focus here. The civil service contingent is almost as large as the PFM part of PREM in Sub-Saharan Africa and Europe and Central Asia, but is much smaller in the other Regions. Tax administration specialists are all in Europe and Central Asia or Latin America and the Caribbean, with none in other Regions, despite the success of such projects in IDA countries (discussed in chapter 4).

The majority of staff are at G level, half of that E/F, and again half of that at H. The share of H-level staff in Africa was smaller than the average for the other Regions.

Although anticorruption components have grown since the 1980s, this does not appear to be crowding out other themes.