World Bank Group Assistance to Low-Income Fragile and Conflict-Affected States

An Independent Evaluation

Appendixes

IEG Independent Evaluation Group
WORLD BANK | IFC | MIGA

Contents

Abbreviations

AAA	analytical and advisory activities
ADB	Asian Development Bank
AfDB	African Development Bank
ARD	agriculture and rural development
AS	advisory services
CAS	country assistance strategy
CASA	Conflict-Affected States in Africa
CASCR	Country Assistance Strategy Completion Report
CCSD	Center on Conflict, Security and Development
CDD	community-driven development
CEWG	Core Economic Working Group
CGD	Center for Global Development
CPA	Comprehensive Peace Agreement
CPE	Country Program Evaluation
CPIA	Country Policy and Institutional Assessment
DDR	demobilization, disarmament, and reintegration
DFID	U.K. Department for International Development
DPL	Development Policy Lending
DPO	Development Policy Operation
DRC	Democratic Republic of Congo
EITI	Extractive Industries Transparency Initiative
ESW	economic and sector work
EU	European Union
FCS	fragile and conflict-affected states
FPD	Financial and Private Sector Development Network
GDP	gross domestic product
HDI	Human Development Index
HIPC	heavily indebted poor countries
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IEG	Independent Evaluation Group
IFC AS	IFC Advisory Services
IFC	International Finance Corporation
ISN	Interim Strategy Note
J4P	Justice for the Poor
MDG	Millennium Development Goal
MDTF	multi-donor trust fund
MIGA	Multilateral Investment Guarantee Agency
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
OPCS	Operations Policy and Country Services
PAF	Poverty Alleviation Fund
PCR	Project Completion Report
PFM	public financial management
PIU	Program Implementation Unit
PMU	Project Management Unit

PPAR	Project Performance Assessment Report
PPP	purchasing power parity
PRS	Pacific Regional Strategy
PRSP	Poverty Reduction Strategy Paper
PSD	private sector development
RAMSI	Regional Assistance Mission to the Solomon Islands
SDN	Sustainable Development Network
SFD	Social Fund for Development
SMEs	small and medium enterprises
SSA	Sub-Saharan Africa
SWF	Social Welfare Fund
TF	trust fund
TSS	Transitional Support Strategy
UN	United Nations
UNDP	United Nations Development Programme
WDI	World Development Indicator
WDR	World Development Report
XPSR	Expanded Project Supervision Report

All dollar amounts are in U.S. dollars unless otherwise indicated.

Appendix A. Evaluation Methodology

1. The evaluation has used quantitative and qualitative methods for the assessment. Data were obtained from multiple sources and results triangulated and synthesized to answer the evaluation questions. Data on the portfolio, administrative budget, and human resources came from Bank Group databases and previous Independent Evaluation Group (IEG) evaluations. They were subjected to comparative analysis both over time and across country groups, comparing results from fragile and conflicted-affected states (FCS) with countries that were never on the FCS list among International Development Association (IDA) only countries. International Bank for Reconstruction and Development (IBRD) countries are not covered by this evaluation. Time series comparison for portfolio data covers the period 2001–2012, which was subdivided into two equal periods for comparative analysis. The analysis of databases was comprehensive, drawing on the entire universe available, while sampling was used for more targeted research methods.

2. The primary data collection and analytical methods used were:

a. Country case studies of countries selected through purposive sampling in six FCS, including three—the Democratic Republic of Congo (DRC), Sierra Leone, and the Solomon Islands—with persistent fragility; and three countries—Cameroon, Nepal, and Yemen—that were on the FCS list during part of the FY06–12 period. The country case studies and three previous country program evaluations on Afghanistan, Liberia, and Timor-Leste were used for an in-depth assessment of the Bank Group's assistance programs and the efficacy of partnerships in these countries, including the strategies, lending program, analytical work and technical assistance, and advisory services.

b. Secondary analysis of IEG's microevaluations of the Bank Group's lending/grant/investment /guarantee portfolio in FCS from Bank Implementation Completion Report Reviews and Project Performance Assessment Reports (PPARs); the International Finance Corporation's (IFC) Expanded Project Supervision Reports and Advisory Services Project Completion Reports; and the Multilateral Investment Guarantee Agency's (MIGA) Project Evaluation Reports.

c. Analysis of aid and growth in FCS based on comparative analysis of official development assistance from different sources, and the macroeconomic indicators and key determinants of growth in FCS.

d. Assessment of gender as a cross-cutting theme. The evaluation includes a review of Bank Group support for gender in FCS through an assessment of the contributions of relevant analytical work, country assistance strategies, and gender mainstreaming in the lending/grant/guarantee portfolio. More specific analysis of the impact of gender support was derived from the country case studies.

e. Special reviews were undertaken of all 33 PPARS carried out by IEG in FCS from FY07–12; the health and education portfolio in FCS from FY07–12; and a sample of one-third of the projects on community-driven development, microfinance, and demobilization, disarmament, and reintegration (DDR) to assess gender effects using standard questionnaire templates for each of these reviews. These reviews of available project documentation and previous IEG evaluations assessed the strategy, design, implementation, monitoring and evaluation, overall treatment of FCS issues, and for the third set of sample projects, the treatment of gender in these projects.

f. Analytical work, including econometric analysis were undertaken to examine the relationship between the use of budget support and changes in Country Policy and Institutional Assessment ratings over time. The results from portfolio outcome analysis were also verified through econometric analysis.

g. Analysis of staffing data to compare in-country deployment in FCS with that in the other 31 Never FCS. This analysis was supplemented by qualitative assessments of staff support to FCS in the case study countries.

h. World Bank administrative budgets for the 33 FCS from FY01–12 were analyzed and compared with the budgets for all 31 Never FCS to assess changes in operational budgets and expenditure patterns over time.

i. A review of multi-donor trust funds (MDTFs) in FCS, including the six single-country multisector MDTFs and two multicountry MDTFs focusing on DDR. A field visit to Haiti was also undertaken as part of the MDTF review.

j. Perception surveys of World Bank, IFC, and MIGA staff and in-country stakeholders were also undertaken to obtain feedback on Bank Group engagement in FCS. The surveys were fielded toward the end of the evaluation in July and August 2013 using a Google survey platform. The World Bank staff survey was sent to 745 Bank Staff across Bank headquarters, FCS country offices, and regional offices; 143 staff responded. The IFC and MIGA staff survey was sent to 436 staff working on FCS issues; 64 responses were received. The stakeholder survey was sent to 316 government, donor, and other in-country stakeholders and received 60 responses.

k. In addition to those on gender and the MDTFs, background papers were prepared on natural resources management, private sector development, agriculture, and jobs, drawing heavily on the country case studies.

Appendix B. Cameroon

Country Context

1. Cameroon shares some of the characteristics of fragile and conflict-affected states (FCS) including a conflict-affected neighborhood; the nontransparent use of revenues from its huge natural resource endowment; a dominant ruling party; an unwieldy, centralized government, delivering services poorly and unequally to its people; and increasing unemployment, particularly among the youth.

2. French-governed southern Cameroon became independent in 1960 and was joined by British-controlled northern Cameroon in 1961, forming the United Republic of Cameroon. The country has been remarkably stable since independence. Only two presidents have ruled the country including the current one, in power since 1982. Corruption has been endemic with the country ranked in the 18th percentile in the 2011 World Governance Indicators. However, the authorities recognize the need for more progress on anticorruption and give it prominence in their most recent development strategy. Ethnically diverse, Cameroon is composed of 24 major African linguistic groups and many religious affiliations. Its population was estimated at 20 million in 2011, growing at about 2.1 percent a year.

3. Cameroon ranked 150 out of 186 countries on the United Nations' 2012 Human Development Index, a significant decline from 2010, and it is unlikely to reach any of the Millennium Development Goals (MDGs). The status of women is also poor. The country is in the bottom quartile of countries (71 out of 86) in the 2012 Social Institutions and Gender Index of the Organisation for Economic Co-operation and Development. Cameroon is also one of only a few countries that legally define men as head of households, with consequent implications for the rights of women.

4. Due to its varied agriculture potential and significant natural resources, Cameroon is often dubbed mini-Africa. Resources include oil, high-value timber, hydropower, natural gas, iron, bauxite, and cobalt. This diversity of resources has not brought significant benefits to the majority of Cameroonians. In 2010, some 70 percent of the population depended on agriculture, with more than 90 percent of employment in the informal sector, both agriculture and nonagriculture. Fueled by a rebound in oil production, economic growth reached 4.4 percent in 2012, and is projected to increase to about 4.8 percent in 2013. The main impediment to private sector development (PSD) are the poor business environment due to poor governance and corruption, lack of infrastructure, access to finance, and lack of skills.

Drivers of Conflict and Fragility

5. Cameroon's fragility risks arise mainly from weak institutional capacity, and to a lesser extent, legitimacy gaps and societal fragility rather than from security gaps. Some liken the country to a dormant volcano, unsure when or if it will explode, what could be the trigger, or how big the explosion. The impact of Cameroon's fragility is obvious in its stagnant social and economic indicators and rigid political system.

6. Key drivers of fragility include weak public sector institutions and widespread corruption; concentrated power in the presidency and uncertainty about the 2018 elections; an economically and socially marginalized rural population; an inadequate justice system; and weak property rights and restricted sale of land rights. Cameroon's natural resource base also contributes to fragility in a number of ways. These sectors produce few jobs and require strong government oversight and regulatory capacity to ensure environmental sustainability and limit corruption — something lacking in the country. Revenue flows are volatile due to price and volume, and economic benefits from these sectors have not been widely shared.

Bank Group Strategy and Approach

7. Cameroon has been classified as FCS in four of the past 12 years. Bank Group concerns included the country's weak government institutions, overstaffed by underpaid civil servants; the strong incentive to pay lip service to reforms to qualify for heavily indebted poor country (HIPC) assistance; the transformation of key state-owned enterprises from state to private monopolies; and the contraction of government budget to pay for external debt.

8. The 1996-2002 Country Assistance Strategy (CAS) achieved its main objectives: consolidating devaluation benefits; improving private sector investment climate; and reducing poverty. However, the Bank's efforts to deal with key national public sector institutional weaknesses were limited in scope and impact. For example, early attempts to help with civil service reform were abandoned, due to lack of the necessary political will and ownership. Successive World Bank Group strategies, on the other hand, have helped to improve capacity to deliver basic social services. The strategic focus on jobs, although highlighted in CASs from the mid-1990s, did not have much to show by way of results. Additionally, the Bank gave limited attention to gender and justice; the most recent CAS update also does not pay particular attention to these issues.

9. The International Development Association's (IDA) and the International Finance Corporation's (IFC) strategic objectives have been fairly consistent over time

and no different from those in non-FCS countries. Governance has been an overarching theme, together with PSD, service delivery, and infrastructure development. The Bank and IFC have also not generally worked closely together, hampered by geographic distances within the country, among other factors.

10. In 2006 Cameroon reached the HIPC completion point. The Bank Group had limited influence on the policy agenda after this period, given the country's low aid dependency and the authorities' lack of political will to tackle key fragilities. However, the Bank is seen more favorably today than in the post-structural adjustment period. In recent years the Bank started to commission political economy analyses in key sectors (such as mining and education), and worked on a variety of programs to foster demand for good governance and better services. It is also fostering fact-based discussions and is demonstrating willingness to finance government programs with clear and strong political support — all consistent with the policy framework for Bank work in FCS. The Bank has also demonstrated increasing awareness of the country's service delivery deficit.

BUILDING STATE CAPACITY

11. Bank support for governance, its main area of focus, covered the anticorruption agenda, legal framework and institutions, and public budget and financial management reform. Total IDA financing in the evaluation period for this focus area amounted to $63.1 million. Results, however, have been disappointing.

12. After early unsuccessful attempts to support civil service reform, the Bank largely ignored the issue, believing the authorities lacked political will to reform an overmanned, underpaid civil service. A variety of analytical and advisory activities (AAA) also supported improved governance. However, the large number of AAA likely diminished their impact by producing recommendations of varying importance, making it hard for an already fragmented government to prioritize actions. Bank projects promoting transparency and accountability also have not fared well. Support to strengthen state capacity to manage its natural resources has also had mixed results; Cameroon has made progress toward achieving Extractive Industries Transparency Initiative (EITI) validation, but has yet to succeed.

13. The Bank has made an effort to support decentralization in the form of decentralized community development plans and improvements in delivery of basic social services, but results have been mixed.

14. On justice, the FY96–02 CAS matrix had called for improved functioning of the judicial system, but no progress was recorded in the Country Assistance Strategy Completion Report.

15. Public financial management has not shown substantial improvement, and is not yet considered strong enough for the Bank to consider using country systems for Bank-financed projects.

16. Overall, Bank efforts in supporting state-building have had limited impact; the latest CAS Progress Report suggests that institutional mechanisms to improve governance and curb corruption remain weak.

BUILDING CAPACITY OF CITIZENS

17. Support for citizen capacity building between FY01 and FY12 has included cumulative IDA financial support of $211.9 million. The World Bank has helped support citizen involvement in key economic policy and strategy decisions at both central and local government levels. The current CAS includes a variety of ways to encourage demand for good governance and results. Initial results on this front seem positive, for example, in Results Based Financing for Health, and the Budget Initiative in several regions of the country.

18. Bank support in social protection and the health sector has been inconsistent and results have been disappointing. The Bank's focus on gender has also been sporadic and the 2004-2006 CAS acknowledged that "gender issues have not received the attention and support they deserve." For example, Institutional Development Fund-financed gender assessments planned for FY05 and FY07 were dropped. In the health sector, outcomes for women have been poor so far. The only positive gender-related results were seen in a community development program providing greater voice to women in decision making. Women continue to encounter severe legal constraints due to coexistence of formal and customary law, and there is little evidence of support for economic empowerment of women.

19. In education, the Bank has played an important role in achieving progress. While completion rates are still of concern, with marked regional variations, primary education access is close to universal. Access to quality education, however, remains a significant challenge, especially for the most poor and vulnerable.

SUPPORT FOR GROWTH AND JOBS

20. A major share of IDA AAA and financing in Cameroon went to support the growth pillar. Support for growth and jobs between FY01 and FY12 has included total IDA financing of $531.6 million and an IFC commitments of $397.6 million, which is substantial in comparison with other FCS. MIGA guarantees were $8.3 million for two projects. The main focus of the Bank Group was to improve the private sector environment through large infrastructure projects. Additionally, there was periodic assistance for the agriculture sector and natural resource management. Jobs were a key objective of the early CAS period, yet there was minimal attention to this issue.

21. Despite the dependency of the local population on agriculture, the sector received limited strategic attention from the Bank throughout the evaluation period. Analytical work in 2000 and 2003 included no analysis on which to base recommendations that might improve performance or generate growth and jobs. Bank financing to the sector was characterized by discontinuities in key focus areas and gaps in priorities. Finally, there was inadequate strategic support for the 2003 Poverty Reduction Strategy Paper, which had laid out a broad strategic vision for the agriculture sector.

22. The Bank and IFC have provided support to Cameroon's natural resource industries. The development of oil, gas, and mineral resources are key strategic goals for Cameroon. The Bank financed the capacity building of environmental institutions in Cameroon to monitor and address the environmental impact of the Chad–Cameroon pipeline and environmental issues more generally, albeit with unsatisfactory results. IFC's involvement in the project was considered successful in requiring the private sector partners to adhere to IFC's safeguard policies, and the project had a strong financial performance. The Bank also provided technical assistance to improve the efficiency and transparency of the mining sector with some satisfactory results, and provided institutional support to the forestry industry.

23. Infrastructure, particularly electricity and transport, has received the most financing from the Bank Group. The Bank and IFC have worked together effectively to help improve energy supply in urban and rural areas through capacity building and financing for oil, gas, and hydropower projects. Access to power increased from 20 to 50 percent since 2000, well above the average for sub-Saharan Africa. Transport infrastructure has been strongly supported with financial assistance for roads, railway, sea, and airports. While the outcomes of individual transport projects were rated as satisfactory, Cameroon's transportation system is not sufficiently integrated and lacks prioritized investments. This is largely because these projects did not have the benefit of an integrated multimodal master plan. The development of a comprehensive intermodal national transport strategy is a priority for both Cameroon and its neighboring countries, as the former provides much needed transport access to its land-locked neighbors.

24. IFC has also been active in supporting financial sector investments including microfinance institutions, which have been effective to date. Results of investments in small and medium enterprises through the African Enterprise Fund have been mixed. IFC support included capacity building provided through its Advisory Services; Bank and IFC support for investment climate issues has had limited results.

Bank Group Internal Processes and Support Systems

25. Between 2001 and 2012 overall Bank budget allocations for client services in Cameroon increased in absolute terms (from $5.4 million to $7.5 million) but showed significant fluctuation over the years per active project. During the same period, project supervision budget, as a percentage of client services, showed fluctuations as well. Supervision per active project, however, decreased from $153,000 to $138,000. By cost category, in 2001 economic and sector work and technical assistance accounted for 19 percent of client services and this increased to 32 percent in 2012. The country office has a total of 40 staff of which 24 are GE+ professional staff (including nine international and 15 locally recruited staff). IFC has an office in Douala, staffed by seven investment officers and AS staff; the office covers four countries in Central Africa in addition to Cameroon.

26. IDA financing fluctuated fairly markedly over the evaluation period. Between FY00 and FY06, the Bank was in negative net transfer to Cameroon for all but two years. Over the whole period, although net commitments averaged about $108 million per year, average net transfers were a little more than $18 million. In the pre-HIPC period, IDA commitments were considerable, but results were not encouraging. In the current CAS, the most transformative support appears to be the Bank's analytical reports and relatively small initiatives funded by trust funds.

27. A total of 16 Bank operations were assessed by the Independent Evaluation Group at exit in FY00–12; of these 68.8 percent were rated moderately satisfactory or above (83.6 percent by amount). However, 66.7 percent of these projects were rated to be at above moderate risk and the same proportion of projects (66.7 percent) was assessed to be sustainable.

28. Operationally, the Bank did not make substantial use of the government procurement or financial management system. The latter still lacks integration at the central and provincial level. Starting with the FY04-06 CAS, the Bank also paid considerable attention to aid coordination; however, this has not translated into common, sectorwide approaches.

Table B.1. Total Lending Commitments by Theme to Cameroon (FY01–12, US$ millions)

	FY01–06	FY07–12
World Bank (IDA and trust funds)		
Theme I: building capacity of state	48.53	15.98
Theme II: building capacity of citizens	89.33	155.02
Theme III: promoting growth and jobs	113.75	430.09
Total	*251.61*	*601.08*
IFC investment commitment, growth and jobs	215.0	182.6
MIGA guarantee gross exposure, growth and jobs	—	8.3

Note: **IFC = International Finance Corporation; MIGA = Multilateral Investment Guarantee Agency.**

Table B.2. Actual Cost and Number of Analytical and Advisory Services Delivered by Theme in Cameroon (FY01–12, US$ thousands)

	Cost of ESW		Cost of TA		Number of ESW operations		Number of TA operations	
	FY01–06	FY07–12	FY01–06	FY07–12	FY01–06	FY07–12	FY01–06	FY07–12
Theme I: building capacity of state	1,653.31	798.00	83.67	555.85	9	4	1	3
Theme II: building capacity of citizens	9.12	261.07	0.00	0.00	4	1	0	0
Theme III: promoting growth and jobs	692.70	621.93	0.00	846.16	3	5	0	5
Total	*2,355.12*	*1,681.00*	*83.67*	*1,402.01*	*16*	*10*	*1*	*8*

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

Table B.3.a Cameroon: Ratings of Projects Evaluated by the Independent Evaluation Group, FY01-12 (by number of projects)

Fiscal years	Country or region	Number of Projects Evaluated	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
01–06	Cameroon	8	75.0	0.0	42.9	66.7	75.0	75.0
	Africa	424	66.0	52.3	42.9	60.7	67.0	64.9
	World	1,736	76.7	65.0	51.3	76.3	79.0	75.6
07–12	Cameroon	8	62.5	37.5	--	--	75.0	37.5
	Africa	330	63.3	41.6	--	--	65.2	64.8
	World	1,286	72.5	56.8	85.7	85.7	73.5	72.4
01–12	Cameroon	16	68.8	33.3	42.9	66.7	75	56.3
	Africa	754	64.8	43.9	42.9	60.7	66.2	64.9
	World	3,022	74.9	58.3	51.5	76.4	76.7	74.2

Table B.3.b Cameroon: Ratings of Projects Evaluated by the Independent Evaluation Group, FY01-12 (by commitment volume)

Fiscal years	Country or region	Commitment Volume (US$, millions)	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
01–06	Cameroon	384	94.6	0.0	90.6	93.7	94.6	94.6
	Africa	17,065	66.2	48.4	43.5	65.3	70.6	66.7
	World	123,688	81.2	73.9	54.8	82.0	84.7	80.6
07–12	Cameroon	220	64.3	54.9	--	--	66.7	34.1
	Africa	17,330	70.5	38.8	--	--	74.8	71.1
	World	95,912	82.2	66.3	94.9	94.9	80.5	82.3
01–12	Cameroon	603	83.6	44.2	90.6	93.7	84.4	72.6
	Africa	34,395	68.4	41.2	43.5	65.3	72.7	68.9
	World	219,600	81.6	67.9	55.2	82.1	82.9	81.3

Note: a. %Sat = moderately satisfactory or higher
b. RDO = Risk to development outcomes
c. Inst Dev impact = Institutional Development Impact

Table B.3. Cameroon Country Budget (constant 2011 US$ thousands)

A. Share of the Bank's internal funds for operational services												
Fiscal year	**FY01**	**FY02**	**FY03**	**FY04**	**FY05**	**FY06**	**FY07**	**FY08**	**FY09**	**FY10**	**FY11**	**FY12**
Client services	4,132	5,698	4,782	4,567	4,169	4,779	4,351	4,636	4,332	4,433	4,223	4,427
o/w Supervision	1,785	1,807	2,020	1,497	1,473	1,262	1,300	1,370	1,755	1,808	1,718	1,672
o/w Lending	606	1,122	949	1,525	1,059	1,119	1,137	1,735	1,072	957	1,128	1,302
o/w ESW	587	1,462	407	646	721	1,028	875	681	607	635	579	569
o/w TA	316	$16	9	14	-	108	2	40	149	295	51	44
Share of the BB for project supervision per active project												
Number of active projects	12	13	14	7	7	11	11	14	15	14	18	18
Supervision budget per active project (US$ thousands)	149	139	144	214	210	115	118	98	117	129	95	93
B. Share of trust funds for operational services												
Fiscal year	**FY01**	**FY02**	**FY03**	**FY04**	**FY05**	**FY06**	**FY07**	**FY08**	**FY09**	**FY10**	**FY11**	**FY12**
Client services	1,256	170	609	1,531	467	616	506	921	729	410	2,213	3,051
o/w Supervision	45	22	47	110	2	133	81	567	423	125	509	817
o/w Lending	965	126	418	641	187	222	40	117	109	13	506	95
o/w ESW	140	-	-	511	214	258	$202	229	164	85	438	984
o/w TA	-	-	-	397	80	246	202	141	59	64	380	821
Share of trust funds for project supervision per active project												
Number of active projects	12	13	14	7	7	11	11	14	15	14	18	18
Supervision budget per active project (US$ thousands)	4	2	3	16	0	12	7	41	28	9	28	45
C. Total budget for operational services												
Fiscal year	**FY01**	**FY02**	**FY03**	**FY04**	**FY05**	**FY06**	**FY07**	**FY08**	**FY09**	**FY10**	**FY11**	**FY12**
Client services	5,388	5,867	5,392	6,098	4,636	5,395	4,857	5,557	5,061	4,842	6,437	7,478
o/w Supervision	1,830	1,829	2,067	1,608	1,475	1,395	1,381	1,937	2,178	1,933	2,227	2,488
o/w Lending	1,571	1,249	1,367	2,166	1,246	1,341	1,277	1,852	1,182	970	1,633	1,397
o/w ESW	727	1,462	407	1,157	934	1,287	1,076	910	771	720	1,017	1,553
o/w TA	315	16	9	$411	80	353	204	181	207	358	431	864
The Bank's total budget for project supervision per active project												
Number of active projects	12	13	14	7	7	11	11	14	15	14	18	18
Supervision budget per active project (US$ thousands)	153	141	148	230	211	127	126	138	145	138	124	138

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

APPENDIX B
CAMEROON
Table B.4. Economic and Social Indicators for Cameroon (2001–2011)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
ECONOMIC INDICATORS											
Growth											
GDP growth (annual %)	4.5	4.0	4.0	3.7	2.3	3.2	3.4	2.6	2.0	2.9	4.2
GNI per capita, Atlas method (current US$)	590.0	580.0	680.0	830.0	930.0	990.0	1,030.0	1,150.0	1,200.0	1,190.0	1,210.0
GNI per capita, PPP (current international $)	1,590.0	1,670.0	1,770.0	1,870.0	1,930.0	2,040.0	2,100.0	2,170.0	2,220.0	2,240.0	2,330.0
GDP per capita growth (annual %)	2.2	1.7	1.7	1.4	0.0	1.0	1.1	0.3	-0.2	0.7	2.0
Agriculture, value added (% of GDP)	22.2	22.1	21.7	20.5	19.5	19.9	19.7				
Industry, value added (% of GDP)	32.6	32.0	30.7	30.7	30.4	31.4	31.0				
Services and other, value added (% of GDP)	45.2	45.8	47.6	48.9	50.1	48.8	49.3				
Macroeconomic											
Gross capital formation (% of GDP)	20.7	20.2	17.3	20.4	16.8	14.3	15.0	17.5	16.4	16.1	19.8
Gross domestic savings (% of GDP)	18.9	19.0	17.8	18.6	14.8	15.9	16.5	15.5	11.6	12.7	15.5
Inflation, consumer prices (annual %)	4.4	2.8	0.6	0.2	2.0	5.1	0.9	5.3	3.0	1.3	2.9
Real effective exchange rate index (2005 = 100)	96.2	99.6	102.8	102.6	100.0	101.5	102.5	105.5	107.8	101.1	101.1
Official exchange rate (LCU per US$, period average)	733.0	697.0	581.2	528.3	527.5	522.9	479.3	447.8	472.2	495.3	471.9
Gross national expenditure (% of GDP)	101.8	101.2	99.5	101.8	101.9	98.4	98.5	102.1	104.8	103.4	104.3
Foreign direct investment (% of GDP)	0.8	5.5	2.5	0.5	1.5	0.3	0.9	0.1	3.3	2.4	1.4
External balance											
Exports of goods and services (% of GDP)	27.5	25.0	24.0	22.7	24.5	29.3	31.0	31.1	23.5	25.6	30.7
Imports of goods and services (% of GDP)	29.3	26.2	23.4	24.5	26.4	27.7	29.5	33.1	28.3	28.9	35.0
Current account balance (% of GDP)	-3.6	-4.0	-4.4	-2.6	-3.0	1.1	1.4	-1.9	-5.0	-3.8	
Current account, including grants	-4.1	-4.4	-6.4	-7.0	-3.4	0.7	-1.4	-1.8	-5.9	-3.0	-4.1
External debt stocks (% of GNI)	106.2	100.8	87.1	70.6	47.7	19.3	15.0	12.1	14.7	14.4	12.2
Total debt service (% of GNI)	3.8	3.4	3.3	4.0	5.1	2.8	2.4	1.9	1.8	0.9	1.3
Gross fixed capital formation (% of GDP)	20.6	20.2	17.9	19.7	15.4	14.1	15.1	17.0	16.4	16.1	19.8
IBRD loans and IDA credits (DOD, current US$ millions)	936.2	988.5	1,089.6	1,200.0	1,115.4	216.3	238.5	259.9	302.8	374.0	431.0
Fiscal accounts[a] (% of GDP)											
Total revenue[b]	*19.8*	*17.9*	*17.5*	*16.3*	*17.6*	*19.3*	*18.8*	*20*	*18.1*	*16.8*	*18.4*
Of which oil revenue	5.2	5.4	4.3	3.3	5.0	6.8	5.9	7.6	4.9	3.5	4.2
Revenue, excluding grants (% of GDP)	19.8	17.9	17.5	16.3	17.6	19.3	18.8	20	18.1	16.8	18.4
Total expenditure	*18.1*	*17.8*	*17.2*	*17.1*	*14.6*	*14.5*	*16.3*	*18.5*	*18.7*	*18.6*	*21.7*

Current	—	14.7	14.5	14.0	11.9	11.5	11.9	13.1	14.2	14.5	14.2
Development	—	2.6	2.3	2.0	2.3	2.8	4.9	5.5	5.7	4.9	5.1
Health expenditure, public (% of GDP)	1.2	1.4	1.4	1.2	1.2	1.1	1.1	1.0	1.3	1.5	
Military expenditure (% of GDP)	1.4	0.7	1.4	1.4	1.3	1.4	1.4	1.5	1.5	1.6	1.4
Public spending on education, total (% of GDP)	2.6	3.0	3.3	3.3	3.1	3.0	3.3	2.9	3.6	3.5	
Overall balance, including grants (commitment basis)	1.9	1.6	2.6	2.2	3.6	33.1	3.9	2.0	-0.8	-2.3	-3.4
Public debt (% of GDP)	89.3	64.3	60.3	61.6	51.5	15.9	12.0	9.5	10.6	12.1	13.7
Official external debt (after rescheduling)	58.5	55.1	49.1	41.4	36.7	5.5	6.2	5.4	7.5	6.5	13.7
SOCIAL INDICATORS											
Health											
Life expectancy at birth (years)	49.8	49.6	49.4	49.4	49.4	49.6	49.8	50.2	50.6	51.1	51.6
Immunization, DPT (% of children ages 12–23 months)	63.0	66.0	73.0	73.0	80.0	78.0	75.0	75.0	67.0	68.0	66.0
Improved sanitation facilities (% of population with access)	49.0	49.0	49.0	49.0	48.0	49.0	49.0	49.0	49.0	49.0	
Improved water source (% of population with access)	65.0	67.0	68.0	70.0	71.0	73.0	74.0	75.0	77.0	77.0	
Infant mortality rate (per 1,000 live births)	85.9	85.4	84.9	84.2	83.7	83.1	82.6	81.8	81.1	79.9	79.2
Education											
School enrollment, preprimary (% gross)	13.3	13.9	14.5	18.2	19.8	19.6	21.2	25.0	26.4	28.4	30.0
School enrollment, primary (% gross)	103.5	103.6	104.3	109.9	109.1	109.4	112.8	114.0	117.0	119.8	119.4
School enrollment, secondary (% gross)	32.7		30.4	27.2	27.8	24.3		38.0	42.2	46.8	51.3
Literacy rate, adult total (% of people ages 15 and above)							70.7				
Population											
Population (thousands)	16,039.7	16,408.1	16,783.4	17,165.3	17,553.6	17,948.4	18,350.0	18,758.8	19,175.0	19,598.9	20,030.4
Population growth (annual %)	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Urban population (% of total)	46.1	46.7	47.3	47.9	48.5	49.1	49.7	50.3	50.9	51.5	52.1

Source: World Development Indicators, January 18, 2013.
Note: DOD = debt outstanding and disbursed; DPT = diphtheria, pertussis, and tetanus vaccine; GDP = gross domestic product; GNI = gross national income; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; LCU = local currency unit; PPP = purchasing power parity.
a. IMF, Article IV Consultations.
b. Article IV Data for Cameroon does not include grants.

Appendix C. Democratic Republic of Congo

Country Context

1. The Democratic Republic of Congo (DRC) is among the world's poorest countries and has had the "fragile and conflict-affected" label ever since the Bank introduced the designation. The country experienced conflict during two distinct episodes: first in 1997 and again from 1998 to 2001.[1] Since then, the country has experienced relative calm with intermittent bouts of fighting in the country's eastern provinces.[2] DRC has also been characterized by weak governance and severe institutional capacity limitations.

2. Although growth has remained positive since 2002 (in most years it exceeded 5 percent), the many years of income contraction put income per capita today at only about one-third of its value in 1960, the year DRC gained independence from Belgium.

Drivers of Conflict and Fragility

3. The drivers of fragility and conflict in DRC are numerous, diverse, and often interwoven. Many are likely to persist for some time. These include: armed militias in the country's eastern provinces (at least one of them a vestige of the Rwandan genocide) that prey on the local population and resources; competition for mineral resources and the control of land; and the legacy of an ineffective public sector bequeathed by the Mobutu regime (1965–1997), under which a corrupt patronage system benefited a small elite. Following an agreement resulting from an inter-Congolese dialogue and the signature of a Comprehensive Peace Agreement (CPA), hopes ran high of sustaining an inclusive democratic government. These hopes have been considerably dampened since the run-up to and conduct of the 2011 elections, which have been widely viewed as flawed.[3]

Bank Group Strategy and Approach

4. Bank Group engagement over the evaluation period (2001–2013) has been set out in two Transitional Support Strategies (TSSs) in 2001 and 2004, followed by a country assistance strategy (CAS) in 2007 and a CAS Progress Report in 2010. A second CAS (which, unlike the preceding strategies, was formally a joint World Bank–IFC–MIGA document) was discussed by the Board in May 2013.

5. The Bank's early engagement under the TSSs sought to support macroeconomic stabilization; restoration of order in public finances (including

clearance of arrears to the Bank, which dated back to 1993, and activation of heavily indebted poor country [HIPC] debt relief); overhaul of key parts of the legal and regulatory framework; reconstruction of key infrastructure and service delivery capacity; and demobilization and reintegration.

6. Once relative order and key services were restored, the 2007 CAS transitioned Bank Group support from emergency mode to more medium-term, developmental support. Greater attention was paid to the details of individual sector agendas, with an attendant shift in the format of Bank financial support from multisector rehabilitation and reconstruction operations to single-sector projects. The 2013 CAS appears to consolidate the trend established under the 2007 CAS.

7. The succession of strategies displays awareness of the drivers of conflict and fragility and more recently have become underpinned by political economy analysis. In concrete operational terms, however, there are only a handful of characteristics that have distinguished Bank Group support to DRC from the form of support that one might observe in a non-FCS. The 2013 CAS encompasses a thorough discussion of fragility and conflict drivers, and includes a specific fragility and conflict pillar. This consists of a proposed community-driven development (CDD) type of operation that focused on DRC's conflict-ridden eastern provinces.

8. Despite the modest gains that support from the Bank Group and other development partners have enabled, DRC's overall condition has not improved appreciably, and the country will not meet any of the Millennium Development Goals. Barriers to progress are daunting, and negotiating them has been, and is likely to remain, a major challenge. These include lack of state control over major areas of the country and the persistence of conflict in the eastern provinces.

BUILDING STATE CAPACITY

9. The World Bank Group's DRC program has directed substantial support at the state-building pillar over the evaluation period. Support under this pillar has encompassed macroeconomic stabilization (including revenue collection) and public financial management (PFM) in a relatively sustained way. Civil service reform and decentralization have also, less consistently, been included.

10. Bank support for macroeconomic stabilization saw some tangible achievements in the early years, including control of hyperinflation and stabilization in public finances, revenue collection, and debt management. In recent years, Bank support for PFM appears to have been associated with modest but measurable improvement in Public Expenditure and Financial Accountability ratings between 2008 and 2012.

11. In contrast, Bank support for civil service reform and decentralization has made significantly less progress. For example, capacity in subnational units remains

virtually nonexistent, and political uncertainty surrounding the implementation of constitutionally-mandated changes in the configuration of subnational government units casts some doubt on the prospects for steady progress in the future.

BUILDING CAPACITY OF CITIZENS

12. Support for citizen capacity-building has covered demobilization and reintegration, health, and support for CDD. Despite the poor conditions facing women in DRC, the Bank's program has not specifically covered gender-related issues.

13. The conditions facing citizens are daunting: DRC is ranked last on the United Nations Development Program's 2013 Human Development Index. The condition of women is particularly striking, especially the violence they have been subjected to in conflict-affected areas of the country as well as the extreme legal discrimination they face. Yet the Bank's program has not specifically covered gender-related issues. Bank support for demobilization and reintegration has helped demobilize roughly 140,000 ex-combatants, about 77,780 of which have benefited from reintegration packages. These limited achievements, however, need to be seen in the broader context, which is characterized by largely unsuccessful reforms of the security sector and Congolese armed forces, and the relatively high cost of the national demobilization and reintegration program for which Bank support has run out.

14. Bank support for health initially took the form of health centers rehabilitation alongside major road rehabilitation delivered through multisector emergency projects. Since then, the Bank has supported a more holistic, integrated approach to the provision of health services based on service provision by public health clinics, with oversight by district health workers receiving performance-based payments, and independent monitoring of the delivery and quality of services using both monitoring of clinics and community feedback mechanisms. However, financial sustainability of the health sector appears intractable. Despite the Bank's efforts, consistency of health sector support, in terms of both geographic coverage and continuity, is a concern.

15. The Bank has supported CDD by financing a National Social Fund which directed assistance to communities in each of DRC's 11 provinces with a focus on social capital, decision making, and community ownership of services. The Bank was the fund's sole source of finance and, with funding now depleted, the Bank has opted not to renew funding in the latest CAS. Prior to the Bank's support for the National Social Fund, the early emergency operations had also contained some CDD activities.

SUPPORT FOR GROWTH AND JOBS

16. Bank Group support for growth and jobs in DRC has covered agriculture, natural resources (mining and forestry), infrastructure development, and private sector development (PSD). Although unemployment is a major issue in DRC, the Bank Group strategy documents do not specifically put forward an explicit strategy for increasing employment. While IFC and MIGA have supported specific private sector projects, the Bank Group's approach to PSD has not been framed by a consolidated strategy for Bank, IFC, and MIGA support. IFC ceased to engage in DRC in 2010 following expropriation by the government of a mining concession in which it had invested.

17. Direct and sectorwide attention to agriculture, which employs up to three-quarters of the active population, came relatively late. However, the Bank Group has engaged in the area of natural resource management, which is a major growth driver for DRC. IFC's support in mining was affected by the lack of transparency and governance in the sector. A MIGA project demonstrated the conflict risks faced by investments. Early efforts included providing support in the preparation of the 2002 mining code. However, the Bank Group's efforts have not yet been effective in helping to foster sound governance in the management of DRC's natural resources through competitive awarding of concessions and transparent collection of the revenues from the mining and forestry sectors. The difficulty in making progress toward transparency is reflected in the lapse of the IMF program and DRC's recent suspension for one year from the Extractive Industries Transparency Initiative.

18. Bank Group efforts to promote PSD through business environment improvements have not been holistic and have taken place against DRC's very weak environment (the country ranked 181 out of 183 countries among the World Bank's Doing Business indicators in 2013). Efforts have encompassed analytic work, including investment climate assessments. The Bank also supported infrastructure rehabilitation through its early multisector emergency reconstruction projects. Later, it supported infrastructure through more specialized operations such as one focusing on roads. In addition, IFC's telecommunications investments have helped increase mobile subscriber numbers to 23 percent of the population. Despite significant Bank investments in the power sector, huge challenges persist in ensuring access to reliable power.[4] IFC's investment and technical support have been effective in helping to establish two micro- and small-and-medium enterprise banks.

19. The Bank has also provided support for PSD through a specific PSD Competitiveness Project to strengthen the investment climate and help reform state-owned enterprises. Although investment climate reform has yielded some recent progress, implementation is an issue in the face of entrenched corruption. State-owned enterprise reform has made little progress, owing particularly to political-economy constraints.

20. In the 2013 CAS, Bank support for PSD includes a $99 million Western Growth Poles project. Although a more geographically targeted approach may be more effective than generalized efforts to address PSD constraints, the proposed project will not leverage the mining industry in Katanga province or benefit the conflict-ridden eastern provinces of DRC.

Bank Processes and Support Systems

21. The Bank Group program in DRC has done a reasonable job of discussing relevant risks, although the Bank could do little to mitigate many of them. The Bank Group could have pushed its agenda more forcefully to avoid risks of deterioration in governance, which have arguably materialized.[5] However, it has kept the pressure on the government. Partnerships with other donors could also have been better articulated in strategy documents in certain sectors. In the early days, under the TSSs, the country program demonstrated flexibility in responding to fragility risks and opportunities. Since then, there have been partial, modest gains associated with its support, but not enough to bring about a transformative change in the well-being of DRC's population.

22. In the 2013 CAS, the Bank has indicated its intent to discontinue the use of Program Implementation Units, which it has made ample use of since reengaging in 2001 in order to attract the requisite skills.[6] Although a laudable move, there is serious doubt as to whether the government will be able to mobilize the skills needed for implementation of Bank operations within the bounds of current civil service pay scales.

23. To what extent does the Bank Group program offer support for security, justice, and jobs? Other than the Bank's early support for demobilization and reintegration, the Bank Group has not been significantly implicated in security sector reform. Attention to justice has also been absent. On jobs, while the Bank Group has supported potential growth drivers, an explicit framework for employment creation has been lacking.[7]

24. Between FY01 and FY13, financial support from IDA totaled $4.9 billion,[8] roughly twice as much being invested in growth and jobs as in building state capacity or building capacity of citizens. The administrative Bank budget for economic sector work (ESW) over the period amounted to $5.2 million, and for technical assistance (TA) totaled $2.3 million. The intensity of ESW and TA in DRC, however, is substantially less than has been observed in other FCS, such as Afghanistan.[9] Following post-war reengagement, project supervision increased from 40 percent to 50 percent of client services, although in terms of expenditures per active project the budget varied substantially. Nine Bank-financed operations in DRC were assessed by IEG at exit in FY00–12; of these 44.4 percent of projects (51.2 percent by amount) were rated moderately satisfactory or above.

25. While nonnegligible, IFC activity has been relatively subdued, as a consequence of its virtual stoppage of new operations after 2010. IFC involvement consists of 13 investments for a total commitment of $170.3 million and 11 Advisory Services operations at a total cost of $9.2 million. MIGA issued five guarantees for a gross exposure of $42 million.

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[1]The second war, often referred to as the "African World War," which involved as many as nine African countries and 20 armed groups, is estimated (beyond 2001) to have been the deadliest conflict since World War II, resulting in the deaths of about 5.4 million people. In the conflict-racked east of the country, the prevalence of rape and sexual violence has been and continues to be astoundingly high.

[2]Recently, up to 55,000 refugees from eastern DRC reported to have fled to Uganda following an attack by the Allied Democratic Front (ADF), a Ugandan-led rebel group, on the town of Kamongo on July 11, 2013. Despite the presence of a UN peacekeeping force of more than 17,000 military personnel, the local population clearly does not feel safe.

[3]The loss of legitimacy is reflected in DRC's rating of 1.92 (out of a possible 10) on the Economist Intelligence Unit's democracy index. Ratings of 4 and below denote "authoritarian regimes."

[4]Over $1 billion in Bank investments to the power sector have largely benefited the mining sector in Katanga and exports but have had limited impact on the local economy. Access to electricity remains at a low 9 percent.

[5]The IMF sent a strong signal by allowing the arrangement for DRC under its Poverty Reduction and Growth Facility to lapse at the end of 2012 in response to DRC's failure to publish the particulars of one mining contract.

[6]In using Program Implementation Units, the Bank recruited away some of the most qualified civil servants; it did not, however, integrate an explicit mandate of transferring fiduciary skills to the civil service in its approach.

[7]In this respect, the latest CAS contains more substantial references to employment and the need to create jobs.

[8]Given DRC's population of roughly 71 million today, this amounts to about $70 per capita, a significant amount.

[9]As a comparator, resources for AAA in DRC amounted to less than one-third of those in Afghanistan over the same period (more than $24 million in Bank budget and $7 million in trust fund resources).

Table C.1. Total Lending Commitments by Theme to Democratic Republic of Congo (FY01–12, US$ millions)

	FY01–06	FY07–12
World Bank (IDA and trust funds)		
Theme I: building capacity of state	1,026.88	223.38
Theme II: building capacity of citizens	633.12	447.87
Theme III: promoting growth and jobs	877.64	1,504.68
Total	2,537.65	2,175.93
IFC investment commitment, growth and jobs	26.4	143.9
MIGA guarantee gross exposure, growth and jobs	6.8	35.0

Note: **IFC = International Finance Corporation; MIGA = Multilateral Investment Guarantee Agency.**

Table C.2. Actual Cost and Number of Analytical and Advisory Services Delivered by Theme in Democratic Republic of Congo (FY01–12, US$ thousands)

	Cost of ESW		Cost of TA		Number of ESW operations		Number TA operations	
	FY01–06	FY07–12	FY01–06	FY07–12	FY01–06	FY07–12	FY01–06	FY07–12
Theme I: building capacity of state	1,412.50	6,156.99	375.00	2,485.70	6	13	5	9
Theme II: building capacity of citizens	650.95	826.30	653.31	972.59	5	5	6	3
Theme III: promoting growth and jobs	608.25	1,552.16	274.71	709.37	4	5	2	9
Total	*2,671.70*	*8,535.45*	*1,303.01*	*4,167.66*	*15*	*23*	*13*	*21*

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

Table C.3.a Democratic Republic of Congo: Ratings of Projects Evaluated by the Independent Evaluation Group, FY01-12 (by number of projects)

Fiscal years	Country or region	Number of Projects Evaluated	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
01–06	DRC	4	25.0	0.0	100.0	100.0	50.0	25.0
	Africa	424	66.0	52.3	42.9	60.7	67.0	64.9
	World	1,736	76.7	65.0	51.3	76.3	79.0	75.6
07–12	DRC	5	60.0	0.0	--	--	80.0	40.0
	Africa	330	63.3	41.6	--	--	65.2	64.8
	World	1,286	72.5	56.8	85.7	85.7	73.5	72.4
01–12	DRC	9	44.4	0.0	100.0	100.0	66.7	33.3
	Africa	754	64.8	43.9	42.9	60.7	66.2	64.9
	World	3,022	74.9	58.3	51.5	76.4	76.7	74.2

Table C.3.b Democratic Republic of Congo: Ratings of Projects Evaluated by the Independent Evaluation Group, FY01-12 (by commitment volume)

Fiscal years	Country or region	Commitment Volume (US$, millions)	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
01–06	DRC	824	6.7	0.0	100.0	100.0	17.5	6.7
	Africa	17,065	66.2	48.4	43.5	65.3	70.6	66.7
	World	123,688	81.2	73.9	54.8	82.0	84.7	80.6
07–12	DRC	1,255	80.4	0.0	--	--	91.9	62.1
	Africa	17,330	70.5	38.8	--	--	74.8	71.1
	World	95,912	82.2	66.3	94.9	94.9	80.5	82.3
01–12	DRC	2,079	51.2	0.0	100.0	100.0	62.4	40.2
	Africa	34,395	68.4	41.2	43.5	65.3	72.7	68.9

World	219,600	81.6	67.9	55.2	82.1	82.9	81.3

Note: a. %Sat = moderately satisfactory or higher
b. RDO = Risk to development outcomes

c. Inst Dev impact = Institutional Development Impact

Table C.3. Democratic Republic of Congo Country Budget (constant 2011 US$ thousands)

A. Share of the Bank's internal funds for operational services												
Fiscal year	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	1,005	4,859	4,547	7,149	6,100	5,635	5,833	6,746	8,166	9,609	6,761	5,892
o/w Supervision	—	134	2,126	1,713	2,081	2,046	1,582	2,091	2,706	3,302	3,460	2,882
o/w Lending	44	2,654	757	2,392	1,679	1,649	1,745	2,048	2,418	2,711	773	1,084
o/w ESW	281	790	734	2,051	1,436	420	1,192	1,590	1,881	1,587	1,112	643
o/w TA	208	352	221	466	256	93	97	228	606	360	381	212
Share of BB for project supervision per active project												
Number of active projects	0	2	2	11	14	17	15	21	25	29	32	30
Supervision budget per active project (US$ thousands)	—	67	1,063	156	149	120	105	100	108	114	108	96
B. Share of trust funds for operational services												
Fiscal year	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	15	52	857	2,381	1,038	998	1,096	2,867	3,080	3,489	3,882	3,385
o/w Supervision	—	—	61	41	69	141	429	1,532	1,325	1,172	1,574	1,714
o/w Lending	—	—	103	1,118	342	272	211	618	245	220	171	234
o/w ESW	15	52	694	1,215	628	586	456	639	1,465	1,878	1,865	1,129
o/w TA	15	52	556	927	438	520	381	608	1,032	626	1,001	670
Share of trust funds for project supervision per active project												

Number of active projects	0	2	2	11	14	17	15	21	25	29	32	30
Supervision budget per active project (US$ thousands)	—	—	31	4	5	8	29	73	53	40	49	57
C. Total budget for operational services												
Fiscal year	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	1,020	4,911	5,405	9,531	7,138	6,634	6,929	9,613	11,246	13,098	10,642	9,277
o/w Supervision	—	134	2,187	1,754	2,150	2,187	2,011	3,623	4,031	4,473	5,034	4,595
o/w Lending	44	2,654	860	3,510	2,021	1,921	1,956	2,666	2,662	2,932	944	1,318
o/w ESW	296	842	1,427	3,266	2,064	1,006	1,648	2,229	3,346	3,465	2,977	1,772
o/w TA	223	404	777	1,393	694	613	477	836	1,639	986	1,383	882
Total budget for project supervision per active project												
Number of active projects	0	2	2	11	14	17	15	21	25	29	32	30
Supervision budget per active project (US$ thousands)	—	67	1,094	159	154	129	134	173	161	154	157	153

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

Table C.4. Economic and Social Indicators for Democratic Republic of Congo (2001–2011)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
ECONOMIC INDICATORS											
Growth											
GDP growth (annual %)	-2.1	3.5	5.8	6.6	7.8	5.6	6.3	6.2	2.8	7.2	6.9
GNI per capita, Atlas method (current US$)	80.0	90.0	100.0	110.0	120.0	130.0	140.0	160.0	90.0	180.0	190.0
GNI per capita, PPP (current international $)	210.0	220.0	230.0	240.0	260.0	280.0	290.0	290.0	170.0	330.0	340.0
GDP per capita growth (annual %)	-4.7	0.5	2.6	3.5	4.7	2.6	3.3	3.3	0.1	4.3	4.1
Agriculture, value added (% of GDP)	59.7	51.0	51.0	50.3	48.4	47.7	45.9	44.1	47.4	46.2	45.6
Industry, value added (% of GDP)	20.2	21.5	21.5	21.4	22.6	22.5	22.9	22.9	20.0	22.4	21.8
Services and other, value added (% of GDP)	20.1	27.5	27.5	28.3	29.0	29.8	31.2	32.9	32.6	31.4	32.6
Macroeconomic											
Gross capital formation (% of GDP)	5.2	8.5	12.2	12.8	13.8	13.2	18.2	22.4	18.0	23.6	20.5
Gross domestic savings (% of GDP)	3.8	4.6	10.4	9.0	2.3	6.8	14.9	7.3	2.3	13.9	10.8
Inflation, consumer prices (annual %)	359.9	31.5	12.9	4.0	21.3	13.1	16.9	17.3			
Real effective exchange rate index (2005 = 100)	285.1	134.1	116.1	103.8	100.0	110.0	106.7	106.3	597.4	1,025.3	
Official exchange rate (LCU per US$, period average)	206.7	346.7	405.4	399.5	473.9	468.3	516.7	559.3	809.8	905.9	919.5
Gross national expenditure (% of GDP)	101.4	103.9	101.8	103.7	111.5	106.5	103.4	115.1	115.7	109.6	109.7

Foreign direct investment (% of GDP)	1.7	2.5	6.5	6.3	2.3	2.7	17.9	14.3	-2.5	20.8	10.2
External balance											
Exports of goods and services (% of GDP)	18.6	21.1	26.6	30.7	33.6	34.2	65.2	61.3	45.2	68.3	68.3
Imports of goods and services (% of GDP)	20.0	25.0	28.4	34.4	45.2	40.7	68.6	76.4	60.9	77.9	78.0
Current account balance (% of GDP)											
Current account, including grants (% of GDP)	-4.7	0.1	-1.1	-4.7	-4.0	-1.5	-15.9	-16.4	-27.7	-31.7	-25.1
External debt stocks (% of GNI)	271.7	194.0	207.3	185.8	160.3	135.9	133.1	119.2	125.7	50.9	37.9
Total debt service (% of GNI)	0.5	17.7	2.7	2.2	3.3	3.5	5.3	5.7	11.2	2.2	1.8
Gross fixed capital formation (% of GDP)	5.2	8.5	12.2	12.8	13.8	13.2	18.2	22.4	18.0	23.6	20.5
IBRD loans and IDA credits (DOD, current millions US$)	1,231.8	1,503.7	1,771.1								
Fiscal accounts[a] (% of GDP)											
Total revenue[b]	*6.2*	*8.5*	*9.7*	*11.5*	*16.8*	*21.4*	*16.3*	*20.4*	*25.9*	*24.0*	*25.2*
Of which oil revenue	0.3	1.1	1.6	2.0	2.9	3.3	3.1	3.5	1.4	1.3	2.6
Revenue, excluding grants (% of GDP)	6.2	7.3	7.7	9.5	11.6	13.2	14.8	18.5	18.0	17.9	19.0
Total expenditure	*7.9*	*8.9*	*16.8*	*20.7*	*20.3*	*18.8*	*22.7*	*29.1*	*36.2*	*35.3*	*34.6*
Current	6.6	7.7	10.8	12.8	13.7	14.5	15.5	17.8	16.1	16.3	16.3
Development	0.1	2.1	2.7	2.8	3.4	3.4	2.4	3.7	9.1	9.3	18.0
Health expenditure, public (% of GDP)	0.2	0.3	1.1	1.4	1.8	1.9	2.3	3.5	4.3	3.4	
Military expenditure (% of GDP)			1.4	2.1	2.3	2.3	2.0	1.4	1.1	1.4	1.5
Public spending on education, total (% of GDP)										2.5	
Overall balance, including grants (commitment basis)	-1.6	-0.6	-4.8	-6.6	-4.8	-3.1	-3.1	-4.8	-12.7	-10.8	-9.2
Public debt (% of GDP)	—	—	—	—	—	—	—	—	—	—	—
Official external debt, (after rescheduling)	13,880.0	9,890.0	10,159.0	10,410.0	10,430.0	—	13,425.0	13,149.0	12,785.0	4,329.0	5,386.0
SOCIAL INDICATORS											
Health											
Life expectancy at birth (years)	45.9	46.3	46.5	46.8	47.0	47.2	47.3	47.6	47.8	48.1	48.4
Immunization, DPT (% of children ages 12–23 months)	30.0	38.0	41.0	54.0	60.0	62.0	70.0	65.0	72.0	58.0	70.0
Improved sanitation facilities (% of population with access)	17.0	18.0	19.0	20.0	21.0	21.0	23.0	23.0	24.0	24.0	
Improved water source (% of population with access)	44.0	44.0	44.0	44.0	44.0	45.0	45.0	45.0	45.0	45.0	
Infant mortality rate (per 1,000 live births)	117.3	117.3	117.3	117.3	117.3	116.1	115.0	113.9	112.8	111.7	110.6
Education											
School enrollment, preprimary (% gross)	0.8	1.3					2.8	3.2	3.8	3.3	
School enrollment, primary (% gross)		60.4					85.1	93.3	93.2	93.7	

School enrollment, secondary (% gross)		22.6					33.4	36.0	37.9	37.7	
Literacy rate, adult total (% of people ages 15 and above)	67.2									66.8	
Population											
Population, total (thousands)	50,989.4	52,491.3	54,098.2	55,754.9	57,420.5	59,088.4	60,772.2	62,474.9	64,204.3	65,965.8	67,757.6
Population growth (annual %)	2.7	2.9	3.0	3.0	2.9	2.9	2.8	2.8	2.7	2.7	2.7
Urban population (% of total)	29.7	30.0	30.4	30.8	31.2	31.7	32.2	32.7	33.2	33.7	34.3

Source: World Development Indicators, January 18, 2013.
Note: DOD = debt outstanding and disbursed; DPT = diphtheria, pertussis, and tetanus vaccine; GDP = gross domestic product; GNI = gross national income; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; LCU = local currency unit; PPP = purchasing power parity.
a. IMF, Article IV Consultations.
b. Article IV Data for Democratic Republic of Congo does not include grants.

Appendix D. Nepal

Country Context

1. Nepal is a poor land-locked country with a population of 26.6 million (excluding some 4 million Nepalese working outside the country), situated between the two largest countries in the world, China and India. Key country features are the rugged topography, ethnic and linguistic diversity, severe monsoons, and total dependency on India for trade transit. About half the country's population lives in the Terai belt, 43 percent in the Hill zone and the balance in the Mountain belt. Population density is uneven across these regions, with substantial parts being inhospitable for human habitat. While the country is endowed with rich and diversified natural resources, the virtual dependence on wood for fuel along with the cutting down of trees to open up agricultural land, and the failure to replant, has resulted in extreme fragility of the ecosystem. About 82 percent of the population lives in rural areas and depends on subsistence farming for their livelihood. Unlike its immediate neighbor India, Nepal was never colonized.

2. Since it was unified in 1768, the country had a highly centralized political and administrative structure, which in hindsight turned out to be ill suited to the country's diverse topography and ethnic composition. Under that structure inequality increased among the different social groups, with the high castes enjoying disproportionate benefits, and other groups (*janajati*, *dalit,* and women) increasingly left behind, lacking access to many of the state's social services and development opportunities; under the previous Panchayat system they also had virtually no role in the political and economic decision making process.[1] Notwithstanding these constraints, the country has made commendable progress in meeting the Millennium Development Goals (MDGs), although much of this success is the result of large remittances (currently amounting to 23 percent of GDP) rather than judicious government policies.

Drivers of Conflict and Fragility

3. A series of policy reforms introduced since the mid-1980s have helped accelerate per capita income growth, reduce poverty, and improve human development indicators. However, these improvements were neither fast enough nor equally distributed geographically and by ethnic and caste groups to meet the "tide of rising expectations" that accompanied the advent of democracy in 1990 and to prevent the outbreak in 1996 of intense conflict and political instability.

4. A complex set of grievances against the political and economic elite, mainly among people living in rural areas and belonging to lower castes and lower-status

ethnic groups, gave rise to an armed insurrection instigated by the Communist Party of Nepal (Maoist), which started in 1996 and lasted 10 years. The insurgency, inspired by the communist political movement, gained strength because the government tried to suppress it by force instead of address its root causes. Key factors driving the insurgency included: dysfunctional politics (20 governments since the introduction of democracy between 1990 and 2011, and inter-party and intra-party tensions reflecting growing factionalism); poor governance with pervasive corruption; inequitable land distribution and landlessness; inability of the state to provide effective services to all citizens; deep-rooted social, economic, and political exclusion condoned by the state; discrimination based on caste and ethnicity; widespread poverty, especially among the rural population; lack of employment opportunities; susceptibility to natural disasters; and topographical constraints to connectivity and movement of people, goods, and services giving rise to geographical isolation. Despite the presence of these drivers of fragility, unlike most other fragile and conflict-affected states (FCS), Nepal was able to sustain economic and social development during the insurgency and to avoid a breakdown in institutions and economic welfare.

5. Throughout the 10 years of conflict and for three years following the signing of the Comprehensive Peace Agreement (CPA), Nepal was not classified as FCS. Even though today Nepal no longer falls in the FCS category, many of the factors that gave rise to the earlier conflict are still present. After signing the CPA in 2006 and abolishing the monarchy in 2008, Nepal went through a major transition to democracy with a string of precarious coalition governments running the country. However, due to deep-seated differences leading the absence of a political settlement on issues such as federalism, proportional representation, and exclusion, Nepali politics remains highly dysfunctional, with the numerous parties failing to agree on issues even when there is broad agreement on objectives.

Bank Group Strategy and Approach

6. Throughout the insurgency there were virtually no interruptions in the International Development Association's (IDA's) operations in Nepal, although no new investments were made by International Finance Corporation (IFC) between 1998 and 2008; Advisory Service operations (rolled-out at the Corporate level in 2005) began in 2006. Overall Bank activities during the review period (2000 to 2012) were guided by the Country Assessment Strategy (CAS) Progress Report of December 2002, a full CAS for FY04-07, and three Interim Strategy Notes (ISNs) for FY07–08, July 2009 to June 2011, and FY11–13. The Independent Evaluation Group (IEG) undertook a Country Program Evaluation (CPE) for 2003-2008. During this period there were considerable changes in the Bank's country strategy in terms of objectives and lending, partly because of changed circumstances but also due to the absence of a long-term strategic approach, especially during the conflict years and

the initial post-conflict period. On balance the current review considers that despite some notable shortcomings the overall support provided by IDA was timely and appropriate.

7. A notable shortcoming of IDA's strategy was the considerable disconnect between the ISNs' ambitious objectives to address the underlying causes of conflict and fragility, and the sporadic manner in which these objectives were taken up in individual operations. It is noteworthy that IDA was not deterred from issuing a CAS during the 10 years of conflict but the following seven relatively peaceful years have only warranted ISNs.

8. The extent to which IDA's activities in Nepal addressed the three strategic themes underpinning the FCS analysis shows considerable appreciation of and attention to exclusion, inequalities, geographical isolation, and lack of accountability. Cognizant of the significant role being played in Nepal by communities, IDA engaged in community-driven development (CDD) type operations that effectively circumvented implementation weaknesses in line ministries and addressed issues of fragility. On the other hand, project preparation in a fragile country setting would have benefited greatly from an in-depth structured political economy analysis and risk assessment, especially where projects included ambitious policy and institutional reforms. The 2011 World Development Report (WDR) recommends preparing country strategies for FCS based on strong political economy analysis that helps identify the triggers leading to conflict and violence. At the operational level, despite efforts to employ a "peace filter" during project preparation, for much of the period under review there has been minimal use of conflict-related risk analysis manifested in changes in project design.

9. All of IFC's activities in Nepal fall under the third theme of the FCS analysis: promoting growth and jobs. Over time, the Bank Group's country strategies gave more prominence to the role of private sector development (PSD) and IFC's contributions to creating an enabling environment for investments in key sectors, growth, and employment. In response to the 2011 WDR, there has been growing recognition of the private sector's role in reducing the risks of fragility through domestic job creation.

BUILDING STATE CAPACITY

10. Considering the daunting challenges to state building presented by Nepal's diversity, IDA made the correct decision to place considerable emphasis on providing support to address core public sector management systems such as public financial management (PFM) and decentralization. But Nepal's politically unstable environment did not result in an IDA strategy significantly different from one being pursued in non-FCS countries. IDA opted not to join eight bilateral donors and the United Nations Development Programme in supporting the trust fund for the Local

Governance and Community Development Program. Furthermore, the preparation of a series of analytical reports had limited impact largely because the politically charged nature of these reports prevented their public release or sharing them with government. Support to justice and security, two issues being advocated in the 2011 WDR, received limited attention.

11. Intentions expressed in several ISNs to employ a sectorwide approach and country systems only materialized in the health and education sectors and in June 2012 under Program-for-Results financing for bridge improvement and maintenance. Despite the ISNs' emphasis on supporting state building, the resources devoted to relevant programs amounted to just 17 percent of all IDA operations.

BUILDING CAPACITY OF CITIZENS

12. Recognizing the continuing risks of set-backs in the peace process, IDA correctly decided to support the process of building strong social services and livelihood opportunities, especially for the poor. Programs falling under this pillar registered considerable achievements, including extensive use of a CDD approach to address exclusion, effective use of a sectorwide approach in education and health, and financing of the Poverty Alleviation Fund, a national program aimed at breaking out of the trap of poverty, slow growth, poor governance, social exclusion, gender discrimination, bleak employment prospects, and deep inequalities, all of which were interlinked and fuelling the political crisis and conflict situation. Initially, four Poverty Reduction Support Credits operations were envisaged in the CAS, but only one was approved (November 2003), ostensibly because Nepal failed to implement agreed labor reforms. Ten years later, despite limited progress with reforms, the new CAS recommends resumption of budgetary support. IDA missed opportunities to help address conflict, fragility, and poverty due to this hiatus. On the other hand IDA paid close attention during and following the insurgency to gender mainstreaming across programs (health, education, and CDD-based operations) as well as special programs targeted for women and other disadvantaged groups. These efforts have translated into commendable progress on gender-related MDGs (i.e., higher rates of education for women, lower maternal mortality and fertility rates, and higher political participation at the national level).

SUPPORT FOR GROWTH AND JOBS

13. Activities under this pillar accounted for 44 percent of IDA operations (39 percent of lending) and are expected to grow under the new CAS. Funding was almost equally divided between transport, power, and agriculture, with considerably smaller amounts going to water supply and sanitation. Noteworthy features of these operations include the considerable attention to inclusiveness during project design but limited attention to other aspects of fragility.

14. IFC's strategy in Nepal was to gradually increase its Advisory Services (AS) in access to finance and investment climate, while investments were targeted to sectors having the most potential for growth, including hydropower, air transportation, and the financial sector. Since 2008, IFC has invested $36 million in Nepal (long-term financing) and committed $20 in short-term finance, the majority of which, just under $12 million, in trade facilities through the Global Trade Finance Program.

15. Great emphasis is required on resolving cumbersome regulations and policies and reducing political uncertainty, especially where they directly relate to infrastructure and access to finance, in order to attract significant investment in Nepal.

16. The resources allocated to this theme, however, are not commensurate with the country's needs. A glaring omission under this theme is the scant number of activities in support of employment and remittances. Remittances and migration have received considerable attention in analytical work carried out by DEC and the Region, but they were not effectively incorporated into the policy dialogue and lending program. The Bank Group is focusing its efforts on the enabling environment with IFC leading in some areas with AS and catalytic investments, while the Bank works with the government on regulatory issues.

Bank Group internal processes and support systems

17. Between 2001 and 2012 overall budget allocations for client services in Nepal (all figures this section are in constant 2011US$) increased substantially in absolute terms (from $4.2 million to $10 million). When measuring total budget divided by the number of active projects, there was actually a decrease from $466,000 per project in 2001 to $278,000 in 2012. By cost category, in 2001 economic and sector work and technical assistance accounted for 32 percent of client services. This increased to 40 percent in 2012, which is commensurate with the country's needs, although the breakdown by sector and activity did not always strictly match the country strategy and priorities. During the same period project supervision increased from 23 percent to 43 percent of client services, although in terms of expenditures per active project, the actual increase is far smaller, from $107,000 to $120,000. This would indicate underfunding of supervision in light of portfolio outcomes and the country's fragility.

18. The period under review saw a fairly rapid buildup of Bank Group presence in the field after the signing of the CPA. There was also an appropriate decision to opt for selectivity in project choice (a number of activities were in fact discontinued), though this was made fairly late. Prior to FY10 the budget allocated to supervision (measured on a per project basis) was at a low level and did not properly consider

the status of the portfolio; thereafter there was considerable increase in the overall country budget allocation, with much of it funded by trust funds.

19. A total of 73 operations were assessed by IEG (FY80–FY11). Of these, 37.5 percent were rated Unsatisfactory or Highly Unsatisfactory (27.6 percent by amount). These results are closely correlated with the FY00–12 project at risk data that show an average of 31.8 percent of the projects to be at risk (38.2 percent by amount) and suggest that despite the extensive use of the CDD approach, a good portion of the portfolio was probably overly ambitious and complex in relation to implementation capacity in the country.

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[1]World Bank and DFID (U.K. Department for International Development). 2006. *Unequal Citizens, Gender Castle and Ethnic Exclusion in Nepal.* Kathmandu, Nepal: World Bank and DFID.

Table D.1. Total Lending Commitments by Theme to Nepal (FY01–12, US$ millions)

	FY01–06	FY07–12
World Bank (IDA and trust funds)		
Theme I: building capacity of state	74.64	127.46
Theme II: building capacity of citizens	178.00	904.33
Theme III: promoting growth and jobs	207.97	401.44
Total	460.60	1433.23
IFC investment commitment, growth and jobs	0.30	81.4
MIGA guarantee gross exposure, growth and jobs	11.0	—

Note: **IDA = International Development Association; IFC = International Finance Corporation; MIGA = Multilateral Investment Guarantee Agency.**

Table D.2. Actual Cost (US$ thousands) and Number of Analytical and Advisory Services Delivery by Theme in Nepal (FY01–12, US$ thousands)

	Cost of ESW		Cost of TA		Number of ESW operations		Number of TA operations	
	FY01–06	FY07–12	FY01–06	FY07–12	FY01–06	FY07–12	FY01–06	FY07–12
Theme I: building capacity of state	1,180.86	1,451.14	542.62	2,160.58	8	11	7	8
Theme II: building capacity of citizens	1,403.35	579.17	0.00	3,713.19	6	2	0	6
Theme III: promoting growth and jobs	914.07	2,166.83	531.44	1,558.01	10	8	8	11
Total	*3,498.28*	*4,197.14*	*1,074.06*	*7,431.78*	*24*	*21*	*15*	*25*

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

Table D.3a. Nepal: Ratings of Projects Evaluated by the Independent Evaluation Group, FY01-12 (by number of projects)

Fiscal years	Country or region	Number of Projects Evaluated	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
01–06	Nepal	9	66.7	25.0	40.0	50.0	77.8	77.8
	SAR	167	79.0	60.5	50.4	84.2	80.8	77.8
	World	1,736	76.7	65.0	51.3	76.3	79.0	75.6
07–12	Nepal	10	60.0	50.0	--	--	70.0	80.0
	SAR	136	70.4	47.8	0.0	0.0	70.6	66.2
	World	1,286	72.5	56.8	85.7	85.7	73.5	72.4
01–12	Nepal	19	63.2	42.9	40.0	50.0	73.7	78.9
	SAR	303	75.2	50.6	50.0	83.5	76.2	72.6
	World	3,022	74.9	58.3	51.5	76.4	76.7	74.2

Table D.3b. Nepal: Ratings of Projects Evaluated by the Independent Evaluation Group, FY01-12 (by commitment volume)

Fiscal years	Country or region	Commitment Volume (US$, millions)	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
01–06	Nepal	253	58.6	10.6	15.7	34.4	65.9	65.9
	SAR	19,102	78.4	66.5	45.4	88.2	80.7	76.3
	World	123,688	81.2	73.9	54.8	82.0	84.7	80.6
07–12	Nepal	414	81.9	77.5	--	--	86.4	83.7
	SAR	16,450	80.9	59.2	0.0	0.0	66.3	75.8
	World	95,912	82.2	66.3	94.9	94.9	80.5	82.3
01–12	Nepal	667	73.1	63.0	15.7	34.4	78.6	77.0
	SAR	35,551	79.5	60.9	45.2	87.8	74.0	76.1
	World	219,600	81.6	67.9	55.2	82.1	82.9	81.3

Note: a. %Sat = moderately satisfactory or higher
b. RDO = Risk to development outcomes

c. Inst Dev impact = Institutional Development Impact

Table D.3. Nepal Country Budget (constant 2011 US$ thousands)

A. Share of the Bank's internal funds for operational services												
Fiscal year	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	3,168	3,486	4,301	6,333	4,885	5,426	5,714	5,331	5,980	7,848	6,760	5,990
o/w Supervision	782	775	956	1,113	1,554	1,686	1,844	1,977	2,360	2,792	2,771	2,709
o/w Lending	730	662	1,265	2,281	1,113	919	1,232	1,390	791	1,371	1,121	1,246
o/w ESW	857	1,453	1,275	1,562	1,511	1,951	1,583	1,003	1,501	2,617	1,812	1,091
o/w TA	193	299	148	283	174	25	52	293	815	2,082	1,219	622
Share of BB for project supervision per active project												
Number of active projects	9	9	11	11	13	14	17	25	26	28	33	36
Supervision budget per active project (US$ thousands)	87	86	87	101	120	120	108	79	91	100	84	75
B. Share of trust funds for operational services												
Fiscal year	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	1,023	950	957	577	639	743	527	743	1,429	2,540	3,168	4,002
o/w Supervision	178	103	—	—	—	—	—	69	94	259	961	1,601
o/w Lending	776	583	301	68	276	274	79	8	99	277	196	877
o/w ESW	23	265	678	510	363	340	317	318	1,058	1,809	1,730	1,188
o/w TA	281	39	71	88	50	28	95	247	523	1,171	1,186	1,141
Share of trust funds for project supervision per active project												
Number of active projects	9	9	11	11	13	14	17	25	26	28	33	36
Supervision budget per active project (US$ thousands)	20	11	—	—	—	—	—	3	4	9	29	44

C. Total budget for operational services												
Fiscal year	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	4,191	4,436	5,257	6,910	5,523	6,168	6,241	6,074	7,409	10,389	9,928	9,991
o/w Supervision	960	877	934	1,113	1,554	1,686	1,844	2,046	2,454	3,051	3,732	4,310
o/w Lending	1,506	1,244	1,566	2,348	1,389	1,193	1,312	1,399	890	1,647	1,316	2,123
o/w ESW	880	1,718	1,953	2,072	1,873	2,291	1,900	1,321	2,559	4,426	3,542	2,279
o/w TA	474	338	219	370	224	53	147	540	1,339	3,253	2,405	1,763
Total budget for project supervision per active project												
Number of active projects	9	9	11	11	13	14	17	25	26	28	33	36
Supervision budget per active project (US$ thousands)	107	97	85	101	120	120	108	82	94	109	113	120

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

Table D.4. Economic and Sector Indicators for Nepal (2001–2011)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
ECONOMIC INDICATORS											
Growth											
GDP growth (annual %)	4.8	0.1	3.9	4.7	3.1	3.7	3.4	6.1	4.5	4.8	3.9
GNI per capita, Atlas method (current US$)	230.0	230.0	240.0	270.0	290.0	320.0	350.0	400.0	440.0	490.0	540.0
GNI per capita, PPP (current international $)	840.0	840.0	870.0	910.0	960.0	1,010.0	1,060.0	1,120.0	1,170.0	1,210.0	1,260.0
GDP per capita growth (annual %)	2.4	-2.2	1.6	2.4	1.0	1.7	1.4	4.2	2.7	3.0	2.1
Agriculture, value added (% of GDP)	37.2	38.1	37.1	36.7	35.9	34.1	33.1	32.2	33.2	36.5	31.8
Industry, value added (% of GDP)	17.8	18.1	18.1	17.9	17.7	17.2	17.1	17.3	16.3	15.6	15.3
Services and other, value added (% of GDP)	45.0	43.8	44.8	45.5	46.4	48.7	49.8	50.4	50.6	47.8	52.9
Macroeconomic											
Gross capital formation (% of GDP)	22.3	20.2	21.4	24.5	26.5	26.9	28.7	30.3	31.7	38.3	32.5
Gross domestic savings (% of GDP)	11.7	9.5	8.6	11.7	11.6	9.0	9.8	9.8	0.3	11.5	8.6
Inflation, consumer prices (annual %)	2.7	3.0	5.7	2.8	6.8	7.6	6.1	10.9	11.6	10.0	9.5
Real effective exchange rate index (2005 = 100)											
Official exchange rate (LCU per US$, period average)	74.9	77.9	76.1	73.7	71.4	72.8	66.4	69.8	77.5	73.2	74.0
Gross national expenditure (% of GDP)	110.7	110.8	112.8	112.8	114.9	117.9	118.9	120.5	131.3	126.8	123.9
Foreign direct investment (% of GDP)	0.3	-0.1	0.2	0.0	0.0	-0.1	0.1	0.0	0.3	0.5	0.5
External balance											
Exports of goods and services (% of GDP)	20.8	17.7	15.7	16.7	14.6	13.4	13.0	12.1	15.3	9.6	8.9
Imports of goods and services (% of GDP)	29.2	28.5	28.5	29.5	29.5	31.3	31.3	32.8	36.3	36.4	32.8
Current account balance (% of GDP)	-2.7	3.6	2.8	1.4	1.9	1.7	0.1	5.8	0.1	-0.8	1.5

Current account, including grants	2.6	-0.6	-0.7	-1.5	-1.6	-0.1	2.7	4.3	-2.1	0.0	
External debt stocks (% of GNI)	45.5	49.7	50.2	46.5	39.1	37.2	34.8	29.1	28.9	23.5	20.8
Total debt service (% of GNI)	1.6	1.7	1.8	1.6	1.4	1.5	1.4	1.3	1.4	1.2	1.1
Gross fixed capital formation (% of GDP)	19.2	19.6	19.9	20.3	19.9	20.7	21.1	21.9	21.4	22.2	21.2
IBRD loans and IDA credits (DOD, current US$)											
Fiscal accounts[a] (% of GDP)											
Total revenue[b]	*11.5*	*12.0*	*12.3*	*12.7*	*13.4*	*14.0*	*15.3*	*16.9*	*19.9*	*20.0*	
Of which oil revenue											
Revenue, excluding grants (% of GDP)	10.5	10.5	10.9	11.1	11.5	10.7	11.9	12.3	14.1	14.9	14.9
Total expenditure	*17.2*	*16.7*	*18.6*	*18.3*	*17.8*	*15.9*	*17.4*	*17.2*	*22.4*	*22.8*	
Current	11.6	12.4	13.0	12.5	11.9	10.6	11.2	11.8	15.1	15.6	
Development	5.7	4.2	5.6	5.8	5.9	5.3	6.2	5.4	7.2	7.2	
Health expenditure, public (% of GDP)	1.2	1.8	1.4	1.4	1.4	1.7	1.4	1.8	1.7	1.8	
Military expenditure (% of GDP)	1.1	1.4	1.6	1.8	1.9	1.7	1.5	1.6	1.6	1.6	1.4
Public spending on education, total (% of GDP)	3.7	3.2	3.1	3.2	3.4	3.6	3.5	3.8	4.7	4.7	
Overall balance, including grants (commitment basis)	4.3	2.4	3.1	2.6	1.9	1.9	2.1	0.2	2.4	2.8	
Public debt, total (% of GDP)	59.0	63.9	62.6	59.4	51.8	49.7	43.0	43.8		33.8	
Official external debt, (after rescheduling)	52.9	51.7	48.4	45.7	42.9	30.2	27.4	27.0	23.8	21.7	
SOCIAL INDICATORS											
Health											
Life expectancy at birth (years)	62.3	63.2	64.0	64.8	65.6	66.3	67.0	67.5	68.0	68.4	68.7
Immunization, DPT (% of children ages 12–23 months)	72.0	72.0	78.0	80.0	75.0	89.0	82.0	82.0	89.0	82.0	92.0
Improved sanitation facilities (% of population with access)	21.0	22.0	24.0	25.0	26.0	27.0	28.0	29.0	30.0	31.0	
Improved water source (% of population with access)	84.0	85.0	85.0	86.0	86.0	86.0	87.0	88.0	89.0	89.0	
Mortality rate, infant (per 1,000 live births)	59.3	56.9	54.5	52.4	50.1	48.2	46.1	44.3	42.4	40.6	39.0
Education											
School enrollment, preprimary (% gross)	12.1	11.9									
School enrollment, primary (% gross)	110.5	115.1									
School enrollment, secondary (% gross)	38.0	41.8	42.9		46.1	43.5					
Literacy rate, adult total (% of people ages 15 and above)	48.6									60.3	
Population											
Population, total (thousands)	24,980.2	25,562.6	26,143.5	26,717.9	27,281.9	27,833.7	28,373.8	28,905.4	29,432.7	29,959.4	30,485.8
Population growth (annual %)	2.3	2.3	2.2	2.2	2.1	2.0	1.9	1.9	1.8	1.8	1.7
Urban population (% of total)	13.8	14.1	14.4	14.8	15.1	15.4	15.7	16.0	16.3	16.7	17.0

Source: World Development Indicators, January 18, 2013.

Note: DOD = debt outstanding and disbursed; DPT = diphtheria, pertussis, and tetanus vaccine; GDP = gross domestic product; GNI = gross national income; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; LCU = local currency unit; PPP = purchasing power parity.

a. IMF, Article IV Consultations.

b. Article IV Data for Nepal does not include grants.

Appendix E. Sierra Leone

Country Context

1. Sierra Leone has enjoyed remarkable peace and stability since the end of the brutal civil war 10 years ago. In this period, it has successfully held three national elections, including one which saw a peaceful transition from the ruling party to the opposition, and two local elections. The economy, which was devastated during the war, has been recovering at an average rate of about 8.5 percent per annum in FY02–11. The country has entered into several mineral concessions with international companies which could support the country's development efforts.

2. Yet, Sierra Leone faces serious development challenges. It remains one of the poorest countries in the world. Per capita income remains below that reached in the 1970s. Despite recent progress, it has some of the worst social indicators, rampant unemployment, and a legacy of poor governance. Its future prospects depend critically on the government's commitment and ability to channel growing revenues from its extractive industries toward broader economic and social development.

Drivers of Conflict and Fragility

3. Sierra Leone's civil war followed three decades of rule by the increasingly authoritarian government. The population had derived little benefit from the export of diamonds, which was the mainstay of the country. Most people remained impoverished. The opaque political system concealed corrupt deals between national power brokers, local chiefs, and expatriate diamond merchants. However, the depletion of Kono diamonds in the 1980s diminished revenues, and thus the ability of the regime to patronize key clients, leading to a series of attempted coups. In addition, corruption became widespread, with the population at large excluded from the benefits of resource extraction. A climate of insecurity developed, leading to strengthening of state-sponsored militias. The centralization of power in the hands of the ruling party excluded those in the southeast of the country who supported the opposition. This is believed to be one of the main grievances that contributed to the civil war in 1991, led by the Revolutionary United Front, a small group of radical youths and itinerant diamond diggers. The subsequent virtual economic collapse further fed broad dissatisfaction with successive military governments. In short, prolonged bad governance over the first 40 years of the country's independence, combined with spill-over of conflict in neighboring Liberia financed in part by conflict diamonds, was the principal driver of conflict.

4. Post-war, the democratically elected governments implemented a series of reforms aimed at improving governance with strong support from the donor

community. Some of the principal steps taken so far to improve governance have included: establishment of the Anti-Corruption Commission, strengthening of the public procurement system, improved budget management, passage of a new mineral law, the establishment of an independent minerals management agency, and decentralization of functions to elected local governments. Nevertheless, serious challenges remain. Government capacity for service delivery is weak, and corruption is still high. Infrastructure remains poor in part due to destruction during the civil war, but also because of slow implementation of donor-funded projects. These factors could lead to the conclusion that the country remains fragile, a view implicit in much of the Bank's work and in the political economy analysis commissioned by the Bank in 2008.[1] However, no conflict has recurred in the past decade. There are no internal ethnic or religious drivers of conflict and little appetite to re-live the war which many see as having been fueled by external forces.

World Bank Group Strategy and Approach

5. Over FY01–12, the World Bank committed $718 million in International Development Association (IDA) credits for 55 projects and $216 million more in trust funds (TFs), making it the third-largest donor after the European Union (EU) and United Kingdom. It has conducted at least 25 formal studies in relevant sectors.

6. Overall Bank activities during the review period (2000 to 2012) were guided by an Interim Strategy Note (ISN), two Transitional Support Strategies (TSSs: TSS-1 and TSS-2), and two Country Assistance Strategies (CASs: CAS-1 and CAS-2). Early phases of operations until TSS-2 emphasized infrastructure rehabilitation; small community-driven development (CDD) projects; demobilization, disarmament, and reintegration (DDR); and budget support. Starting with TSS-2, the Bank quickly expanded its support for an array of sectors and subsectors. Since then, it has had interventions in virtually every sector and subsector, but without a critical mass of support in any single area, except for some continuity in public sector management. Strengthening governance has been an area of attention throughout the period covered by two CASs, although not as a strategic pillar in CAS-2.

7. With a fiscal deficit of more than 10 percent of GDP, sustained budget support has been critical to the government's ability to implement its development program. The Bank provided $206 million as budget support and helped mobilize an estimated $500–$600 million in cofinancing from EU, the United Kingdom, and the African Development Bank for this purpose.

8. The International Finance Corporation (IFC) has taken the lead in supporting private sector development (PSD), focusing mainly on investment climate reform through $11 million in advisory service activities. It has not been involved in any of the major mining investments since the end of the civil war. IFC has supported

investments in telecom and a regional venture fund for small and medium enterprises, and deployed its trade finance product for total commitment of US$25 million). The Multilateral Investment Guarantee Agency (MIGA) issued $21.5 million in guarantees to support small investment program (SIP) projects in telecom services, transportation, customs services, fisheries, manufacturing, and financial services.

9. Bank strategy in the immediate post-conflict period (as reflected in the TSS) was mostly appropriate and consistent with immediate needs; it prioritized DDR, CDD, and the acceleration of project implementation. However, Bank strategies since then have lacked a coherent framework that is derived from drivers of fragility. There appears to have been a rush to start project lending opportunistically, without a consideration of strategic sequencing. Many Bank interventions were overambitious. The CASs do not seem to differ in any significant way from what the Bank does in any other country. The lack of strategic selectivity is similar to other countries, but its effect is exacerbated in Sierra Leone because of its small lending envelope ($20 million to $30 million annually) and weak institutional capacity.

10. Sustained budget support was an important instrument to support Sierra Leone's development since 2000. However, the effectiveness of budget support could have been enhanced if there had been predictability in the amount and timing of the release of donor funds, and the operations had been focused more sharply on governance, capacity building, and public expenditure management.

BUILDING STATE CAPACITY

11. State-building efforts were focused initially on effective public resource management in the Ministry of Finance. Bank support for public financial management (PFM) was invaluable in the initial phases. The Bank's strategy of expanding this effort over time into decentralization and civil service reform was also appropriate. However, effectiveness in this area has been less than it could have been due to the following: continued reliance by donors on the use of Project Management Units and Project Implementation Units despite commitments otherwise; reliance on an expensive parallel civil service without an exit strategy; failure to extend PFM and capacity building efforts to key service delivery ministries like health and education; delay in tackling critical civil service reform; and lack of intra-Bank coordination among sector units which hampered progress on the government's decentralization initiative.

BUILDING CAPACITY OF CITIZENS

12. There were some notable achievements including an effective CDD effort through the National Social Action Program, expansion of primary school enrollment, and outreach to many more women with maternal and child health

services. However, despite these microlevel successes, the overall situation in these areas continues to be inadequate. The education sector, with high dropout rates, is far from meeting the needs of the economy. The health system is still weak and cannot deliver on the government's ambitious initiative to provide free health care for mothers. Despite the widespread sexual violence against women during the war years, the Bank did not address the priority needs of these victims in the immediate post-conflict phase. Particularly, complex dual legal systems posed severe barriers for access to courts and reparations for these women. The Bank's DDR program was successful in demobilizing ex-combatants, but lacked a justice component that made the communities feel that the DDR program rewarded the perpetrators rather than the victims of war. The rush to finance ad hoc projects without the benefit of adequate sector work and institutional analysis of the key ministries detracted from the longer-term goal of institutional development.

SUPPORT FOR GROWTH AND JOBS

13. There was limited World Bank Group support in this area with no systematic effort to address constraints to jobs. The main contribution from the Bank and IMF was to help the government develop and maintain a stable macroeconomic environment, a notable accomplishment considering the unsatisfactory record of the previous four decades. This was one of the key factors for the country to qualify for debt relief under the Heavily Indebted Poor Countries (HIPC) initiative in 2002. The growth that the country experienced was largely from the recovery of agriculture and growth in mining, areas where the Bank and IFC did not have a significant role.

14. The Bank supported rehabilitation of Sierra Leone's mining sector in the form of a new mineral policy, a mining cadaster, extension services, and a fund from diamond sales for community projects in mining areas. The Bank helped the government revise its mining code in 2009 and establish a National Mineral Agency (2013) to oversee implementation in the sector. Bank support helped Sierra Leone restart investments in the sector and raise vital revenue, but governance of the sector remains a challenge. Efforts to support more sustainable policies—which can leverage mining as a catalyst for local economic growth through investments in shared infrastructure and human capital—are only now being contemplated.

15. Bank efforts in infrastructure and education, two factors critical for growth and jobs, were limited and largely unsuccessful; both areas remain leading constraints to PSD. IFC work on business environment reforms, while important, has not yet had a significant effect on private sector growth and job creation. It has helped improve Sierra Leone's image for foreign investors, but its effectiveness has been hampered by the lack of continued implementation support and capacity building for reforms following the end of funding for the IFC program. The Bank and IFC could have played a bigger role in mining and agriculture. IFC efforts seem to have been driven more by availability of donor TFs than from a considered

strategy. MIGA supported investments in small manufacturing, agribusiness and services projects under its SIP. However, operational results of these projects in Sierra Leone have been poor. A lesson for other FCS is that jobs need to be placed at the center of the agenda throughout, supported by a holistic strategy informed by sector work on constraints, and a clear short- and medium-term strategy focused on the drivers of jobs and growth, including in agriculture.

Bank Group Internal Processes and Support Systems

16. Overall Bank budget allocations for client services increased significantly (in constant 2011 US$) in 2002, to $14.7 million from $6.5 million the previous year. The increase was linked with the opening of the country office and the greater emphasis given to the country in the immediate post-war period. However, the budget declined steadily to about $5.2 million in 2006 and has remained around this level since then. The budget for lending in this period has averaged around $1.5 million per annum, fluctuating between a low of $810,000 (2006) and a high of $2 million (2002). The supervision budget increased steadily from 2002 ($1.4 million) to 2008 ($2.4 million) and has largely stayed at this level. However, the supervision budget per active project has been decreasing in recent years and is now about $113,000. Given the generally satisfactory project outcomes (70 percent plus moderately satisfactory or better since 2002), the supervision effort is considered adequate. A significant portion (around 50 percent) of the country budget was devoted to ESW in the first five years, but has been at a modest level (less than 10 percent) since then. This has resulted in insufficient analytic underpinnings of the country strategy and operations. About one-third of the country budget relies on trust funds; most of the expatriate staff based in the country office is financed by them. This creates uncertainties and potential issues with staff continuity and quality.

17. The Bank established country presence as early as 2002. Since then, the country office has grown and currently has a total of 22 staff, of which 12 are GE+ professional staff (four international and eight locally recruited). There are also several trust-funded consultants who, although not formally a part of the country office, essentially act as field staff of the Bank for specific sectors or initiatives. IFC opened its office in Freetown in 2011 and has two international staff, but no investment officer in the field office.

18. Despite this large Bank Group presence in the field, the delivery of the program is highly centralized, with most task managers based in Washington. Discussions with staff working on Sierra Leone indicate that there is also frequent turnover of staff and task managers. There also does not seem to be much support from the regional hubs.

[1] Robinson, James A. 2008. "Governance and Political Economy Constraints to World Bank CAS Priorities in Sierra Leone." Report prepared for the Country Department (October), World Bank, Washington, DC.

APPENDIX E
SIERRA LEONE
Table E.1. Total Lending Commitments by Theme to Sierra Leone (FY01–12, US$ millions)

	FY01–06	FY07–12
World Bank (IDA and trust funds)		
Theme I: building capacity of state	135.66	100.00
Theme II: building capacity of citizens	97.27	126.08
Theme III: promoting growth and jobs	147.32	136.57
Total	*380.25*	*362.66*
IFC investment commitment, growth and jobs	4.0	21.0
MIGA guarantee gross exposure, growth and jobs	8.4	13.1

Note: **IFC = International Finance Corporation; MIGA = Multilateral Investment Guarantee Agency.**

Table E.2. Actual Cost and Number of Analytical Advisory Services Delivery by Theme in Sierra Leone (FY01–12, US$ thousands)

	Cost of ESW		Cost of TA		Number of ESW operations		Number of TA operations	
	FY01–06	FY07–12	FY01–06	FY07–12	FY01–06	FY07–12	FY01–06	FY07–12
Theme I: building capacity of state	820.54	812.34	0.00	66.38	9	7	0	1
Theme II: building capacity of citizens	360.90	416.42	21.28	0.00	2	3	1	0
Theme III: promoting growth and jobs	766.89	43.42	0.00	458.95	3	2	0	6
Total	*1,948.33*	*1,272.17*	*21.28*	*525.32*	*14*	*12*	*1*	*7*

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

Table E.3a. Sierra Leone: Ratings of Projects Evaluated by the Independent Evaluation Group, FY01-12 (by number of projects)

Fiscal years	Country or region	Number of Projects Evaluated	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
01–06	Sierra Leone	13	69.2	100.0	33.3	37.5	76.9	76.9
	Africa	424	66.0	52.3	42.9	60.7	67.0	64.9
	World	1,736	76.7	65.0	51.3	76.3	79.0	75.6
07–12	Sierra Leone	8	75.0	37.5	--	--	75.0	75.0
	Africa	330	63.3	41.6	--	--	65.2	64.8
	World	1,286	72.5	56.8	85.7	85.7	73.5	72.4
01–12	Sierra Leone	21	71.4	58.3	33.3	37.5	76.2	76.2
	Africa	754	64.8	43.9	42.9	60.7	66.2	64.9
	World	3,022	74.9	58.3	51.5	76.4	76.7	74.2

Table E.3b. Sierra Leone: Ratings of Projects Evaluated by the Independent Evaluation Group, FY01-12 (by commitment volume)

Fiscal years	Country or region	Commitment Volume (US$, millions)	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
01–06	Sierra Leone	350	68.6	100.0	33.0	38.8	80.9	80.9
	Africa	17,065	66.2	48.4	43.5	65.3	70.6	66.7
	World	123,688	81.2	73.9	54.8	82.0	84.7	80.6
07–12	Sierra Leone	178	70.6	31.1	--	--	70.6	70.6
	Africa	17,330	70.5	38.8	--	--	74.8	71.1
	World	95,912	82.2	66.3	94.9	94.9	80.5	82.3
01–12	Sierra Leone	527	69.2	61.1	33.0	38.8	77.4	77.4
	Africa	34,395	68.4	41.2	43.5	65.3	72.7	68.9
	World	219,600	81.6	67.9	55.2	82.1	82.9	81.3

Note: a. %Sat = moderately satisfactory or higher
b. RDO = Risk to development outcomes
c. Inst Dev impact = Institutional Development Impact

Table E.3. Sierra Leone Country Budget (constant 2011 US$ thousands)

A. Share of the Bank's internal funds for operational services												
Fiscal year	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	1,871	2,846	3,238	4,024	3,820	4,057	4,146	3,660	4,055	4,481	3,610	3,614
o/w Supervision	1,152	1,073	1,061	1,300	1,459	1,719	2,022	2,191	1,936	2,453	2,138	1,755
o/w Lending	292	894	969	1,368	1,503	740	855	650	1,230	1,057	992	1,184
o/w ESW	112	379	562	559	210	1,146	555	410	258	363	162	183
o/w TA	—	1	—	—	29	46	—	73	26	94	16	13
Share of BB for project supervision per active project												
Number of active projects	7	7	8	8	11	9	14	19	24	27	22	23
Supervision budget per active project (US$ thousands)	165	153	133	163	133	191	144	115	81	91	97	76
B. Share of trust funds for operational services												
Fiscal year	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	4,676	11,843	6,770	5,243	5,381	1,171	2,035	1,710	976	1,275	1,249	1,713
o/w Supervision	852	282	305	396	245	232	265	215	336	473	1,010	835
o/w Lending	114	1,093	417	20	81	70	530	417	209	14	157	448
o/w ESW	3,711	10,469	5,878	4,796	5,027	788	1,141	955	164	111	19	380
o/w TA	—	—	—	—	—	—	31	76	152	48	19	100
Share of trust funds for project supervision per active project												
Number of active projects	7	7	8	8	11	9	14	19	24	27	22	23
Supervision budget per active project (US$ thousands)	122	40	38	50	22	26	19	11	14	18	46	36
C. Total budget for operational services												
Fiscal year	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12

Client services	6,547	14,689	10,008	9,267	9,201	5,228	6,181	5,369	5,031	5,756	4,859	5,327
o/w Supervision	2,003	1,355	1,366	1,697	1,704	1,951	2,287	2,406	2,272	2,926	3,149	2,591
o/w Lending	405	1,987	1,386	1,388	1,584	810	1,385	1,067	1,438	1,071	1,150	1,632
o/w ESW	3,822	10,848	6,440	5,355	5,237	1,934	1,696	1,366	422	474	181	563
o/w TA	—	1	—	—	29	46	31	149	178	143	35	113
Total budget for project supervision per active project												
Number of active projects	7	7	8	8	11	9	14	19	24	27	22	23
Supervision budget per active project (US$ thousands)	286	194	171	212	155	217	163	127	95	108	143	113

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

Table E.4. Economic and Social Indicators for Sierra Leone (2001–2011)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
ECONOMIC INDICATORS											
Growth											
GDP growth (annual %)	18.2	27.5	9.3	7.5	7.2	7.3	6.4	5.5	3.2	4.9	6.0
GNI per capita, Atlas method (current US$)	180.0	210.0	220.0	220.0	230.0	250.0	280.0	320.0	340.0	340.0	340.0
GNI per capita, PPP (current international $)	420.0	520.0	560.0	570.0	610.0	660.0	720.0	760.0	790.0	820.0	840.0
GDP per capita growth (annual %)	13.8	21.8	4.1	2.7	3.0	3.8	3.5	3.0	0.9	2.7	3.7
Agriculture, value added (% of GDP)	47.1	47.8	46.7	44.9	51.6	51.1	49.9	50.2	52.3	49.0	44.4
Industry, value added (% of GDP)	25.7	24.7	24.7	24.2	23.6	23.2	24.3	23.5	22.5	20.7	18.2
Services and other, value added (% of GDP)	27.2	27.5	28.6	30.9	24.8	25.7	25.9	26.3	25.2	30.4	37.4
Macroeconomic											
Gross capital formation (% of GDP)	6.7	10.1	13.9	10.5	17.0	15.2	13.2	14.7	15.4	15.8	14.9
Gross domestic savings (% of GDP)	-11.6	-8.2	-3.7	-0.4	4.1	7.6	6.1	1.7	2.3	3.3	4.6
Inflation, consumer prices (annual %)							11.6	14.8	9.3	16.6	16.2
Real effective exchange rate index (2005 = 100)	158.4	136.8	112.5	100.5	100.0	104.3	105.3	112.5	114.1	110.2	110.8
Official exchange rate (LCU per US$, period average)	1,986.2	2,099.0	2,347.9	2,701.3	2,889.6	2,961.9	2,985.2	2,981.5	3,385.7	3,978.1	4,349.2
Gross national expenditure (% of GDP)	118.2	118.3	117.6	110.9	112.9	107.6	107.0	113.0	113.1	112.4	110.3
Foreign direct investment (% of GDP)	1.2	1.1	0.9	5.6	7.3	4.1	5.7	2.7	5.9	12.5	31.9
External balance											
Exports of goods and services (% of GDP)	16.0	17.6	23.2	22.5	23.6	24.9	20.8	16.3	16.0	17.1	16.3

Imports of goods and services (% of GDP)	34.3	35.9	40.8	33.5	36.5	32.5	27.8	29.4	29.0	29.5	26.6
Current account balance (% of GDP)	-12.1	-7.8	-8.4	-9.0	-8.5	-6.7	-9.6	-11.5	-17.6	-25.8	-50.3
Current account, including grants (% of GDP)											
External debt stocks (% of GNI)	157.3	152.6	161.4	160.0	151.0	110.0	33.8	33.1	46.2	48.8	48.2
Total debt service (% of GNI)	12.3	1.7	2.0	2.1	1.6	1.8	0.7	0.3	0.4	0.6	0.9
Gross domestic savings (% of GDP)	-11.6	-8.2	-3.7	-0.4	4.1	7.6	6.1	1.7	2.3	3.3	4.6
Gross fixed capital formation (% of GDP)	6.7	10.1	13.9	10.5	17.0	15.2	13.2	14.7	15.4	15.8	14.9
IBRD loans and IDA credits (DOD, current US$ millions)	407.4										
Fiscal accounts[a] (% of GDP)											
Total revenue[b]	*17.9*	*20.3*	*19.6*	*12.2*	*11.9*	*11.8*	*10.8*	*16.0*	*19.7*	*19.4*	*19.8*
Of which oil revenue											
Revenue, excluding grants (% of GDP)	13.0	12.3	—	—	—	—	—	—	—	—	—
Total expenditure	*29.5*	*28.6*	*26.9*	*28.8*	*24.6*	*22.7*	*17.6*	*20.7*	*22.9*	*23.3*	*24.5*
Current	24.8	24.2	22.1	18.9	19.9	17.6	13.3	14.6	15.8	7.5	—
Development	—	—	—	—	—	—	3.5	6.2	7.1	4.3	—
Health expenditure, public (% of GDP)	1.4	2.0	2.3	1.5	2.2	1.3	0.9	1.3	1.5	1.5	
Military expenditure (% of GDP)	3.7	2.9	2.9	2.1	1.9	2.0	1.8	1.2	1.4	1.3	1.2
Public spending on education, total (% of GDP)	4.6	4.7	4.6	4.1	3.7		3.3	3.1	3.6	3.5	3.6
Overall balance, including grants (commitment basis)	-10.6	-8.3	-7.5	-5.3	-2.7	-11.0	-6.8	-4.7	-3.2	-3.9	-4.7
Public debt (% of GDP)	—	—	—	—	—	—	25.6	23.3	21.5	—	—
Official external debt, (after rescheduling)	—	—	—	—	—	—	—	31.2	36.1	33.8	39.8
SOCIAL INDICATORS											
Health											
Life expectancy at birth (years)	40.6	41.5	42.4	43.4	44.3	45.1	45.8	46.4	47.0	47.4	47.8
Immunization, DPT (% of children ages 12–23 months)	38.0	53.0	73.0	65.0	65.0	64.0	64.0	78.0	84.0	84.0	84.0
Improved sanitation facilities (% of population with access)	11.0	11.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	13.0	
Improved water source (% of population with access)	47.0	48.0	49.0	50.0	51.0	51.0	52.0	53.0	54.0	55.0	
Infant mortality rate (per 1,000 live births)	143.2	140.6	138.3	135.6	133.2	130.7	128.2	126.1	123.3	120.9	119.2
Education											
School enrollment, preprimary (% gross)	4.5										6.8
School enrollment, primary (% gross)	85.8										124.7
School enrollment, secondary (% gross)	27.6										
Literacy rate, adult total (% of people ages 15 and above)				34.8						42.1	
Population											

Population, total (thousands)	4,303.9	4,505.5	4,730.0	4,952.1	5,153.4	5,327.4	5,478.3	5,612.1	5,739.3	5,867.5	5,997.5
Population growth (annual %)	3.8	4.6	4.9	4.6	4.0	3.3	2.8	2.4	2.2	2.2	2.2
Urban population (% of total)	36.1	36.4	36.7	37.0	37.3	37.6	37.9	38.2	38.6	38.9	39.3

Source: World Development Indicators, January 18, 2013.
Note: DOD = debt outstanding and disbursed; DPT = diphtheria, pertussis, and tetanus vaccine; GDP = gross domestic product; GNI = gross national income; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; LCU = local currency unit; PPP = purchasing power parity.
a. IMF, Article IV Consultations.
b. Article IV Data for Sierra Leone does not include grants.

Appendix F. Solomon Islands

Country Context

1. The Solomon Islands is an archipelago of almost 1,000 islands with a total land area of 29,900 square kilometers spread over 1.34 million square kilometers of ocean. With a population of only 520,000 it has one of the lowest population densities and urbanization rates in the world (18 persons per square kilometer and 17 percent, respectively). Distances between islands are large, and access to both internal and overseas markets is poor with few transport options. The population is predominantly confined to rural communities where they produce agricultural products on customary-owned lands. The majority of Solomon Islanders identify themselves as Melanesians (95 percent), although there is considerable cultural diversity with around 70 distinct languages and numerous dialects.

2. Historically, the Solomon Islands were annexed in 1893 by the British. It has a history of migration, initially supplying cheap labor to the sugarcane plantations in Australia, Fiji, and Samoa, but it was also active in the production and supply of copra. The Solomon Islands were granted independence in 1978 and inherited a Westminster-style system of government. There have been numerous issues around devolution and provincial autonomy since independence driven by the inequitable concentration of political and economic power in the national capital. Successive governments have suffered from chronic instability due to the weakness of the political party system and the prevalence of personalized and parochial politics.[1] Frequent changes of government have resulted in a system of weak political and policy cohesion and 14 different governments since independence.

Drivers of Conflict and Fragility

3. The Solomon Islands is about to enter its second decade of peaceful settlement since "the tensions" of 1998-2003. The conflict resulted in significant internal displacement, a 24 percent drop in GDP, and the cessation of basic state functions. The conflict was resolved with the arrival of the Australian-led Regional Assistance Mission to the Solomon Islands (RAMSI). Since that time the country has remained largely peaceful aside from a short period of unrest in Honiara's Chinatown that followed the 2006 elections. RAMSI is seen as central to the maintenance of this peace, and it continues to enjoy strong support within the community (83 percent in a recent perception survey conducted by the Australian Agency for International Development and Australian National University).

4. The causes of the conflict in the Solomon Islands are complex. Inequitable distribution of natural resources, land disputes, and frustration with local-center relations coupled with poor service delivery and spending have all undermined national cohesion.[2] In particular, the lack of benefits to local communities from logging and the inequity of the funding system fueled resentment among excluded groups. Tensions came to a head in 1998 when the civil conflict broke out, and they did not abate until external forces restored peace in 2003.

5. Economic recovery ensued on the back of the peacekeeping and reconstruction efforts. Log exports resumed, the palm oil plantation reopened, and more recently the Gold Ridge mine (supported by financing from the International Finance Corporation) restarted production, all of which have stimulated economic growth. However, gross national income (GNI) per capita rates are yet to return to the pre-tension levels, and the nature of growth is still tenuous. Significantly, the political situation in the Solomon Islands remains fluid.

6. The Solomon Islands has been classified as a fragile and conflict-affected state since the release of the Country Policy and Institutional Assessment ratings in 2006. With a current rating of 2.94 and little change over the last five years, it has consistently scored below the 3.2 FCS threshold. While the threat of violence and conflict in the Solomon Islands does not pose an immediate threat to the country, there is still a range of fragility drivers that make it vulnerable to sliding backwards unless concerted efforts are made to address the issues. Weak institutions and poor governance prevent the country from graduating out of FCS status. They will continue to inhibit development opportunities unless there is a clear mandate for improving the accountabilities of parliamentarians and reforming the means of sharing the returns from extractive industries.

Bank Group Strategy and Approach

7. Prior to 2010, the Bank's engagement in the Solomon Islands was guided by the Pacific Regional Strategy (PRS). The Bank's Pacific Regional Strategies of 2000 and 2005 provided the framework for renewed engagement with the nine Pacific Region member countries.[3] The two regional strategies focused on the sustainable utilization of natural resources, country led coordination with other development partners, and the role of Pacific institutions in making progress against poverty.

8. The lending program for the pre-2010 period was largely IDA funded. It focused on sectors where the Bank had particular expertise and where there were limited alternative sources of finance. This meant strategic support to the health and education sectors, transport infrastructure, and telecommunications as well as private sector involvement in these areas. Given the small size of the portfolio, the intention was to use existing instruments more flexibly and develop new

instruments that matched the scale of Pacific countries. Adaptable Program Loans and Learning and Innovation Loans were seen as useful tools for this work.

9. In the Solomon Islands, the PRS 2000 and 2005 strategies sought to support "reforms and constituencies for change." This meant analytical and advisory work, small grants, and the exploration of opportunities for rural income generation. Unfortunately, the approach was not explicitly informed by the context or circumstances of the post-conflict environment. This meant both documents had limited relevance to the unique demands of the Solomon Islands government.

10. An 18-month Interim Strategy Note (ISN) was prepared for FY10–11 in recognition of the growing role of the World Bank in the Solomon Islands. The document acknowledged that the ISN was taking on a program of activities that was largely pre-set, but it sought to frame these within a more context specific document. The ISN included a small development policy operation of $1.8 million to support public financial management (PFM) reforms as well as projects to improve telecommunications and energy infrastructure, engage with issues in the rural sector (Rural development Program), assist with mining sector regulatory reforms (economic and sector work and technical assistance), support labor migration schemes, and enhance donor coordination. The ISN also outlined the various economic sector work (ESW) required to provide a clearer picture of the country's needs and where the Bank was likely to make the strongest contribution. Building a stronger analytical basis for a country assistance strategy (CAS) sometime in 2012–2013 was seen as a key part of the growing engagement in the Solomon Islands and necessary given the country's FCS status. The ISN acknowledged the significant risks of renewed unrest and was clear in articulating the need for simplicity of design and willingness to restructure where necessary.

Bank Group Support for FCS Themes

BUILDING STATE CAPACITY

11. The state in the Solomon Islands is invisible for much of the population. Weak governance and limited capacity prevented the state from adequately engaging in service delivery and effectively managing the country's natural resources. In this environment, early Bank strategies struggled to have any impact. Increasing internal tensions in the Solomon Islands disrupted the Bank's efforts, and just keeping the peace proved difficult for the incumbent government. The tensions continued to cause sporadic disruption until 2003.

12. It was not until the FY10–11 ISN that the Bank began to make progress by building its support around the unique problems in the Solomon Islands. In-country expertise was made available to the Ministry of Finance for targeted technical

oversight, and the Bank established the Core Economic Working Group (CEWG) to provide a coordinated body to engage the government and other donors on dealing with crucial economic constraints. Both approaches enhanced the Bank's reputation in the country with government and other donors.

13. While the Bank's support to the Ministry of Finance and the CEWG was well received, there was a range of shortcomings that held the program back: The Bank did not engage on the contentious issues surrounding the Constituency Development Funds[4] and did not adequately support line ministries to improve PFM and effectively execute their budgets. The Ministry for Development Planning felt it was ignored by the Bank's program and ill-informed as to pipeline programming and future funding. The issue was further compounded by the limited government consultation that accompanied preparations for the recent World Bank CPS 2013-17.

BUILDING CAPACITY OF CITIZENS

14. Given the limited reach of government, a significant portion of IDA funds were correctly directed toward social services. The Bank focused on addressing the skills deficit through analytical work and hands-on support to departmental staff in the health sector, nudging them in the right direction on policy and system reform. This focused technical assistance work has been effective in addressing the primary deficit around capacity constraints in line ministries. In addition to the support for the health sector, the Solomon Islands program also had in-country trust-funded support from the Justice for the Poor (J4P) program. J4P, with assistance from RAMSI, undertook the Justice Delivered Locally initiative with the Ministry of Justice and Legal Affairs. This work identified many of the issues causing disputes. In-country management saw J4P as a valuable resource in guiding operations toward context specific activities. While the program deserves credit for integrating a justice perspective into its operations, it continues to rely on trust funds to finance J4P.

SUPPORT FOR GROWTH AND JOBS

15. Despite general recognition of the centrality of employment in the context of fragility in the Solomon Islands, it has not been a priority of donors. The Bank emphasized the importance of jobs and growth in both the regional strategies and in the ISN, but in an implicit rather than explicit form. Funding was split between energy, telecommunications, and direct employment projects (Rapid Employment Program) with varied success. On the positive side, the Bank's regulatory reform work has improved the investment climate in the Solomon Islands, but overall the story on growth and jobs has not been good. The majority of jobs continue to be in the informal sector and little progress has been made in developing new formal employment opportunities or successful labor migration programs in the region. The Bank shied away from issues related to land reform and natural resource

extraction when there was a need for technical assistance and oversight, and it did not adequately support the agricultural sector despite having a Rural Development Program. Natural resource extraction and plantation agriculture have the most opportunities for significant jobs growth. But aside from the $35 IFC financial support to the Gold Ridge Mine, the support for these sectors has been poor.

Bank Group Internal Processes and Support Systems

16. Bank budget allocations in the Solomon Islands for client services have grown considerably between 2001 and 2012 (from $375,000 to $1.004 million). However, in the same period the supervision budget per project has fallen (from $95,000 per project in 2001 to $65,000 per project in 2012). Allocations since 2009 have been sporadic, rising to $1.4 million in 2010 and then falling back to just over $1 million in 2012. Both ESW and TA have also been sporadic, with ESW growing to over $460,000 in 2006 and then falling to just over $70,000 in 2008. The variation suggests that the Pacific regional allocation has not provided consistent commitments for analytical work. This has been to the detriment of the program given there are still gaps in the range of products required for a comprehensive country strategy document. Notable also is the significant growth in trust fund allocations for client services, growing from just $124,000 in 2001 to $1.5 million in 2012. Much of this money is for the J4P program with two full-time internationally recruited staff in country. Employing experienced development practitioners with strong community links had a significant impact on the quality of the work in the justice sector and more broadly in how it informed the Bank's portfolio.

17. Bank group presence in the Solomon Islands has grown significantly since 2006 with the opening of the office in Honiara in 2008. Where the country was previously serviced from the regional hub in Sydney or from headquarters, there are now five permanent GE+ level staff based in Honiara.

18. Only four Bank operations from the portfolio were assessed by IEG (FY00–12), and of these only 25 percent were rated satisfactory by number and less than 5 percent by amount. This correlates with the 75 percent 2012 (percent of commitment) risk profile and the very low rating for borrower performance, which is only 25 percent. Given the conflict and continued fragility, the results are not surprising though they do suggest the objectives were overly ambitious and possibly too complex for the development status of the country at the time.

[1]Allen, Matthew. 2011. "The Political Economy of Logging in Solomon Islands" in *The Political Economy of Economic Reform in the Pacific,* edited by Ron Duncan. Mandaluyong City, Philippines: Asian Development Bank.

[2]World Bank, Solomon Islands Fragility Assessment, 2013.

[3]Solomon Islands, Vanuatu, Fiji, Samoa, Tonga, Palau, the Federated States of Micronesia, and the Marshal Islands all covered by the 2000 strategy. Papua New Guinea had its own CAS document.

[4]For an overview of comprehensive development frameworks see: Baskin, Mark. "Constituency Development Funds (CDFs) as a Tool of Decentralized Development." Paper presented at the 56th Commonwealth Parliamentary Conference, Nairobi, Kenya, September 10-19, 2010.

Table F.1. Total Lending Commitments by Theme to Solomon Islands (FY01–12, US$ millions)

	FY01–06	FY07–12
World Bank (IDA and trust funds)		
Theme I: building capacity of state	0.00	2.00
Theme II: building capacity of citizens	0.00	33.67
Theme III: promoting growth and jobs	0.00	24.31
Total	*0.00*	*59.98*
IFC investment commitment, growth and jobs	—	35.0
MIGA guarantee gross exposure, growth and jobs	—	—

Note: **IFC = International Finance Corporation; MIGA = Multilateral Investment Guarantee Agency.**

Table F.2. Actual Cost and Number of Analytical Advisory Services Delivery by Theme in Solomon Islands (FY01–12, US$ thousands)

	Cost of ESW		Cost of TA		Number of ESW operations		Number of TA operations	
	FY01–06	FY07–12	FY01–06	FY07–12	FY01–06	FY07–12	FY01–06	FY07–12
Theme I: building capacity of state	0.00	594.67	66.86	718.05	0	3	1	2
Theme II: building capacity of citizens	0.00	43.52	10.84	252.27	0	1	1	1
Theme III: promoting growth and jobs	22.20	1,028.25	563.33	295.72	1	2	2	2
Total	*22.20*	*1,666.45*	*641.04*	*1,266.04*	*1*	*6*	*4*	*5*

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

Table F.3a.Solomon Islands: Ratings of Projects Evaluated by the Independent Evaluation Group, FY01-12 (by number of projects)

Fiscal years	Country or region	Number of Projects Evaluated	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
01–06	Solomon Islands	2	0.0	--	0.0	0.0	50.0	50.0
	EAP	264	79.3	71.1	56.1	76.4	82.1	83.8
	World	1,736	76.7	65.0	51.3	76.3	79.0	75.6
07–12	Solomon Islands	2	50.0	50.0	--	--	100.0	0.0
	EAP	179	80.9	70.6	100.0	100.0	80.4	82.1
	World	1,286	72.5	56.8	85.7	85.7	73.5	72.4
01–12	Solomon Islands	4	25.0	50.0	0.0	0.0	75.0	25.0
	EAP	443	80.0	70.7	56.3	76.5	81.4	83.1
	World	3,022	74.9	58.3	51.5	76.4	76.7	74.2

Table F.3b. Solomon Islands: Ratings of Projects Evaluated by the Independent Evaluation Group, FY01-12 (by commitment volume)

Fiscal years	Country or region	Commitment Volume (US$, millions)	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
01–06	Solomon Islands	24	0.0	--	0.0	0.0	29.0	71.0
	EAP	23,568	90.1	75.6	67.9	86.8	92.2	91.4
	World	123,688	81.2	73.9	54.8	82.0	84.7	80.6
07–12	Solomon Islands	5	26.9	26.9	--	--	100.0	0.0
	EAP	16,399	87.8	86.7	100.0	100.0	85.6	87.1
	World	95,912	82.2	66.3	94.9	94.9	80.5	82.3
01–12	Solomon Islands	29	4.5	26.9	0.0	0.0	40.7	59.3
	EAP	39,966	89.2	84.8	68.0	86.9	89.5	89.6
	World	219,600	81.6	67.9	55.2	82.1	82.9	81.3

Note: a. %Sat = moderately satisfactory or higher
b. RDO = Risk to development outcomes
c. Inst Dev impact = Institutional Development Impact

Table F.4. Solomon Islands Country Budget (constant 2011 US$ thousands)

A. Share of the Bank's internal funds for operational services												
Fiscal year	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	375	276	26	586	370	743	808	492	1,071	1,417	1,116	1,004
o/w Supervision	190	201	22	168	70	70	100	24	289	227	391	517
o/w Lending	185	75	4	—	24	210	540	398	341	527	256	195
o/w ESW	—	—	—	128	271	463	168	71	227	464	324	149
o/w TA	—	—	—	128	271	227	121	69	180	140	11	105
Share of BB for project supervision per active project												
Number of active projects	2	1	1	1	1	1	0	2	3	5	7	8
Supervision budget per active project (US$ thousands)	95	201	22	168	70	70	—	2	96	45	56	65
B. Share of trust funds for operational services												
Fiscal year	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	124	97	—	116	374	746	1,526	1,179	519	1,232	1,560	1,472
o/w Supervision	—	—	—	—	—	—	—	89	162	225	182	226
o/w Lending	124	97	—	—	—	12	537	788	89	302	466	333
o/w ESW	—	—	—	78	374	734	989	302	169	544	708	720
o/w TA	—	—	—	78	374	361	509	287	158	302	412	653
Share of trust funds for project supervision per active project												
Number of active projects	2	1	1	1	1	1	0	2	3	5	7	8
Supervision budget per active project (US$ thousands)	—	—	—	—	—	—	—	45	54	45	26	28
C. Total budget for operational services												
Fiscal year	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	499	372	26	702	744	1,489	2,334	1,672	1,591	2,649	2,676	2,475
o/w Supervision	190	201	22	168	70	70	100	113	451	452	573	743
o/w Lending	310	172	4	—	24	222	1,077	1,186	430	829	722	528

o/w ESW	—	—	—	206	645	1,197	1,157	372	396	1,009	1,032	869
o/w TA	—	—	—	206	645	588	630	356	338	442	423	758
Total budget for project supervision per active project												
Number of active projects	2	1	1	1	1	1	0	2	3	5	7	8
Supervision budget per active project (US$ thousands)	95	201	22	168	70	70	—	56	150	90	82	93

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

Table F.5. Economic and Social Indicators for Solomon Islands (2001–2011)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
ECONOMIC INDICATORS											
Growth											
GDP growth (annual %)	-8.0	-2.8	6.5	4.9	5.4	6.9	10.7	7.3	-1.2	7.0	9.0
GNI per capita, Atlas method (current US$)	940.0	850.0	840.0	860.0	890.0	960.0	1,020.0	1,050.0	960.0	1,030.0	1,110.0
GNI per capita, PPP (current international $)	1,850.0	1,750.0	1,860.0	1,980.0	2,080.0	2,250.0	2,310.0	2,250.0	2,020.0	2,200.0	2,350.0
GDP per capita growth (annual %)	-10.5	-5.5	3.6	2.0	2.5	4.0	7.7	4.4	-3.8	4.2	6.2
Agriculture, value added (% of GDP)	24.0	31.0	39.9	37.7	34.5	35.7	44.3	41.2	38.9		
Industry, value added (% of GDP)	12.3	12.2	10.8	9.5	8.1	6.8	5.9	6.1	6.1		
Services and other, value added (% of GDP)	63.7	56.8	49.3	52.9	57.4	57.6	49.8	52.7	55.0		
Macroeconomic											
Gross capital formation (% of GDP)	6.7	5.2	9.4	11.4	13.8	14.6					
Gross domestic savings (% of GDP)	-12.6	-5.2	4.1	0.0	-6.8	-6.5					
Inflation, consumer prices (annual %)	6.9	10.9	8.3	7.0	7.3	11.2	7.7	17.3	7.1	1.1	4.1
Real effective exchange rate index (2005 = 100)	137.1	114.5	99.8	97.8	100.0	106.7	104.7	112.7	120.5	112.0	111.7
Official exchange rate (LCU per US$, period average)	5.3	6.7	7.5	7.5	7.5	7.6	7.7	7.7	8.1	8.1	7.6
Gross national expenditure (% of GDP)	119.4	110.4	105.3	111.4	120.5	121.1					
Foreign direct investment, net inflows (% of GDP)	-2.3	-0.1	-0.5	1.6	0.1	4.5	7.3	14.0	19.2	17.9	17.5
External Balance											
Exports of goods and services (% of GDP)	16.5	20.1	26.4	30.9	34.1	36.1	36.7	37.3	36.6	31.1	25.8
Imports of goods and services (% of GDP)	35.9	30.5	31.7	42.4	54.6	57.2	56.4	57.8	51.3	61.5	49.6
Current account balance (% of GDP)	-16.2	-19.8	-12.0	-5.0	-21.8	-9.3	-13.8	-19.3	-21.4	-30.1	
Current account, including grants	-12.8	-6.9	1.4	-0.6	-9.8	-5.6	-2.8	-6.8	-9.6	-30.3	-21.7
External debt stocks (% of GNI)	40.7	53.2	53.9	47.0	40.3	37.9	32.4	30.3	36.5	41.6	37.9
Total debt service (% of GNI)	1.8	1.7	2.8	4.4	3.4	0.9	2.5	2.7	2.1	3.7	2.3
Gross fixed capital formation (% of GDP)	6.4	4.8	9.1	10.0	12.5	13.4					

IBRD loans and IDA credits (DOD, current US$)											
Fiscal accounts[a] (% of GDP)											
Total revenue[b]	*23.5*	*18.7*	*39.8*	*48.1*	*66.2*	*64.7*	*69.0*	*61.6*	*60.7*	*63.0*	*57.7*
Of which oil revenue											
Revenue, excluding grants (% of GDP)	15.3	16.1	19.2	26.0	27.7	23.6	26.8	29.0	30.5	32.2	31.2
Total expenditure	*36.1*	*29.7*	*39.6*	*44.1*	*63.6*	*63.0*	*70.4*	*65.2*	*59.3*	*56.7*	*56.0*
Current	27.2	26.5	23.8	26.0	26.7	30.7	33.0	35.3	30.1	28.4	27.7
Development	8.9	3.2	15.7	18.1	36.9	32.3	37.5	29.8	29.2	28.0	28.4
Health expenditure, public (% of GDP)	4.8	4.5	3.9	4.1	4.2	5.9	5.8	5.5	8.2	8.0	1.7
Military expenditure (% of GDP)											
Public spending on education, total (% of GDP)							5.9	6.1	8.0	7.3	24.5
Overall balance, including grants (commitment basis)	-11.9	-9.6	-1.4	4.0	2.6	1.7	-1.5	-3.6	1.4	6.3	
Public debt (% of GDP)	94.1	113.3	120.1	90.1	80.0	57.1	40.3	35.0	33.2	28.1	**24.5**
Official external debt (after rescheduling)	82.2	96.2	100.2	92.5	72.6	63.5	52.3	41.9	36.1	28.1	67.9
SOCIAL INDICATORS											
Health											
Life expectancy at birth (years)	63.5	64.0	64.6	65.0	65.5	65.9	66.3	66.7	67.1	67.5	
Immunization, DPT (% of children ages 12–23 months)	78.0	71.0	76.0	80.0	78.0	91.0	79.0	78.0	81.0	79.0	18.4
Improved sanitation facilities (% of population with access)	31.0	31.0	31.0	31.0	32.0						
Improved water source (% of population with access)	70.0	70.0	70.0	70.0	70.0						
Infant mortality rate (per 1,000 live births)	24.7	24.1	23.3	22.6	22.0	21.5	20.7	20.2	19.7	18.9	
Education											
School enrollment, preprimary (% gross)	41.0	41.7	42.5			48.8	49.9	44.5	48.9	49.2	
School enrollment, primary (% gross)	92.1	96.7	97.0	99.0	102.8	108.2	109.1			144.8	552.3
School enrollment, secondary (% gross)	24.7	31.8	31.3	30.9	30.6	35.1	35.5			48.4	2.6
Literacy rate, adult total (% of people ages 15 and above)											
Population											20.5
Population, total (thousands)	420.2	432.1	444.3	456.9	469.8	483.0	496.5	510.2	524.1	538.1	
Population growth (annual %)	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.6	
Urban population (% of total)	16.2	16.6	17.0	17.4	17.8	18.2	18.7	19.1	19.6	20.0	

Source: World Development Indicators, January 18, 2013.
Note: DOD = debt outstanding and disbursed; DPT = diphtheria, pertussis, and tetanus vaccine; GDP = gross domestic product; GNI = gross national income; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; LCU = local currency unit; PPP = purchasing power parity.
a. IMF, Article IV Consultations.

b. Article IV Data for Solomon Islands does not include grants.

Appendix G. Republic of Yemen

Country Context

Socioeconomic Environment

1. The Republic of Yemen, formed in 1990 by uniting North and South Yemen, has huge geopolitical importance due to its location. It is bordered in the north by Saudi Arabia, the Red Sea to the west, the Gulf of Aden and Arabian Sea to the south, and Oman to the east. Arabic is the official language, with difficult internal communication due to its many remote valleys in a largely mountainous, arid country. Geography has contributed to Yemen's limited arable land, increased water scarcity, and insufficient infrastructure. It is one of the most food and water insecure countries in the world.

2. Yemen's population was estimated at 24.8 million in 2011, with a 53 percent unemployment rate leading to significantly high levels of emigration. Women continue to suffer from lack of access to basic social services and economic opportunities as well as high levels of gender-based violence. For the past six years, Yemen has ranked last in the Global Gender Gap Index, and remains close to the bottom (82 out of 86 countries) in the 2012 Social Institutions and Gender Index of the Organisation for Economic Co-operation and Development.

Drivers of Conflict and Fragility

3. The World Bank classified Yemen as fragile in 2003 and again since 2009, as reflected in the poor Country Policy and Institutional Assessment rating of 3.0. Yemen is located in an unstable neighborhood with weak institutions; poor press freedoms; strong ethnic, regional, tribal, and religious divisions; massive gender inequality; and a fragile economy and environment.

4. Yemen's major economic resource, oil, is rapidly depleting. Big movements in oil prices create considerable volatility in government fiscal revenues; the weak state is unable to resist corruption or the extraction of private rents from the excessive pumping of underground water for irrigated agriculture. These factors, along with population growth, create an increasingly fragile environment.

5. The country remains politically very weak, with six domestic wars between 2004 and 2011 and several months of protest ultimately resulting in the departure of President Salah in December 2011. Prompted by the Arab Spring, these protests were a direct response to poor governance, high levels of corruption, and abuse of office. Central government is largely absent from remote areas allowing the

credibility of local councils to be undermined by state or tribal capture. Moreover, Yemen's justice system is weak, allowing tribal leaders to assume a more active role in delivering justice, promoting political dialogue and building consensus among political groups, between tribes, with extractive companies, and with the government. Tribal leaders exercise significant discretion in interpreting and applying the law, and it is therefore difficult to assess tribal system contributions toward instability or state building.

6. Yemen's standing on the various Worldwide Governance Indicators has either stagnated or declined over the past 12 years. The revolution and ensuing fragilities resulted in an ambitious two-year plan, launched by the authorities and widely supported by the international community. While the process is inclusive, the outcomes are still uncertain.

World Bank Group Approach

7. In response to the FY03-06 Country Assistance Strategy Completion Report and IEG's FY07 Country Program Evaluation, the Bank recognized the need to change its way of conducting business in Yemen and consequently focused on becoming more selective, using analysis strategically, ensuring dissemination of key knowledge products, providing continuity in its financial support to critical sectors of the economy, and building effective partnerships.

8. Over FY01–12, there was considerable analytical work comprising 51 separate pieces of economic and sector work and 35 technical assistance initiatives spread over the three themes: state building, building citizen capacity, and growth and jobs. These knowledge products and services focused on enhancing dissemination in key areas in order to better leverage support for major government reform priorities. These contributions would help authorities develop their strategy, align donor support around that strategy, provide financial support from the International Development Association (IDA) within this context, and in the process, forge effective partnerships with other agencies.

BUILDING STATE CAPACITY

9. The World Bank saw a weak state as a key constraint to Yemen's development and accordingly focused on improving the quality of governance, public financial management (PFM), and civil service reform. Over FY01–12, the World Bank committed $106.9 million in financing for state-building projects. Bank objectives included more professional civil service, decentralized authority in public service provision, improved judiciary system, and modern PFM. Financing included three Development Policy Lending programs, two for PSM, two civil service modernization projects, a district and community-driven development (CDD) project, and a FY99 approved Legal and Judicial Learning and Innovation Credit. In

FY09, Yemen became a pilot country for the Bank's governance and anticorruption initiative, aimed at strengthening governance through innovative approaches. While Yemen achieved some progress in governance due to the Extractive Industries Transparency Initiative accession, Bank results were disappointing overall. Governance remains weak, civil service reform has yet to show results, and PFM has had minimal impact. These efforts were perhaps too complex, technocratic, without sufficient political will, and insufficiently focused on the need for public support.

STRENGTHENING CITIZEN CAPACITY AND SOCIAL INCLUSION

10. Over FY01–12, the World Bank provided considerable analytical and financial input, committing $495.5 million for strengthening human and social capital. Access to education has progressed at all levels, however quality improvements are less clear. While some support for higher education is in progress, vocational training did not receive adequate support. The Bank provided substantial IDA financing in health, but did not undertake sufficient analytical work, and there has been little progress on addressing population growth. Social protection was strongly supported. While CDD initiatives were successful, the Bank has not yet ensured sustainability of these efforts. Gender achieved favorable results through the Social Fund for Development (SFD) which includes targeting poor women. About half of SFD's beneficiaries are female and about 12 percent are female households. A majority of SFD's microfinance clients are also women. However, Yemen's legal and judicial system received little support, and women continue to face severe legal constrains. Yemen remains one of the few countries with no gender nondiscrimination clause in the Constitution. Overall, Bank support for citizen capacity and social inclusion produced mixed results with good progress in some areas, but gaps in others.

SUPPORT FOR GROWTH AND JOBS

11. The major share of IDA analytical work and financing has supported the development of growth and jobs, committing $1.05 billion in FY01–12. During the same period, IFC committed $168 million to support investments mainly in manufacturing and consumer and social sectors, as well as $15.4 million funding for advisory services activities. Progress on improving the investment climate and helping to diversify the economy was modest. The focus remained on increasing non-oil growth, improving fiscal sustainability, and addressing the resource sustainability crisis. While support significantly increased temporary employment, there was a lack of focus on sustainable livelihoods, long-term employment, and the role of women. Improvements in public works and the overall environment were more substantial. Projects in the water, agriculture, environment, transport, urban, and energy sectors made significant progress. Bank support for growth and jobs were overall successful, but important objectives were not achieved. Notably, there was little diversification of the economy away from oil and inadequate creation of

sustainable jobs. Migration to neighboring countries is an important livelihood strategy for the youth, but has received no attention. Yemen continues to face daunting challenges in view of rapid population growth, a lack of access to land, and an urgent need for economic diversification.

12. Overall, World Bank support showed favorable results in some areas, notably PFM, education, transport, temporary job creation, and service delivery through two autonomous institutions, the SFD and the Social Welfare Fund. Sustained efforts to address several important areas of fragility had limited impact on water, diversified growth, and governance. Support to government reform, justice, and skill development was provided early, but not maintained due to lack of government ownership. Additionally, security arrangements following the 2011 conflict seemed to exacerbate existing fragilities. The Bank withdrew country staff during the conflict, and disbursements were suspended, followed by a subsequent official suspension in the same year. Funding for client services declined from $8 million in FY10 to a post-conflict level of $4 million. Bank efforts to lessen use of enclave Project Management Units (PMUs) were unsuccessful as noted in successive country assistance strategy reports. The World Bank Portfolio FY06–12 reflected this in the $47 million spent in PMU costs of the total $1.7 billion in project costs. The Independent Evaluation Group assessed 39 programs during FY00–12, with 63 percent rated satisfactory. While progress is evident, Bank processes in fragile conditions are perceived by the client as overly complex and slow.

Recent Developments

13. By the early 2000s, Yemen appeared poised for continued economic progress, with falling poverty and improving social indicators, but this trend did not last. Total budget for operational services increased steadily until the 2011 revolution at which point Bank budget decreased sharply. Lending declined to $421,000 compared with the initial $3.21 billion in FY01. Yemen is likely to remain fragile for some years with a high risk of renewed conflict as it confronts a wide range of intractable political, security, and economic issues. Nonetheless, the inclusive political process adopted for a national dialogue has led to an overall sense of optimism and hope for inclusive change, despite the many security, legitimacy, and capacity challenges. While the Bank's number of active projects in Yemen has slightly declined since its 2011 pre-conflict peak, there were still 34 active projects in FY12, 50 percent higher than in FY01.

14. The Bank's current focus is on strengthening foundations for public sector governance, improving the tax regime, maintaining investment law, restructuring the General Investment Authority, improving the fisheries sector, and supporting establishment of rural farm producer groups. An avenue for the bank to explore under the growth and jobs theme is the proactive management of migration as some other countries have done successfully.

Table G.1. Total Lending Commitments by Theme (FY01–12, US$ millions)

	FY01–06	FY07–12
World Bank (IDA and trust funds)		
Theme I: building capacity of state	21.21	78.26
Theme II: building capacity of citizens	395.26	373.21
Theme III: promoting growth and jobs	427.20	401.83
Total	*843.67*	*853.30*
IFC investment commitment, growth and jobs	36.5	131.5
MIGA guarantee gross exposure, growth and jobs	—	—

Note: **IFC = International Finance Corporation; MIGA = Multilateral Investment Guarantee Agency.**

Table G.2: Actual Cost and Number of Analytical and Advisory Services Delivery by Theme in Yemen (FY01–12, US$ thousands)

	Cost of ESW		Cost of TA		Number of ESW operations		Number of TA operations	
	FY01–06	FY07–12	FY01–06	FY07–12	FY01–06	FY07–12	FY01–06	FY07–12
Theme I: building capacity of state	1,372.58	673.32	419.86	1,101.37	11	4	7	10
Theme II: building capacity of citizens	1,013.27	1,377.71	690.14	686.44	10	7	9	7
Theme III: promoting growth and jobs	1,411.34	943.30	602.74	2,359.23	10	6	6	10
Total	*3,797.19*	*2,994.33*	*1,712.74*	*4,147.04*	*31*	*17*	*22*	*27*

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

Table G.3a. Yemen: Ratings of Projects Evaluated by the Independent Evaluation Group, FY01-12 (by number of projects)

Fiscal years	Country or region	Number of Projects Evaluated	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
01–06	Yemen	19	66.7	--	33.3	75.0	57.9	57.9
	MNA	141	74.8	50.0	37.8	72.3	75.7	71.4
	World	1,736	76.7	65.0	51.3	76.3	79.0	75.6
07–12	Yemen	14	57.1	35.7	--	--	57.1	50.0
	MNA	108	63.5	42.9	--	--	63.0	62.0
	World	1,286	72.5	56.8	85.7	85.7	73.5	72.4
01–12	Yemen	33	62.5	35.7	33.3	75.0	57.6	54.5
	MNA	249	70.0	43.6	37.8	72.3	70.2	67.3
	World	3,022	74.9	58.3	51.5	76.4	76.7	74.2

Table G.3b. Yemen: Ratings of Projects Evaluated by the Independent Evaluation Group, FY01-12 (by commitment volume)

Fiscal years	Country or region	Commitment Volume (US$, millions)	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
01–06	Yemen	508	81.1	--	46.9	88.5	66.3	68.8
	MNA	5,380	83.2	88.6	42.5	84.3	78.8	75.6
	World	123,688	81.2	73.9	54.8	82.0	84.7	80.6
07–12	Yemen	597	52.5	38.6	--	--	52.5	45.6
	MNA	7,295	69.5	55.3	--	--	72.4	79.7
	World	95,912	82.2	66.3	94.9	94.9	80.5	82.3
01–12	Yemen	1,105	65.6	38.6	46.9	88.5	58.9	56.2
	MNA	12,675	75.3	56.8	42.5	84.3	75.1	77.9
	World	219,600	81.6	67.9	55.2	82.1	82.9	81.3

Note: a. %Sat = moderately satisfactory or higher
b. RDO = Risk to development outcomes
c. Inst Dev impact = Institutional Development Impact

Table G. 3. Yemen Country Budget (constant 2011 US$ thousands)

A. Share of the Bank's internal funds for operational services												
Fiscal years	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	5,942	7,105	5,544	6,846	6,805	6,571	6,510	7,188	7,437	8,043	5,595	4,016
o/w Supervision	2,292	2,232	1,955	2,503	2,880	2,681	3,003	2,914	2,867	2,757	2,967	2,310
o/w Lending	2,206	2,633	1,140	1,672	1,806	1,324	1,041	1,770	1,652	2,299	1,012	431
o/w ESW	857	1,219	1,640	1,805	1,506	1,480	1,461	1,556	2,245	1,629	741	649
o/w TA	93	241	716	723	483	506	225	395	955	921	331	153
Share of the BB for project supervision per active project												
Number of active projects	22	22	20	21	20	20	22	28	32	39	40	34
Supervision budget per active project (US$ thousands)	104	101	98	119	144	134	137	104	90	71	74	68
B. Share of trust funds for operational services												
Fiscal years	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	1,499	742	873	862	1,142	1,014	1,707	2,655	2,791	2,961	2,425	1,072
o/w Supervision	393	156	289	164	37	312	401	353	313	567	710	587
o/w Lending	1,007	355	165	106	209	78	74	193	327	589	382	(10)
o/w ESW	98	230	419	592	855	132	231	657	608	885	858	280
o/w TA	-	-	183	452	239	53	142	565	531	716	751	280
Share of trust funds for project supervision per active project												
Number of active projects	22	22	20	21	20	20	22	28	32	39	40	34
Supervision budget per active project (US$ thousands)	18	7	14	8	2	16	18	13	10	15	18	17
C. Total budget for operational services												
Fiscal years	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Client services	7,440	7,847	6,417	7,708	7,948	7,585	8,217	9,843	10,229	11,005	8,020	5,089
o/w Supervision	2,685	2,388	2,243	2,667	2,917	2,993	3,404	3,267	3,180	3,324	3,677	2,897
o/w Lending	3,212	2,988	1,305	1,778	2,015	1,403	1,116	1,963	1,980	2,888	1,394	421
o/w ESW	955	1,450	2,059	2,397	2,361	1,611	1,692	2,213	2,853	2,514	1,599	929
o/w TA	93	241	899	1,175	722	559	367	960	1,487	1,637	1,081	433
Supervision per active project (US$ thousands)												
Number of active projects	22	22	20	21	20	20	22	28	32	39	40	34
Supervision budget per active project (US$ thousands)	122	109	112	127	146	150	155	117	99	85	92	85

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

Table G.4. Economic and Social Indicators for Yemen (2001–2011)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
ECONOMIC INDICATORS											
Growth											
GDP growth (annual %)	3.8	3.9	3.7	4.0	5.6	3.2	3.3	3.6	3.9	7.7	-10.5
GNI per capita, Atlas method (current US$)	470.0	510.0	530.0	600.0	690.0	780.0	870.0	980.0	1,070.0	1,160.0	1,070.0
GNI per capita, PPP (current international $)	1,800.0	1,830.0	1,860.0	1,910.0	2,020.0	2,160.0	2,230.0	2,270.0	2,380.0	2,470.0	2,170.0
GDP per capita growth (annual %)	0.7	0.8	0.6	0.8	2.4	0.1	0.2	0.5	0.7	4.5	-13.2
Agriculture, value added (% of GDP)	14.1	13.3	12.9	11.7	10.5	10.1	10.4	9.0	9.9	7.7	
Industry, value added (% of GDP)	42.4	42.1	43.0	45.2	49.0	49.2	36.3	34.4	37.7	29.4	
Services and other, value added (% of GDP)	43.5	44.6	44.1	43.1	40.5	40.6	53.3	56.7	52.4	62.9	
Macroeconomic											
Gross capital formation (% of GDP)	19.6	18.5	20.7	20.3	18.5	16.4	17.2	15.4	13.5	11.7	
Gross domestic savings (% of GDP)	20.5	17.8	19.2	21.2	23.5	16.8	9.9	9.8	2.0	7.6	
Inflation, consumer prices (annual %)	11.9	12.2	10.8	12.5	11.8	10.8	7.9	19.0	5.4	11.2	16.4
Real effective exchange rate index (2005 = 100)											
Official exchange rate (LCU per US$, period average)	168.7	175.6	183.4	184.8	191.5	197.0	199.0	199.8	202.8	219.6	213.8
Gross national expenditure (% of GDP)	99.1	100.7	101.5	99.1	95.0	99.6	107.3	105.6	111.6	104.1	
Foreign direct investment (% of GDP)	1.6	1.1	-0.8	1.0	-1.8	5.9	4.2	5.8	0.5	-0.3	-2.1
External Balance											
Exports of goods and services (% of GDP)	35.9	37.0	36.4	36.4	40.9	41.3	35.9	37.8	28.2	30.5	
Imports of goods and services (% of GDP)	35.0	37.7	37.9	35.5	35.9	40.8	43.2	43.4	39.8	34.6	
Current account balance (% of GDP)	6.8	5.0	1.3	1.6	3.7	1.1	-7.0	-4.6	-10.2	-4.4	-3.0
Current account, including grants	5.3	5.4	1.1	1.0	3.8	1.1	-7.0	-2.0	-1.2	-1.5	-1.9
External debt stocks (% of GNI)	56.7	54.1	51.4	44.8	36.3	32.0	30.3	25.3	28.1	22.9	20.5
Total debt service (% of GNI)	2.8	1.8	1.7	1.8	1.4	1.3	1.3	1.1	1.1	0.9	0.9
Gross fixed capital formation (% of GDP)	19.6	18.5	20.7	20.3	18.5	16.4	17.2	15.4	13.5	11.7	
IBRD loans and IDA credits (DOD, current US$)	—	—	—	—	—	—	—	—	—	—	—
Fiscal accounts[a] (% of GDP)											
Total revenue[b]	*35.3*	*33.6*	*33.1*	*35.0*	*34.9*	*38.6*	*33.2*	*37.4*	*24.9*	*24.6*	*26.0*
Of which oil revenue	25.3	22.3	23.6	25.2	26.2	28.9	22.6	27.5	14.4	14.2	13.2

Revenue, excluding grants (% of GDP)					34.5	38.2	32.8				
Total expenditure	*32.8*	*34.8*	*38.2*	*39.4*	*36.8*	*37.4*	*40.3*	*43.0*	*30.6*	*29.5*	*28.7*
Current	25.2	27.7	28.6	29.6	26.9	28.2	31.4	34.6	23.6	22.4	21.4
Development	7.5	7.1	9.7	8.8	8.1	—	—	—	—	—	—
Health expenditure, public (% of GDP)	2.5	2.4	2.6	2.0	1.7	1.7	1.6	1.7	1.5	1.3	
Military expenditure (% of GDP)	5.5	6.9	6.8	5.3	4.9	4.3	4.9	4.4			
Public spending on education, total (% of GDP)	9.2							5.2			
Overall balance, including grants (commitment basis)	2.6	-1.2	-5.2	-4.4	-1.8	1.2	-7.2	-5.6	-5.7	-4.8	-2.8
Public debt (% of GDP)	60.7	57.8	56.8	52.1	43.8	40.8	40.4	36.4	49.9	40.9	42.4
Official external debt, (after rescheduling)	4,870.0	4,852.0	4,978.0	5,075.0	1,405.0	1,535.0	1,741.0	2,024.0	2,341.0	2,670.0	2,888.0
SOCIAL INDICATORS											
Health											
Life expectancy at birth (years)	60.3	60.9	61.5	62.1	62.6	63.2	63.7	64.1	64.6	65.0	65.5
Immunization, DPT (% of children ages 12-23 months)	76.0	69.0	66.0	78.0	85.0	85.0	87.0	87.0	86.0	87.0	81.0
Improved sanitation facilities (% of pop with access)	41.0	43.0	44.0	45.0	47.0	49.0	50.0	52.0	52.0	53.0	
Improved water source (% of population with access)	59.0	59.0	58.0	57.0	57.0	56.0	55.0	55.0	55.0	55.0	
Infant mortality rate (per 1,000 live births)	70.0	68.7	67.3	65.8	64.5	63.2	61.8	60.7	59.4	58.3	57.0
Education											
School enrollment, preprimary (% gross)	0.6	0.7	0.8	0.8	0.9			1.1		1.2	1.3
School enrollment, primary (% gross)	78.4	80.5	83.6	86.6	88.6			87.0		87.3	90.6
School enrollment, secondary (% gross)	44.6		46.2	47.2	46.0			43.3		44.1	45.8
Literacy rate, adult total (% of people ages 15 and above)					54.7						63.9
Population											
Population, total (thousands)	18,266.0	18,831.8	19,419.7	20,026.1	20,648.6	21,288.1	21,947.0	22,626.6	23,328.2	24,052.5	24,799.9
Population growth (annual %)	3.0	3.1	3.1	3.1	3.1	3.0	3.0	3.0	3.1	3.1	3.1
Urban population (% of total)	26.8	27.3	27.9	28.4	28.9	29.5	30.1	30.6	31.2	31.7	32.3

Source: World Development Indicators, January 18, 2013.
Note: DOD = debt outstanding and disbursed; DPT = diphtheria, pertussis, and tetanus vaccine; GDP = gross domestic product; GNI = gross national income; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; LCU = local currency unit; PPP = purchasing power parity.
a. IMF, Article IV Consultations.
b. Article IV Data for Yemen does not include grants.

Appendix H. Perception Survey of World Bank Group Staff and Stakeholders

1. The Independent Evaluation group (IEG) conducted staff and stakeholder surveys to assess the responsiveness and effectiveness of the World Bank Group in fragile and conflict-affected states (FCS). The surveys were fielded in July and August 2013 and were sent to 745 Bank Staff, 436 IFC and MIGA staff, and 316 stakeholders working on FCS issues. Responses were received from 143 Bank staff, 64 IFC and MIGA staff, and 60 stakeholders.

2. Bank, IFC, and MIGA staff included those at headquarters and in FCS country and regional offices. Stakeholders included donor representatives, government representatives, and other in-country stakeholders. If respondents worked on more than one fragile and conflict-affected country, they were asked to answer the survey for the country they were from or focused on most.

3. The survey was tailored for each of the two main groups. Stakeholders were asked about their knowledge of the World Bank's FCS approach, the effectiveness of Bank support to FCS, and the relevance and evolution of the Bank's approach. Bank, IFC, and MIGA staff received additional questions about their views on internal Bank support for FCS work.

4. The Bank staff survey consisted of 45 questions, and the stakeholder survey consisted of 22 questions with a 5- or 6-point response scale. An additional open-ended question accompanied each survey. The IFC and MIGA staff survey consisted of 38 open-ended and multiple choice questions. The response rate calculations in this analysis drop all missing entries from the denominator.

5. Key messages and results are highlighted below first for the Bank staff and stakeholder survey, followed by the IFC and MIGA survey. A complete list of survey questions is appended.

Internal World Bank Support for FCS Work

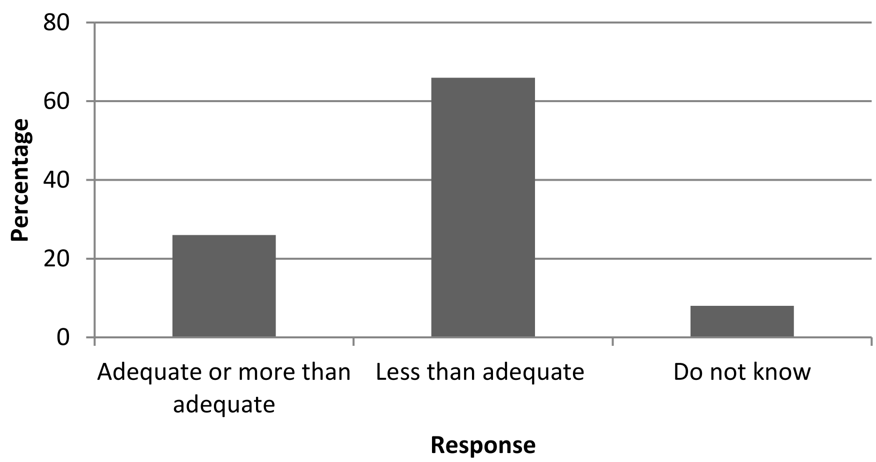
6. Overall, Bank staff did not feel that FCS received an adequate bank budget in relation to the opportunities and challenges facing their country of focus (Figure H.1).

7. Bank staff are also divided on whether Bank lending, grant support, and nonlending support receive an adequate budget relative to other priorities: 44 percent of staff believed that lending and grant support receives an adequate budget to a

moderate or large extent whereas 48 percent believed that it receives an adequate budget to a slight extent or not at all. Similarly, almost half believed that nonlending support receives an adequate budget to a moderate or large extent.

8. A large proportion of staff working on FCS issues experienced no improvements with respect to the following human resource matters: overall career prospects, overall compensation, realism in expectations by Bank management about what can be accomplished, and efforts made by the Bank to ensure personal safety and security. However, consistent with the 2006 IEG evaluation of the Low-Income Countries Under Stress initiative, safety and security was identified as the area where the largest proportion of staff (36 percent) experienced improvements.

Figure H.1. Overall Level of Bank Budget Available to FCS



9. Disaggregating these results by FCS country and regional offices and by locally and internationally hired staff reflected some nuances in perception of human resource matters. In relation to the Bank-wide survey average, a larger proportion of staff in FCS country and regional offices experienced improvements on all aspects of human resources, with the greatest improvements identified in safety and security matters (41 percent of staff).

10. Staff hired internationally and based in FCS country or regional offices experienced greater improvements in overall career prospects (24 percent) and overall compensation (35 percent) in relation to locally hired staff and the Bank survey average. However, almost half of internationally hired staff indicated no change in their overall career prospects, overall compensation, and realism in expectations by Bank management.

11. Bank staff are not sufficiently informed on the role of the Center on Conflict, Security and Development (CCSD). Almost a third of respondents indicated that they did not have enough information to answer questions relevant to CCSD. A third of respondents (35 percent) felt that CCSD provided substantive support for fragility assessments and CASs to a large or moderate extent. On the other hand, a large proportion of staff (45 percent) felt that CCSD has been to a slight extent or not all effective on providing substantive support for projects.

12. Most staff believed they were familiar with the World Bank's approach in FCS; 79 percent said they were familiar to a large or moderate extent. Of these staff, 46 percent was based in headquarters whereas 54 percent was based in FCS country offices and other regional offices.

Effectiveness of World Bank Support

13. Among staff and stakeholders, the Bank is seen to have made a positive contribution to development in FCS countries.

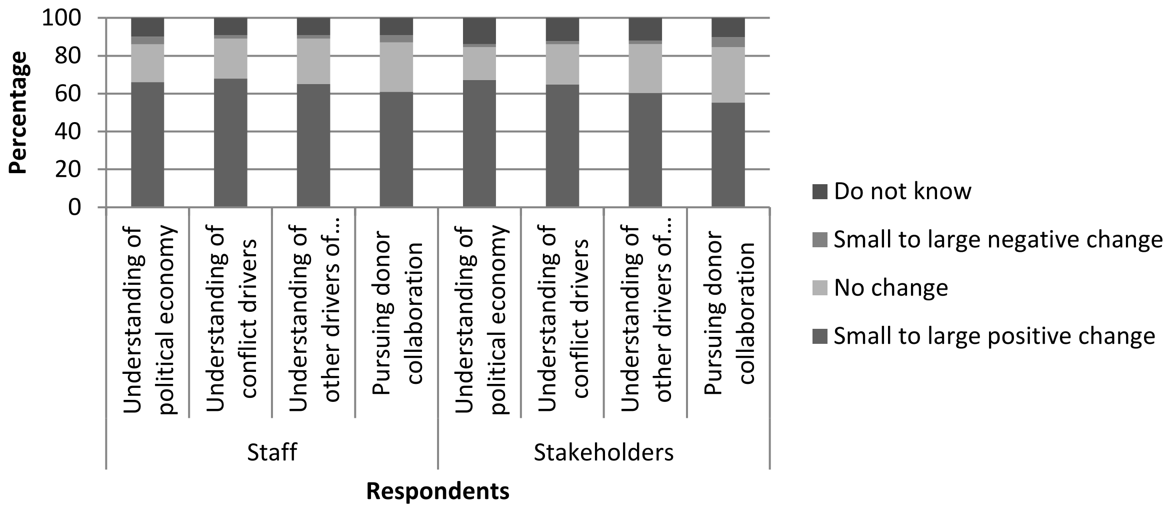
14. Almost two-thirds of staff and over half of stakeholders felt that Bank financial support has achieved its intended results, whereas half of staff and stakeholders felt that analytical work and technical assistance has achieved its intended results.

15. A large proportion of staff and stakeholders felt that the Bank has made a small or large positive contribution to service delivery and government capacity in their FCS country of focus. However, a third of stakeholders (30 percent) and almost half of staff (48 percent) felt that the Bank has defined clear and monitorable indicators to measure success in FCS only to a slight extent or not at all.

Relevance and Evolution of the World Bank's Approach

16. In the last two years, the Bank's approach to development in FCS is seen to have undergone positive change. A majority of respondents to the stakeholder and staff surveys noted an improvement over the past two years, to a large or moderate extent, on the Bank's understanding of the following issues: the country's political economy, the country's conflict drivers, other drivers of fragility in the country, and effectiveness in pursuing donor collaboration (Figure H.2).

Figure H.2. Change in the World Bank's Approach to Development in FCS



17. Staff overwhelmingly believed that World Bank country offices and visiting missions made a positive contribution in supporting development in FCS. Among stakeholders, 91 percent felt that World Bank country offices made a positive contribution, and a smaller proportion (67 percent) felt that visiting missions made a positive contribution to development in their country of focus (Table H.1).

18. Staff and stakeholders were also asked what, in their opinion, is the single, most important thing the Bank Group should do to increase the effectiveness of its support to FCS. While the responses varied substantially, some of the following themes were most prominent:

- The need for more substantial analysis of conflict drivers and country context
- Greater flexibility in Bank policies and procedures
- Less risk-averse decision making by the Bank and its staff

Table H.1. Contribution of World Bank Country Office and Mission Visits (by percentage of respondents)

	Small to large positive contribution		No contribution		Small to large negative contribution		Do not know	
	Staff	Stakeholder	Staff	Stakeholder	Staff	Stakeholder	Staff	Stakeholder
Contribution of World Bank's country office in supporting the development of FCS	85	91	7	7	5	0	3	2
Contribution of visiting World Bank missions in supporting the development of FCS	85	67	4	21	4	2	7	11

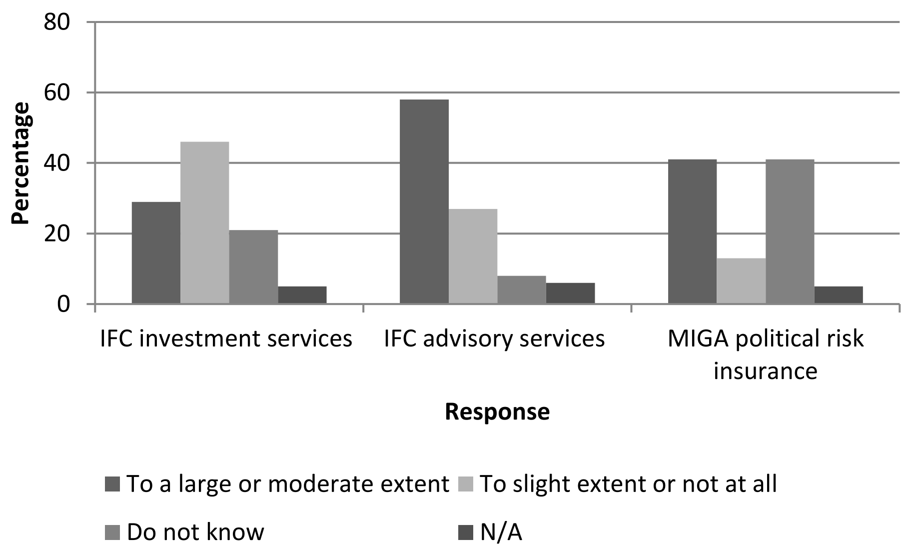
IFC and MIGA Staff Views

19. Over two-thirds of respondents felt that IFC investments, MIGA guarantees, and IFC Advisory Services (AS) had been timely, and had addressed key constraints for the private sector and for growth and employment generation to a large or moderate extent. However, slightly less than half felt that the above instruments had achieved their intended results to a large or moderate extent.

20. A large proportion of respondents believed that project monitoring had been successful; almost two-thirds of respondents believed that project monitoring provided relevant information for changes needed during project implementation to a large or moderate extent. Over half felt that IFC and MIGA acted on information from project monitoring to address FCS-specific risks.

21. Respondents were less optimistic about how well IFC and MIGA instruments had been adapted to the reality and constraints in FCS. IFC AS were seen as most adapted to FCS contexts (Figure H.3).

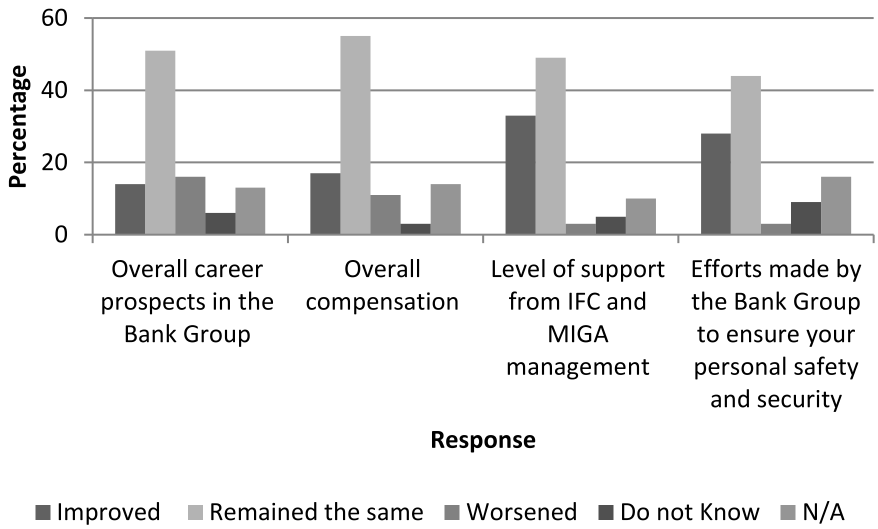
Figure H.3. IFC or MIGA Instruments Adapted and Tailored to the Reality and Constraints in FCS



22. Respondents were also divided on the level of adaption of IFC and MIGA operational policies to FCS contexts. Over half of respondents felt that project appraisal had been adapted to a slight extent or not at all to the low capacity or high risk environments of FCS whereas half the respondents felt that project supervision had been adapted to FCS environments to a large or moderate extent.

23. Similar to Bank staff, a large proportion of IFC and staff working on FCS issues experienced no improvements with respect to the following human resource matters: overall career prospects, overall compensation, level of support from IFC and MIGA management, and efforts made by the Bank to ensure personal safety and security. However, approximately a third of respondents experienced improvements in safety and security, and management support. In relation to the overall survey average, a larger proportion of respondents in FCS country and regional offices experienced improvements in overall compensation (25 percent), level of support from management (33 percent), and personal security and safety (43 percent).

Figure H.4. Views of IFC and MIGA Staff Working on FCS Issues about Human Resources Incentives



24. Most respondents also believed that the presence of a country office positively facilitated IFC's project level engagement in FCS.

Survey of World Bank Support to Fragile and Conflict-Affected States

Section 1. Responses of the World Bank Staff on Internal World Bank Support for FCS Work

Staff Only

Questions	Response
Q1 To what extent do you think the Bank's operational policies and procedures listed below are adapted to the low capacity or higher risk environments of the FCS country you most focus on?	
a. Project preparation b. Project supervision/implementation support c. Procurement procedures d. Financial management procedures	• To a large extent • To a moderate extent • To a slight extent • Not at all • Do not know
Q2 Is the overall level of Bank Budget (BB) available to the FCS country you most focus on adequate given the opportunities and challenges facing the country?	• More than adequate • Adequate • Less than adequate • Do not know
Q3 To what extent has the Bank's lending and grant support (through projects or programs) in the country you most focus on been given adequate Bank budget and senior management attention for the following:	
a. Bank's lending and grant support has been given adequate Bank Budget (BB) relative to other priorities b. Bank's lending and grant support has received adequate senior management attention or involvement	• To a large extent • To a moderate extent • To a slight extent • Not at all • Do not know
Q4 To what extent has the Bank's non-lending support (through analytical work, policy dialogue, and technical assistance) in the country you most focus on been given adequate resources and senior management attention for the following:	
a. Bank's non-lending support has been given adequate Bank Budget (BB) relative to other priorities b. Bank's non-lending support has received adequate senior management attention or involvement	• To a large extent • To a moderate extent • To a slight extent • Not at all • Do not know
Q5 When working on a FCS country, what has been your experience in each of the following human resource matters? Have the following improved, remained the same, or worsened:	
a. Your overall career prospects in the Bank (promotions, obtaining good jobs in the future, etc.) b. Your overall compensation (salary increases, hardship allowances, etc.) c. Realism in expectations by Bank Management about what can be accomplished d. Efforts made by the Bank to ensure your personal security and safety	• Improved • Remained the same • Worsened • Do not know
Q6 If you have used the World Bank's policy for emergency procedures (OP 8.00) for any projects you managed, to what extent did you find it useful in (mark all that are applicable):	• Shortening preparation time? • Providing more flexibility in procurement? • Ease in establishing financial management systems? • speeding up safeguards procedure • faster implementation • Flexibility in design? • None of the above?
Q7 To what extent has the Bank's Center on Conflict, Security and Development been effective with regard to:	
a. Providing substantive support for development of country assistance strategies? b. Providing substantive support for projects c. Providing substantive support for fragility assessment d. Unlocking procedural or policy difficulties at Headquarters e. Getting visibility and support from Senior Management	• To a large extent • To a moderate extent • To a slight extent • Not at all • Do not know

Section 2. Responses by Stakeholder Group

Staff and Stakeholders

I. Your Knowledge of the World Bank's FCS Approach	
Q1 To what extent do you think World Bank financial support through projects or programs to the FCS country you most focus on/your country	
a. Has been timely? b. Has had an influence on government policies? c. Has achieved its intended results	• To a large extent • To a moderate extent • To a slight extent • Not at all • Do not know

APPENDIX H
PERCEPTION SURVEY OF WORLD BANK GROUP STAFF AND STAKEHOLDERS

Q2 To what extent do you think World Bank support through analytical work and technical assistance to the FCS country you most focus on/your country

a. Has been timely?
b. Has had an influence on government policies?
c. Has achieved its intended results

- To a large extent
- To a moderate extent
- To a slight extent
- Not at all
- Do not know

Q3 In general, what contribution have the reforms supported by the World Bank made to development in the FCS country you most focus on/your country?

- Large positive contribution
- Small positive contribution
- No contribution
- Small negative contribution
- Large negative contribution
- Do not know

Q4 If the World Bank has used nongovernmental, civil society or private service providers to deliver services, what effect have they had on service delivery in the FCS country you most focus on/your country?

- Large positive contribution
- Small positive contribution
- No contribution
- Small negative contribution
- Large negative contribution
- Do not know

Q5 Overall, what contribution has the World Bank's assistance made in helping to develop long-term government capacity in the FCS country you most focus on/your country?

- Large positive contribution
- Small positive contribution
- No contribution
- Small negative contribution
- Large negative contribution
- Do not know

Q6 To what extent has the World Bank defined clear and monitorable indicators to measure "success" in the FCS country you most focus on/your country?

- To a large extent
- To a moderate extent
- To a slight extent
- Not at all
- Do not know

II. Your Views about the Relevance and Evolution of the World Bank's Approach

Q1 In the last two years, what change has there been in the World Bank's approach to development in the FCS country you most focus on/your country

a. Changes in the last two years in the World Bank's understanding of the country's political economy
b. Changes in the last two years in the World Bank's understanding of the country's conflict drivers
c. Changes in the last two years in the World Bank's understanding of other drivers of fragility in the country
d. Changes in the last two years in the World Bank's effectiveness in pursuing donor collaboration

- Large positive change
- Small positive change
- No change
- Small negative change
- Large negative change
- Do not know

III. Your Overall Impressions

Q1 In your opinion, to what extent has the World Bank Group strategy to assist the FCS country you most focus on/your country been relevant to the needs of the country?

- To a large extent
- To a moderate extent
- To a slight extent
- Not at all
- Do not know

Q2 In your opinion, to what extent has the World Bank Group strategy to assist the FCS country you most focus on/your country been realistic to the conditions in the country?

- To a large extent
- To a moderate extent
- To a slight extent
- Not at all
- Do not know

Q3 What contribution has the World Bank's country office made in supporting the development of the FCS country you most focus on/your country?

- Large positive contribution
- Small positive contribution
- No contribution
- Small negative contribution
- Large negative contribution
- Do not know

Q4 What contributions have the visiting World Bank missions made in supporting the development of the FCS country you most focus on/your country?

- Large positive contribution
- Small positive contribution
- No contribution
- Small negative contribution
- Large negative contribution
- Do not know

Q5 In your opinion, what is the single, most important thing the Bank Group should do to increase the effectiveness of its support to FCS?

Staff Survey: IFC and MIGA staff

I. Your Views about the Relevance and Effectiveness of World Bank Group Support to Private Sector Development

Questions	Respond
Q1 To what extent do you think IFC investments/MIGA guarantees/ IFC advisory services in the FCS country you most focus on?	
a. Have been timely? (Please specify which instruments were most relevant to your work. If none were relevant, please also explain.) b. Have focused on or addressed key constraints for the private sector and for growth and employment generation in the country? (Please specify which FCS-specific constraints you have encountered and the key interventions used to address these constraints. If constraints were not addressed, or not sufficiently addressed, please also explain) c. Have been coordinated with other support for private sector development by the members of the Bank Group (World Bank, IFC, and MIGA) in the same country? (Briefly explain key coordination activities or missed opportunities to engage with others) **d.** Have achieved their intended results (Briefly explain key factors that led to success or failure of IFC lending or advisory services or MIGA guarantees)	• To a large extent • To a moderate extent • To a slight extent • Not at all • Do not know • N/A
Q2 To what extent has IFC's or MIGA's work in the FCS country/ies you most focus on been adequately grounded in an understanding of the country's political economy and conflict drivers?	• To a large extent • To a moderate extent • To a slight extent • Not at all • Do not know • N/A
Q3 To what extent did the monitoring of projects in the FCS country/ies you are most familiar with provide IFC or MIGA with relevant information for changes needed during project implementation?	
a. To what extent did IFC or MIGA act on information from project monitoring to address FCS-specific risks or performance patterns in their projects?	• To a large extent • To a moderate extent • To a slight extent • Not at all • Do not know • N/A

II. Internal World Bank Group Support for FCS Work

Questions	Respond
Q4 To what extent do you think the IFC or MIGA instruments listed below are adapted and tailored to the reality and constraints in FCS?	
a. IFC investment services (including short term instruments such as GTFP). b. IFC Advisory services (including both government and private sector focused) c. MIGA political risk insurance	• To a large extent • To a moderate extent • To a slight extent • Not at all • Do not know • N/A
d. Briefly specify how IFC or MIGA instruments were adapted and tailored to FCS needs and constraints, or how they would need to be adapted to the FCS context for improved effectiveness.	
e. Please provide your views on how best to use IFC's or MIGA's available instruments to achieve greater project effectiveness.	
Q5 To what extent do you think the IFC's or MIGA's operational policies and procedures listed below are adapted to the low capacity or higher risk environments of the FCS country/ies you most focus on?	
a. Project appraisal: project risk assessment and credit review b. Environmental and social review at appraisal c. Sponsor integrity due diligence at appraisal d. Project supervision/implementation support	• To a large extent • To a moderate extent • To a slight extent • Not at all • Do not know • N/A
e. Please comment on the key enablers or constraints related to IFC or MIGA policies and procedures you have encountered in the FCS country/ies you most focus on.	
Q6 To what extent has IFC / MIGA provided adequate resources relative to other priorities for projects and programs in the FCS country you most focus on?	
a. To what extent has IFC / MIGA provided adequate senior management attention relative to other priorities for projects and programs in the FCS country you most focus on?	• To a large extent • To a moderate extent • To a slight extent • Not at all • Do not know • N/A
Q7 When working on a project in an FCS country, what has been your experience in each of the following human resource matters?	
a. Would you say your overall career prospects in the Bank Group including IFC and MIGA (promotions, performance awards, obtaining good jobs in the future, etc.) have. b. Would you say your overall compensation (salary increases, hardship allowances, etc.) has.	• Improved • Remained the same • Worsened

c. Would you say the level of support from IFC and MIGA management has. d. Would you say efforts made by the Bank Group to ensure your personal security and safety have. e. Please specify institutional policies that either incentivize or deter IFC or MIGA engagement in FCS.	• Don't Know • N/A
Q8 To what extent has the presence of a country office facilitated IFC's project level engagement in the FCS country/ies you most focus on?	• To a large extent • To a moderate extent • To a slight extent • Not at all • Do not know • N/A

Appendix I. Fragile and Conflict-Affected States Status and the Millennium Development Goals

Summary

1. The 2011 World Development Report (WDR) warned that conflict and violence would prevent the FCS countries from achieving any of the Millennium Development Goals (MDGs). However, a report released in the same year by the Center for Global Development (CGD), drawing on World Development Indicators (WDI) data, found that some FCS were progressing at an adequate pace to achieve several of the MDG targets. Independent Evaluation Group (IEG) estimates from these country-level data that FCS as a group (both Always and Partial) were on track to achieve an average of three out of the eight targets analyzed. Always FCS were projected to achieve the fewest MDGs compared to the Partial and Never FCS groups.

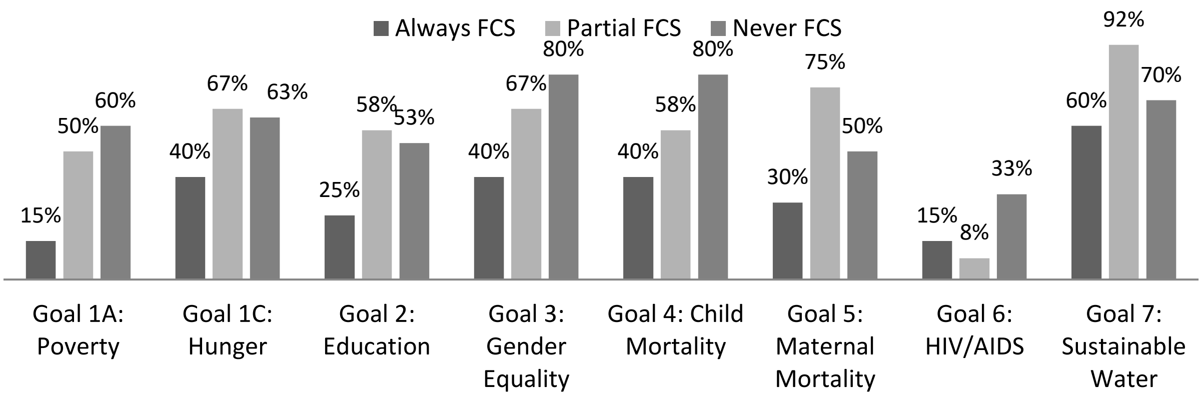
2. The average country in the Always FCS group is expected to achieve fewer than two targets. FCS were most likely to meet the environmental sustainability goal of halving the proportion of people without sustainable access to safe drinking water. On the other hand, the Always FCS group has made less progress in the areas of poverty reduction and prevention of HIV/AIDS. Guinea is the only country in the Always FCS group that is projected to meet the poverty reduction goal. Seven FCS are not projected to meet any of the goals, but four of these will make at least 50 percent progress toward one or more goals.

3. A substantial gap exists between FCS and Never FCS in maternal and child health. In 2010, the latest year of available data in the WDI, infant mortality stood at 71 per 1,000 live births in FCS countries while the rate was only 53 in Never FCS countries. The maternal mortality rate in FCS countries is also much higher; 534 deaths per 100,000 live births in FCS versus only 350 in Never FCS. In terms of women's empowerment, girls face more limited access to education in FCS, with a 10 percent gap between male and female youth literacy in FCS countries compared to only a 2 percent gap in the Never FCS group.

4. The Never FCS group is expected to meet four of the targets on average. Unlike the FCS, the Never FCS group is most likely to meet the health-related goals: 80 percent of them are expected to reduce child mortality by two-thirds and maternal mortality by three-quarters, which is double the proportion of FCS which will do so. In the Never FCS group, African countries stand out as the low performers: Kenya, Madagascar, and Tanzania will likely achieve only two out of

eight goals studied. Small islands like Marshall Islands and the Federated States of Micronesia also do poorly compared to the rest of the Never FCS group, but other island states stand out as relatively good performers among the Partial FCS group. Overall, no particular region may be said to be progressing most toward the MDGs as there is substantial variation within each region, but FCS as a whole do worse than other IDA countries.

Figure I.1. Progress toward MDG Targets by FCS Classification (by percentage)



Source: IEG calculations based on the Center for Global Development's MDG Progress Index of 2011.
a. For a detailed description of each goal and target, see Table I.8.
b. Percentages show the share of countries in the group which are expected to make at least 50 percent progress toward the goal by 2015.

Introduction

5. The 2011 WDR warned that conflict and violence would prevent the FCS countries from achieving any of the MDGs. However, a report released in the same year by the CGD drawing on WDI data found that many FCS countries were progressing at an adequate pace to achieve at least a few of the MDG targets.

6. It is clear from the data reported in Table I.1 that the FCS perform poorly compared to the Never FCS group across several key Millennium Development Indicators. This is particularly true in the area of health: Weighted by population, child and maternal mortality are roughly 50 percent more common in the Always and Partial FCS group than in the Never FCS group. In terms of gender equality, the gap between male and female youth literacy is larger (10 percentage points compared to 2) in FCS than Never FCS.

7. On the other hand, nearly identical performance on some of the indicators raises questions about the claim that the FCS will not achieve any of the MDGs. The percentage of the population living on less than $1.25 a day is roughly equal. Access to sanitation and clean water as a percentage of the total population is comparable,

although slightly lower in FCS. FCS actually have a greater number of mobile phone subscriptions per person than do Never FCS.

Table I.1. Selected Millennium Development Indicators (2010)

Millennium Development Indicator	Always FCS[a]	Partial FCS[a]	Always + Partial FCS[a]	Never FCS[a]
Poverty headcount ratio at $1.25 a day (PPP) (% of population)[b]	56.7	18.8	44.0	43.2
Literacy rate, youth male (% of males ages 15-24)	78.1	92.0	82.7	80.4
Literacy rate, youth female (% of females ages 15-24)	69.3	78.9	72.4	78.8
Mortality rate, infant (per 1,000 live births)	75.8	55.6	71.0	53.1
Maternal mortality ratio (modeled estimate, per 100,000 live births)	600.6	316.7	533.8	349.5
Improved sanitation facilities (% of population with access)	26.3	46.5	32.1	37.2
Improved water source (% of population with access)	62.1	72.5	65.1	67.2

Source: IEG calculations from World Development Indicators, May 28, 2013; Population data is from the UN Population Divisions.
Note: PPP = purchasing power parity.
a. See the Table I.9 for a summary of which countries were included in the calculations, as it varies substantially by indicator.
b. Data for poverty headcount is drawn from most recent available year, not necessarily 2010.

8. This background note reports how each group (Always, Partial, or Never FCS) performs in terms of MDG progress according to the CGD's Index. First, this note analyzes each group by showing the performance of each individual country in the group plus IEG's calculation of the average progress of each group. The discussion of each group's progress also includes a breakdown of which of the eight targets in the CGD analysis the countries are likely to meet and highlights strongest and weakest performers. The analysis of each group's progress is followed by a conclusion comparing the groups.

Methodology of the CGD Millennium Development Goal Progress Index

9. The CGD's MDG Progress Index compares countries' performance across seven of the MDGs to the annual rate of progress needed to achieve each goal by 2015. The eighth goal, creating a global partnership for development, is not included. Instead, goal one is broken in two, and indicators for both poverty reduction and malnutrition have been included in the Index. Each country receives one point for each of the eight targets it is on track to achieve. Developing countries may receive half a point if they are achieving significant progress (at least 50 percent) toward the goal but will not meet it. CGD argues that this is appropriate given that some targets were written in such a way that they were extremely difficult to reach for countries starting from a low baseline. The Index assumes that progress toward each goal is linear, so an average rate of improvement each year by each country is calculated and compared to the constant yearly increment needed to reach the goal. Data come from the most recent data available as of 2011, and improvements are forecasted to continue at their pace as of 2011 until the 2015

deadline. The following discussion presents IEG's findings for each group based on CGD's scores.

ALWAYS FCS

10. On average, Always FCS is expected to meet only two of the eight targets. The weakest performers among the Always FCS group are Côte d'Ivoire, Democratic Republic of Congo, and Somalia. Afghanistan, Central African Republic, and Guinea-Bissau follow close behind (Table I.2). The best performers are Comoros and Guinea, who are tied for the 62nd rank. This maximum does not even reach the average scores of the Partial and Never FCS groups. Always FCS also has the least data available on average. Data for Kosovo are missing entirely.

Table I.2. Individual and Average Scores for Always FCS

Always FCS	Overall rank[a]	Rank in income group	MDG progress score	MDG progress score[a]	Data availability[c]
Afghanistan	126	71	1.0	1.6	5
Angola	90	44	2.5	4.0	5
Burundi	115	64	1.5	1.5	8
Central African Republic	126	71	1.0	1.0	8
Chad	100	57	2.0	2.3	7
Comoros	62	32	3.5	4.0	7
Congo, Dem. Rep.	133	76	0.0	0.0	6
Congo, Rep.	90	44	2.5	2.9	7
Côte d'Ivoire	133	61	0.0	0.0	8
Eritrea	90	48	2.5	2.9	7
Guinea	62	32	3.5	3.5	8
Guinea-Bissau	130	74	0.5	0.7	6
Haiti	115	64	1.5	2.4	5
Liberia	115	64	1.5	2.4	5
Sierra Leone	100	57	2.0	2.3	7
Solomon Islands	100	57	2.0	3.2	5
Somalia	133	76	0.0	0.0	3
Sudan	90	44	2.5	2.9	7
Timor-Leste	90	44	2.5	5.0	4
Togo	78	42	3.0	3.4	7
Average	*103.9*	*56.1*	*1.8*	*2.3*	*6.25*

Source: IEG calculations based on the Center for Global Development's 2011 MDG Progress Index.
a. Total of 133 countries in ranking.
b. Adjusted for data available.
c. Out of eight MDGs.

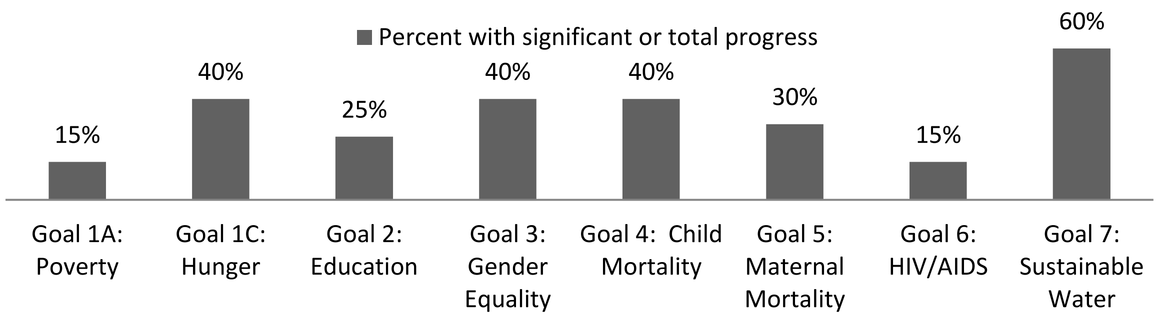
11. For Always FCS, Table I.3 shows how many of the 20 (Kosovo data not available) will meet or achieve 50 percent or more progress toward each indicator. Always FCS are doing best on goal 1C: To halve the undernourished population and goal 7: to halve to proportion of people without access to safe drinking water. While no country among the Always FCS is on track to achieve goal 3: eliminating gender disparities in primary enrollment, eight countries will make significant progress in that direction. Poverty reduction and halting the spread of HIV/AIDS are the two goals in which the group has made the least progress overall. Figure I.2 reports the progress of Always FCS toward each goal visually.

Table I.3. Progress of the Always FCS Countries toward the MDGs

Always FCS[a]	Goal 1A: poverty	Goal 1C: hunger	Goal 2: education	Goal 3: gender equality	Goal 4: child mortality	Goal 5: maternal mortality	Goal 6: HIV/AIDS	Goal 7: sustainable water
Will meet	1	6	1	0	3	0	3	4
Will progress ≥50% to target	2	2	4	8	5	6	0	8
Percent with significant or total progress	15	40	25	40	40	30	15	60

Source: IEG calculations based on CGD's 2011 MDG Progress Index.
Note: For a detailed description of each goal and target, see Table I.8.
a. N = 20, some data missing.

Figure I.2. Always FCS Progress toward MDGs



Source: IEG calculations based on the Center for Global Development's 2011 MDG Progress Index.
Note: For a detailed description of each goal and target, see Table I.8.

PARTIAL FCS

12. On average, Partial FCS are predicted to meet about four of the eight goals. Among the Partial FCS group, Cambodia performs best, and is expected to meet six targets and make at least 50 percent progress toward another. Djibouti and Yemen are the farthest behind, each only likely to achieve two of the goals. Some issues of data availability in the small island states of Kiribati, Tonga, and Vanuatu affect their scores.

13. As a group, Partial FCS do much better than the Always FCS group. These countries perform particularly well toward goal 7 and goal 3. HIV/AIDS is the target where these countries fall shortest. While only two countries will meet the maternal health target outright, 7 more of the 12 will make significant progress.

NEVER FCS

14. On average, Never FCS are predicted to meet four of the eight targets by 2015. Honduras and Sri Lanka do best among the Never FCS group. Honduras is on track to meet seven of the goals while Sri Lanka will likely meet six. Never FCS face fewer issues of data availability than their FCS counterparts, with the exceptions of Marshall Islands and the Federated States of Micronesia. Data are missing for Tuvalu.

Table I.4. Individual and Average Scores for Partial FCS

Partial FCS countries	Overall rank[a]	Rank in income group	MDG progress score	MDG progress score[b]	Data availability[c]
Cambodia	3	2	6.5	6.5	8
Cameroon	62	32	3.5	3.5	8
Djibouti	100	46	2.0	2.0	8
Gambia, The	17	9	5.0	5.0	8
Kiribati	49	26	4.0	6.4	5
Lao PDR	17	9	5.0	5.0	8
Nepal	11	5	5.5	5.5	8
São Tomé and Príncipe	90	44	2.5	4.0	5
Tajikistan	78	42	3.0	3.0	8
Tonga	62	32	3.5	5.6	5
Vanuatu	49	26	4.0	5.3	6
Yemen, Rep.	100	46	2.0	2.3	7
Average	*53.17*	*26.58*	*3.88*	*4.51*	*7.00*

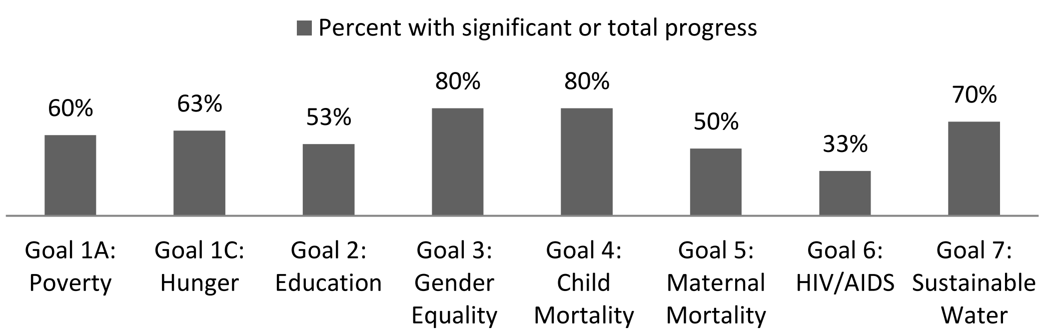
Source: IEG calculations based on the Center for Global Development's 2011 MDG Progress Index.
a. Total of 133 countries in ranking.
b. Adjusted for data available.
c. Out of eight MDGs.

Table I.5. Progress of the Partial FCS Countries toward the MDGs

Partial FCS (N = 12, some data missing)	Goal 1A: poverty	Goal 1C: hunger	Goal 2: education	Goal 3: gender equality	Goal 4: child mortality	Goal 5: maternal mortality	Goal 6: HIV/AIDS	Goal 7: sustainable water
Will meet	6	5	3	7	3	2	1	9
Will progress ≥50% to target	0	3	4	1	4	7	0	2
Percent with significant or total progress	50	67	58	67	58	75	8	92

Source: IEG calculations based on the Center for Global Development's 2011 MDG Progress Index.
Note: For a detailed description of each goal and target, see Table I.8.

Figure I.3. Partial FCS Progress toward MDGs



Source: IEG calculations based on the Center for Global Development's 2011 MDG Progress Index.
Note: For a detailed description of each goal and target, see Table I.8.

Table I.6. Individual and Average Scores for Never FCS Countries Based on CGD's 2011 MDG Progress Index

Never FCS	Overall rank[a]	Rank in income group	MDG progress score	MDG progress score[b]	Data availability[c]
Bangladesh	29	16	4.5	4.5	8
Benin	49	24	4.0	4.6	7
Bhutan	49	26	4.0	5.3	6
Burkina Faso	11	5	5.5	5.5	8
Ethiopia	29	16	4.5	5.1	7
Ghana	17	9	5.0	5.0	8
Guyana	29	14	4.5	5.1	7
Honduras	1	1	7.0	7.0	8
Kenya	115	64	1.5	1.7	7
Kyrgyz Republic	17	9	5.0	5.0	8
Lesotho	78	38	3.0	3.0	8
Madagascar	90	48	2.5	2.5	8
Malawi	29	16	4.5	4.5	8
Maldives	29	14	4.5	5.1	7
Mali	29	16	4.5	4.5	8
Marshall Islands	100	46	2.0	4.0	4
Mauritania	62	32	3.5	4.0	7
Micronesia, Fed. Sts.	100	46	2.0	5.3	3
Moldova	62	32	3.5	3.5	8
Mongolia	11	7	5.5	5.5	8
Mozambique	62	32	3.5	3.5	8
Nicaragua	11	7	5.5	5.5	8
Niger	49	24	4.0	4.0	8
Rwanda	62	32	3.5	3.5	8
Samoa	78	38	3.0	4.0	6
Senegal	62	32	3.5	3.5	8
Sri Lanka	7	4	6.0	6.0	8
Tanzania	115	64	1.5	1.5	8
Uganda	17	9	5.0	5.7	7
Zambia	90	48	2.5	2.5	8
Average	*49.63*	*25.63*	*3.97*	*4.35*	*7.33*

Source: IEG calculations based on the Center for Global Development's 2011 MDG Progress Index.
a. Out of 133 countries.
b. Adjusted for data available.
c. Out of eight MDGs.

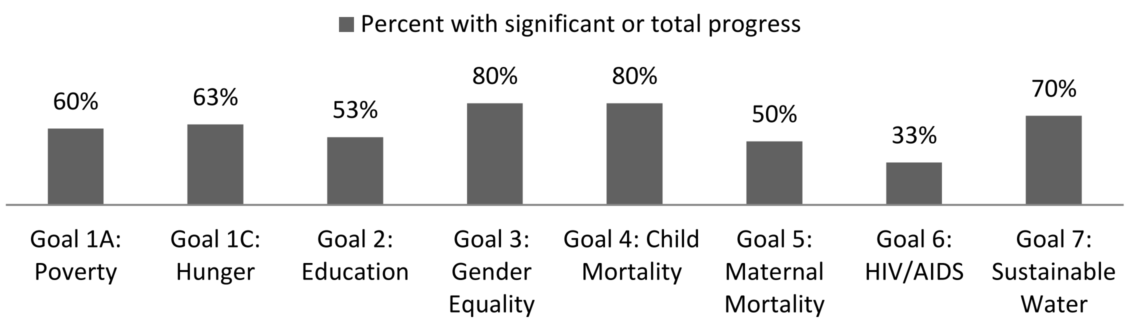
Table I.7. Progress of the Never FCS Countries toward the MDGs

Never FCS Countries	Goal 1A: poverty	Goal 1C: hunger	Goal 2: education	Goal 3: gender equality	Goal 4: child mortality	Goal 5: maternal mortality	Goal 6: HIV/AIDS	Goal 7: sustainable water
Will meet	16	15	7	20	7	2	10	14
Will progress ≥50% to target	2	4	9	4	17	13	0	7
Percentage with significant or total progress	60%	63%	53%	80%	80%	50%	33%	70%

Source: IEG calculations based on the Center for Global Development's 2011 MDG Progress Index.
Note: For a detailed description of each goal and target, see Table I.8.
a. N = 30, some data missing.

15. The Never FCS do better than the other groups, especially in goal 3 and goal 4, gender equality and child mortality. Like the FCS, they do poorly in halting the spread of HIV/AIDS. Interestingly, only about half this group will achieve universal primary education, slightly less than the Partial FCS group.

Figure I.4. Never FCS Progress toward the MDGs

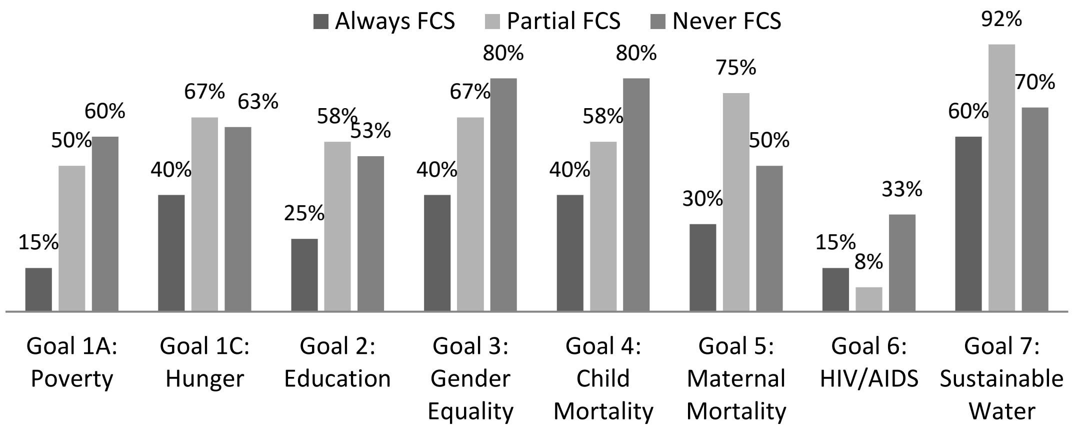


Source: IEG calculations based on the Center for Global Development's 2011 MDG Progress Index.
Note: For a detailed description of each goal and target, see Table I.8.

Conclusion

16. Almost all IDA countries are on track to achieve at least 50 percent progress toward at least one major MDG target, according to the CGD analysis. The overall finding of IEG's study of performance by group is that while Always FCS group is less likely than the other two groups to achieve the eight targets in the index (Figure I.5), for every indicator, at least one or more FCS country will meet the target. There is no discernible trend by region in terms of strong and weak performers across the country groups. The goal most likely to be achieved by all three groups is the environmental sustainability goal of clean water access. The goal of halting the spread of HIV/AIDS is least likely to be met by the FCS countries. While countries experiencing fragility and conflict are progressing more slowly toward the MDGs, but for no single indicator is every FCS country likely to miss the target.

Figure I.5. Progress toward MDG Targets by FCS Classification



Source: IEG calculations based on the Center for Global Development's MDG Progress Index of 2011.
Note: For a detailed description of each goal and target, see Table I.8. Percentages show the share of countries in the group which are expected to make at least 50 percent progress toward the goal by 2015.

Table I.8. MDG Targets Analyzed

Goal	Target	Labels used in Figures I.1–I.5
Goal 1: Eradicate extreme poverty and hunger	1A: Halve the proportion of the population below $1.25/day	Poverty
	1C: Halve the proportion of the undernourished population	Hunger
Goal 2: Achieve universal primary education	Ensure that all boys and girls complete a full course of primary schooling	Education
Goal 3: Promote gender equality and empower women	Eliminate gender disparity in primary and secondary education	Gender equality
Goal 4: Reduce child mortality	Reduce by two-thirds the mortality rate among children under five	Child mortality
Goal 5: Improve maternal health	Reduce by three-quarters the maternal mortality rate	Maternal mortality
Goal 6: Combat HIV/AIDS, malaria, and other diseases	Halt and begin to reverse the spread of HIV/AIDs	HIV/AIDS
Goal 7: Ensure environmental sustainability	Reduce by half the proportion of people without sustainable access to safe drinking water	Sustainable water

Table I.9. Data Availability for MDG Calculations in Table I.1

	Always FCS[a]	Partial FCS	Never FCS
Poverty headcount ratio at $1.25 a day, PPP (% of population)	Excludes Angola, Eritrea, Kosovo, Solomon Islands, and Somalia	Excludes Kiribati, Tonga, and Vanuatu	Excludes Guyana, Marshall Islands, Mongolia, Samoa, and Tuvalu
Literacy rate, youth male (% of males ages 15-24)	Excludes Afghanistan, Republic of Congo, Haiti, Kosovo, Solomon Islands, Somalia, and Togo	Excludes Cambodia, Cameroon, Djibouti, Kiribati, Lao PDR, and Tonga	Excludes Bhutan; Burkina Faso; Ethiopia; Guyana; Kyrgyz Republic; Maldives; Marshall Islands; Micronesia Fed. Sts.; Nicaragua; Niger; Senegal; and Tuvalu
Literacy rate, youth female (% of females ages 15-24)	Excludes Afghanistan, Republic of Congo, Haiti, Kosovo, Solomon Islands, Somalia, and Togo	Excludes Cambodia, Cameroon, Djibouti, Kiribati, Lao PDR, and Tonga	Excludes Bhutan; Burkina Faso; Ethiopia; Guyana; Kyrgyz Republic; Maldives; Marshall Islands; Micronesia, Fed. Sts.; Nicaragua; Niger; Senegal; and Tuvalu
Mortality rate, infant (per 1,000 live births)	Excludes Kosovo	Excludes Kiribati	Excludes Marshall Islands and Tuvalu
Maternal mortality ratio (modeled estimate, per 100,000 live births)	Excludes Kosovo	Excludes Kiribati	Excludes Marshall Islands and Tuvalu
Improved sanitation facilities (% of population with access)	Excludes Eritrea, Kosovo, and Solomon Islands	Excludes Kiribati	Excludes Micronesia, Fed. Sts. and Tuvalu
Improved water source (% of population with access)	Excludes Eritrea, Kosovo, and Solomon Islands	Excludes Kiribati	Excludes Micronesia, Fed. Sts. and Tuvalu
Mobile cellular subscriptions (per 100 people)	Excludes Kosovo	All	Excludes Marshall Islands and Tuvalu

Note: PPP = purchasing power parity.

a. For the Always + Partial category, the countries used are the sum of the countries available for Always FCS and Partial FCS.

Appendix J. Assessing the Relationship Between Development Policy Loans and Country Policy and Institutional Assessment Ratings

Introduction

1. The evaluation undertook an analysis of the relationship between measurable improvements in Country Policy and Institutional Assessment (CPIA) ratings and the incidence of Development Policy lending (DPL) in IDA-only countries that are FCS. The evaluation used descriptive statistics and regression analysis to examine the relationship between DPL in FY05–13 and changes in CPIA ratings in 26 FCS IDA countries (eliminating the small island states where DPL is not prevalent). First, change in CPIA ratings for each country was compared with the number of DPLs and the number of years during FY05–11 in which these operations were approved. Almost all of these countries received one DPL in a year, so there was almost complete overlap between the number of operations and the number of years during which these operations were approved. Second, the data on changes in CPIA ratings are plotted against the number of years with at least one DPL. Third, the data on change in CPIA ratings was regressed against the number of operations and the number of years when DPLs were approved. Finally, the incidence and regularity of DPL was compared with changes within the four clusters of indicators in the CPIA dataset, to examine if any of them were more strongly associated with budget support.

2. DPLs are designed to support improvement in a range of policies and institutions of a country. But the reforms supported by a DPL may or may not be directly reflected in CPIA ratings. Sometimes DPLs have cross-cutting policy and institutional objectives with broad overlap with CPIA indicators, sometimes they focus on narrow sector issues The overall conclusion of this report is that for FCS with a population over 1 million, there is a significant correlation between the regularity of DPLs, i.e., the number of years with at least one DPL and improvements in CPIA score over the period FY05–11.

Descriptive Statistics

3. The data for this analysis are for DPLs to IDA countries from FY05–11. A DPL is recorded as being in a given year if it was approved in that fiscal year. The period FY05–11 was chosen because CPIA ratings were changed in 2005 so earlier years'

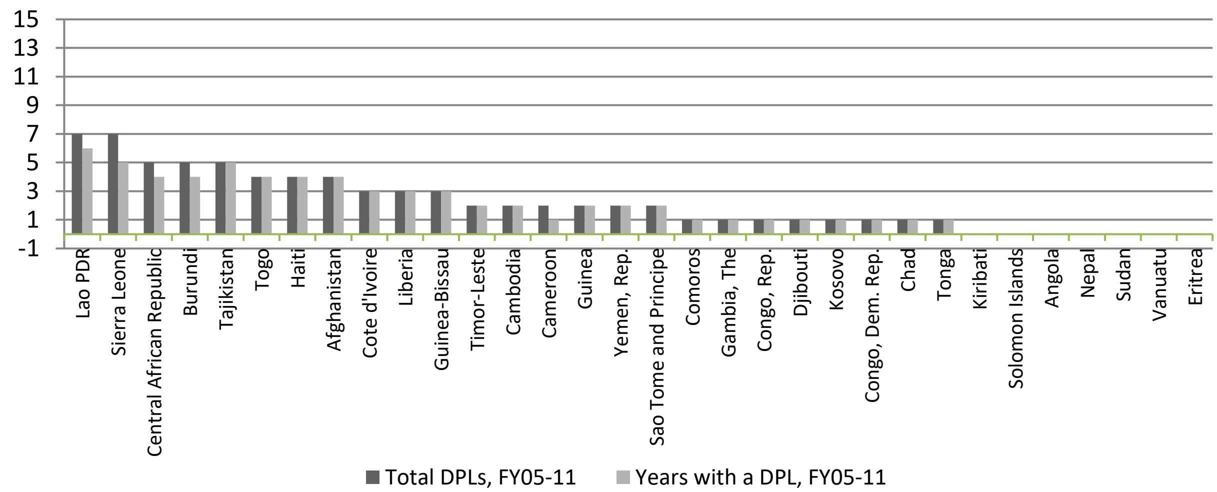
ratings are not comparable. Data on CPIA scores is missing for Somalia (Always FCS), Sri Lanka (Never FCS), and Tuvalu (Never FCS).

4. The 21 Always FCS received a total of 47 DPLs from FY05 to FY11, or 2.2 on average. The Always FCS country with the most DPLs was Sierra Leone, with seven total. For Partial FCS, the Lao People's Democratic Republic also received seven, and all Partial FCS together received 23, averaging 1.9 per country. Never FCS received more DPLs on average at about 4.1 per country (123 total for 30 countries). The country among the Never FCS that was given the most DPLs was Ghana, with 13. Of the 32 Always or Partial FCS, 25 (78 percent) received at least one DPL from FY05–11. Of the 30 Never FCS, 24 (80 percent) received at least one DPL in the period.

5. One concern is that DPLs provided for arrears clearance or unconditional support at the beginning of Bank reengagement with a country might not have the same effect as DPLs designed to reform policies and institutions. Only two such loans were made to IDA countries from FY05–11: to Republic of Congo which is Always FCS and Samoa which is Never FCS and these were eliminated from the analysis.

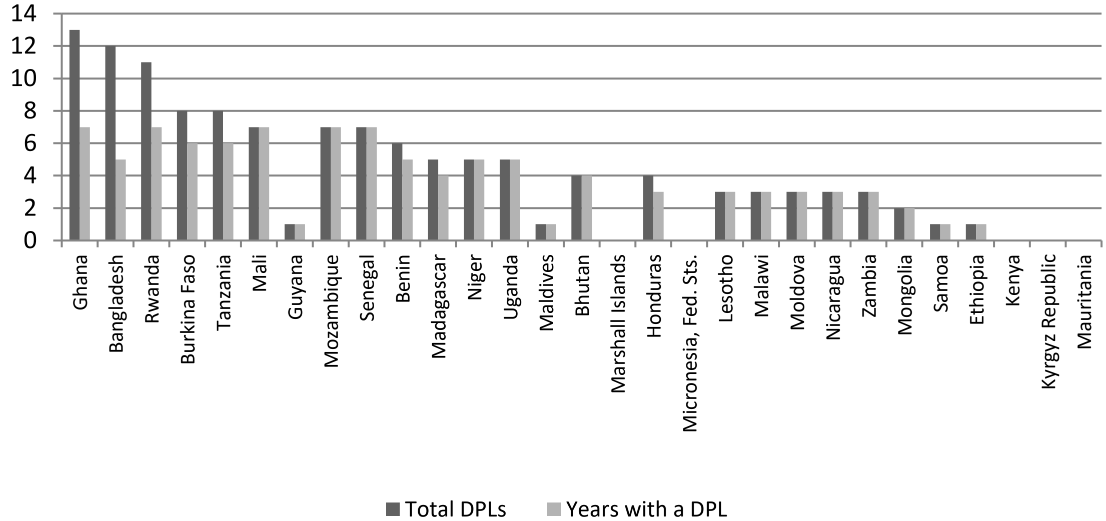
6. One of the most important factors in the efficacy of DPLs may be their predictability to allow countries to be able to plan their budgets realistically. Figure J.1 shows that most FCS which received DPLs had roughly one DPL per year, rather than several at once. Even in countries like Lao PDR and Sierra Leone, with many DPLs, the maximum number of DPLs in a year was two.

Figure J. 1: Total DPLs and Number of Years with DPLs in FCS



Source: World Bank databases.
Note: Data for the regularity of DPLs in FCS countries, FY05–11. Blue indicates the total number of DPLs received over the period while red shows the number of years from FY05–11 in which the country received at least one DPL.

Figure J. 2: Total DPLs and Number of Years with DPLs in Never FCS



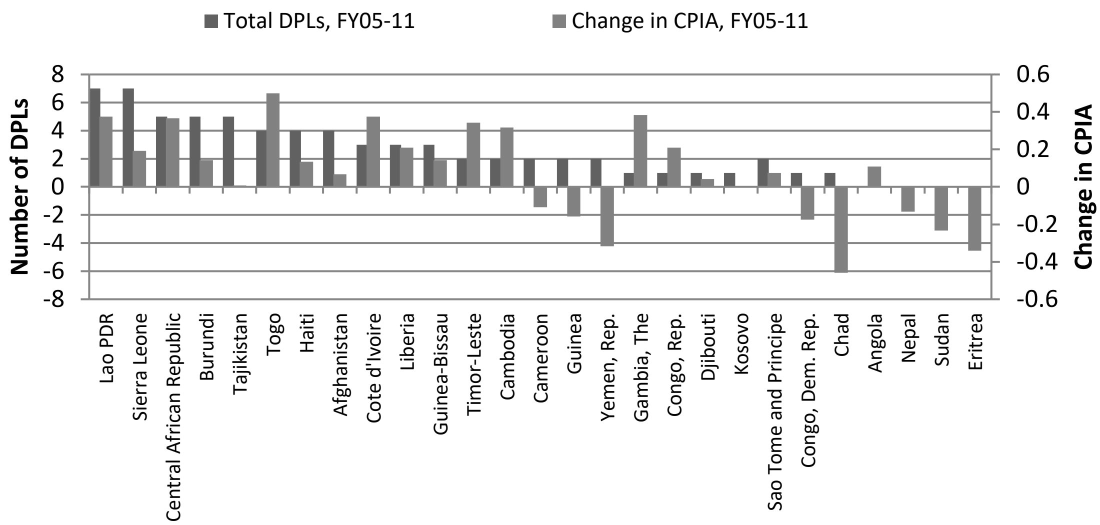
Source: World Bank databases.
Note: Data for the regularity of DPLs in FCS countries, FY05–11. Blue indicates the total number of DPLs received over the period while red shows the number of years from FY05–11 in which the country received at least one DPL.

7. For Never FCS IDA countries, the regularity story of DPLs is much the same as it is for the FCS. Most countries received a few DPLs in each year, spaced out over several years. Bangladesh, which received four DPLs in 2008, is somewhat of an exception, as it received 12 DPLs over only five years. When a country receives relatively many DPLs in a year it is usually because the DPLs are divided up to target particular sectors of the economy, as Bangladesh's were in 2008. Other than Bangladesh the countries with lots of DPLs had one or two DPLs in every year from FY05–11.

DPLs and CPIA Improvements

8. Of the 12 FCS (Always and Partial) which received three DPLs or more in the seven year period, 10 of them improved by 0.15-0.4 points and none of them saw a decrease in CPIA. Of the 20 countries with less than three DPLs, nine lost more than 0.1 points in CPIA, and two gained between 0 and 0.1. Of the nine countries with fewer than three DPLs that gained more than 0.1 points, five (Comoros, São Tomé and Príncipe, Solomon Islands, Tonga, and Vanuatu) are small island countries which have very high levels of official development assistance (ODA) per capita, which make them less dependent on DPLs. Since small states rarely receive DPLs they are excluded from the analysis. Figure J.3 shows the number of DPLs in FCS and the change in their CPIA rating from FY05–11, excluding the small island states.

Figure J.3. Number of DPLs and CPIA Change in FCS (FY05–11, excluding small states)



Source: World Bank databases.
Note: Number of DPLs and CPIA change from FY05–11 in Always and Partial FCS excluding countries with population less than 1 million in 2013.

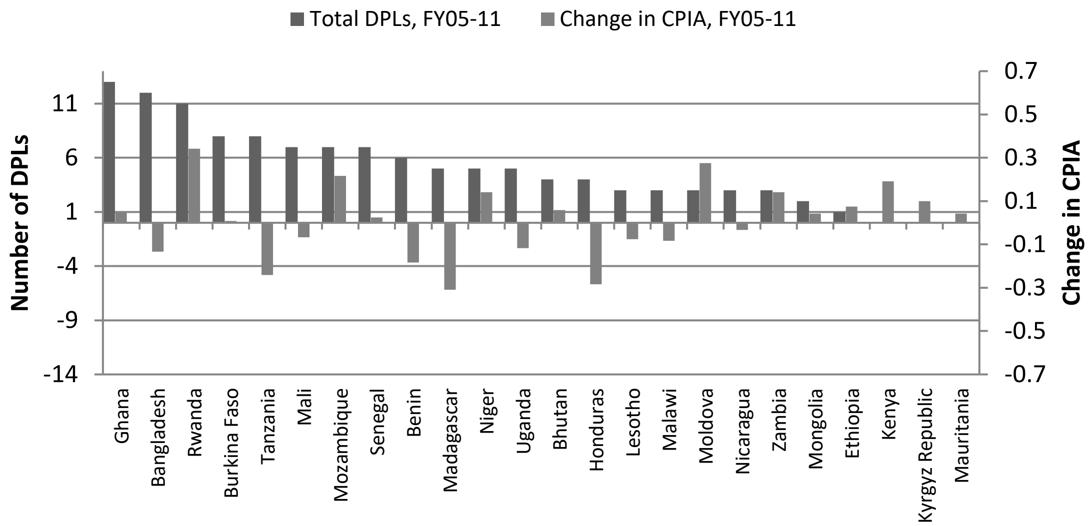
9. Looking at the performance of FCS by change in CPIA offers another possible explanation of good performance. Besides the small island states relying on large amounts of bilateral ODA per capital, some good performers like Cambodia, Gambia, and Timor-Leste, which have much higher economic growth than the FCS average, received very few DPLs. Controlling for small island states and high growth countries, there is a significant association in FCS between DPLs and CPIA improvement. Among FCS, the relative importance of budget support seems to matter as does the regularity and number of DPLs received by individual countries.

10. For Never FCS, no obvious relationship is seen between CPIA changes and the number of DPLs in a country (Figure J.4). Many Never FCS with a relatively large number of DPLs saw their scores decline from FY05–11, while some like Rwanda saw large improvements.

11. Contrasting the scatter plots (Figure J.5) for FCS and Never FCS comparing the number of years with at least one DPL and the CPIA change over the period emphasizes the difference between FCS and Never FCS. In FCS, a loose, positive relationship between the DPL years and CPIA change is apparent. In countries that were never classified as FCS (Never FCS), DPLs do not seem to explain the CPIA movements (or vice versa). Below we briefly consider two explanations for the lack of a relationship in Never FCS countries. An in-depth investigation of the source of this difference between FCS and non-FCS is beyond the scope of this note; it is

certainly an interesting result and may suggest DPLs are provided more effectively in FCS countries.

Figure J.4. Number of DPLs and CPIA Change in Never FCS Countries (FY05–11, excluding small states)



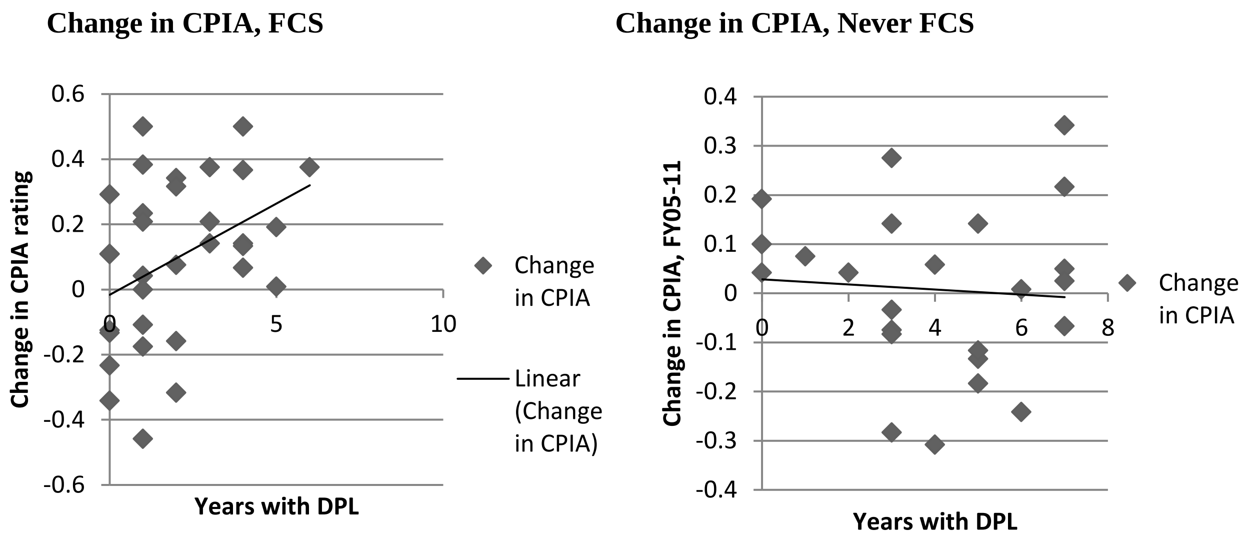
Source: World Bank databases.
Note: Number of DPLs and CPIA change from FY05–11 in Always and Partial FCS excluding countries with population less than 1 million in 2013.

12. The first possible explanation is that FCS, which by definition started from a lower baseline CPIA score than Never FCS, had greater increases simply because of this low baseline. This does not appear to be the case. Of the top 20 IDA countries by CPIA increase from FY05–11, 11 are Never FCS. Additionally, the maximum increase in both groups was roughly the same, at around 0.5 points over seven years. On the other hand, the average and median increase in FCS were slightly larger (0.09 and 0.12, respectively) than Never FCS (0.01 and 0.02, respectively). Given that so many top performers in terms of increase were Never FCS, however, this argument does not seem to be substantiated.

13. A second, perhaps more plausible explanation lies in FCS dependence on DPLs as a source of funding. Because of weak capacity and their greater reliance on IDA funding, FCS may have greater incentives to comply with DPL requirements and improve institutions than Never FCS. Again, the greater correlation between CPIA improvements and DPLs in FCS compared to Never FCS merits further investigation.

14. The next section uses ordinary least squares regression analysis the further investigate the correlation between DPLs and changes in CPIA score over the FY05–11 period.

Figure J.5. Number of Years with at Least One DPL

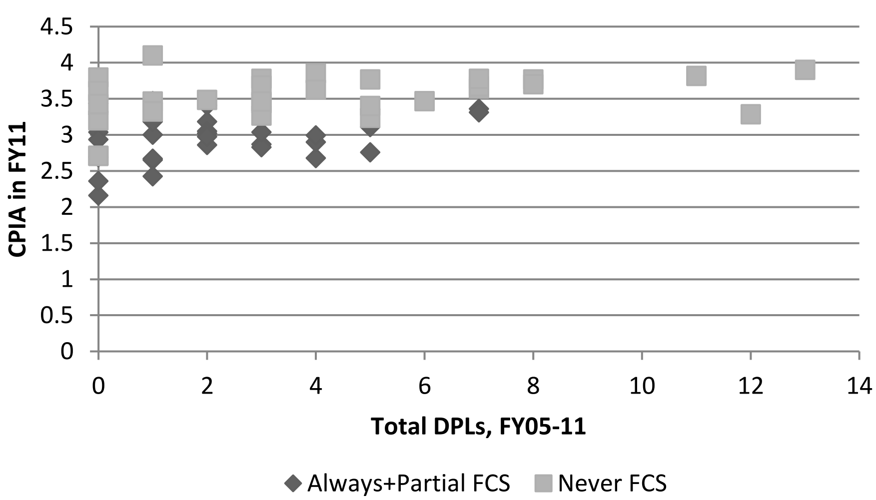


Source: World Bank databases.
Note: Number of years with at least one DPL in Always and Partial FCS (left) and Never FCS (right) from FY05–11. Data is for IDA countries with a population of 1 million or more in 2013.

Regression Analysis

15. It appears that IDA countries with more DPLs have higher CPIA ratings (Figure J.6). This would seem to suggest that DPLs reduce fragility or otherwise improve economic policies, structural policies, social inclusion, or public sector management. The correlation might well run the other way, however, as DPLs are designed to reward good policies and institutions.

Figure J.6. Total DPLs versus CPIA in FY11



Source: World Bank databases.
Note; Totals DPLs over FY05–11 to each IDA country versus that country's CPIA score in 2011.

16. Various regressions were conducted to understand the correlation between DPLs and CPIA ratings. First, the relationship between CPIA change and the total number of DPLs was investigated (Table J.1). The relationship is statistically significant and negative when all IDA countries (FCS and Never FCS, including the small island states) are taken together. Column 1 reports these results. With 90 percent confidence, for every DPL to an IDA country from FY05–11, the country's CPIA score was predicted to fall, on average 0.22 points. When FCS and Never FCS are analyzed separately, this negative relationship disappears.

Table J.1. Regression Results for the Change in a Country's CPIA from FY05 to FY11 on the Total Number of DPLs to a Country from FY05 to FY11

	(1)	(2)	(3)
Variables	Change in CPIA All IDA	Change in CPIA FCS	Change in CPIA non-FCS
Total DPLs	-0.224*	0.0343	-0.468
	(0.122)	(0.112)	(0.276)
Constant	0.266*	0.0883*	0.534
	(0.137)	(0.0498)	(0.336)
Observations	62	32	30
R-squared	0.028	0.003	0.081

Source: World Bank databases.
Note: Robust standard errors in parentheses.
*p<0.1, ** p<0.05, *** p<0.01.

17. The figures in Part A suggest that small states, especially small island states, are anomalies in terms of the relationship between DPLs and CPIA, possibly due to foreign aid. Table J.2 reports the same regression results as above, but this time after excluding the 11 small states (with population less than 1 million). The Always FCS removed were Comoros and Solomon Islands. The Partial FCS removed were Kiribati, São Tomé and Príncipe, Tonga, and Vanuatu. The Never FCS removed were Guyana, Maldives, Marshall Islands, the Federated States of Micronesia, Samoa, and Tuvalu.

18. The results of these regressions are more conclusive. FCS display a statistically significant, positive relationship between the total number of DPLs and CPIA score (Table J.2). To test whether the regularity (number of years with at least one DPLs) is also related to CPIA score, as hypothesized in Part A, additional regressions were conducted and reported in Table J.3. In fact, the results for number of years with a DPL are the most conclusive (to a 1 percent significance level), suggesting that one additional year with at least one DPL is predicted to correlate with a 0.07 point greater change in CPIA from FY05–11. The effect for Never FCS and the IDA countries as a whole is not significant. The total number of DPLs also has a statistically significant effect on CPIA score for FCS (excluding small states), but is significant to a 5 percent level only. Interestingly, this suggests that getting

one DPL correlates better with CPIA improvements than total number of DPLs an FCS country receives, casting doubt on the marginal effect of additional DPLs

Table J.2. Regression Results for the Change in a Country's CPIA from FY05 to FY11 on the Total Number of DPLs to a Country from FY05 to FY11 (excluding small states)

Variables	(1) Change in CPIA All IDA	(2) Change in CPIA FCS	(3) Change in CPIA non-FCS
Total number of DPLs	0.005	0.062**	-0.008
	(0.009)	(0.018)	(0.010)
Constant	0.031	-0.082	0.058
	(0.048)	(0.072)	(0.050)
Observations	51	26	25
R-squared	0.005	0.252	0.030

Source: World Bank databases.
Note: Robust standard errors in parentheses.
*p<0.1, ** p<0.05, *** p<0.01.

Table J.3. Regression Results for the Change in a Country's CPIA from FY05 to FY11 on the Number of Years that Country Had at Least One DPL from FY05 to FY11 (excluding small states)

Variables	(1) Change in CPIA All IDA	(2) Change in CPIA FCS	(3) Change in CPIA non-FCS
Number of years with DPLs	0.0126	0.076***	-0.012
	(0.013)	(0.021)	(0.013)
Constant	0.009	-0.101	0.066
	(0.053)	(0.073)	(0.054)
Observations	51	26	25
R-squared	0.016	0.277	0.028

Source: World Bank databases.
Note: Robust standard errors in parentheses.
*p<0.1, ** p<0.05, *** p<0.01.

Effect of Programmatic DPLs

19. If the regularity of DPLs matters, it may also be the case that offering programmatic series of DPLs over a number of years is even more effective, as it provides more predictable budget support to the recipient country and reforms are implemented incrementally. A programmatic series of DPLs is a series of individual budget support operations, typically single tranche annual operations, which support a series of incremental or linked reforms over time. Examples include the series of Poverty Reduction Strategy Credits providing annual budget support of poverty reduction strategies in many low-income countries, or the Programmatic Support for Institution Building Credits in Afghanistan. Of the 62 countries in the

sample, 29 received at least one programmatic series of DPLs from FY05–11. Of these 29, 11 were FCS countries. The countries with programmatic series were also the countries that received the most DPLs overall among the FCS countries. Thus separating out the added benefit (if any) of programmatic series would be difficult. Given the collinearity between number of DPLs and presence of programmatic series of DPLs, however, it should not be concluded that programmatic series necessarily contribute to CPIA improvements in FCS countries. Nonetheless, it is worth noting that no FCS country with a programmatic series saw its CPIA score fall.

20. The results of the regressions are initially encouraging, because it seems that DPLs do correlate with improvements in country policies and institutions. However, the causality might well run the other way: Countries with high CPIA ratings might be more likely to get DPLs than FCS countries. This explanation is also plausible because of the delayed nature of the CPIA ratings. What is published as the rating in 2006, for example, is based on the situation in the country in 2004. This means that a country which was doing well two years ago may have received a DPL, and this relationship shows up in 2006 with a higher rating and a DPL approved in the same year. However, the relationship between CPIA score two years after a DPL was investigated and the DPL yielded no statistically significant results for FCS excluding the small states.

Variations by CPIA Cluster

21. Given the relationship between CPIA change and DPLs in FCS countries, it is also worth investigating which cluster of CPIA correlates most with DPLs. A reasonable expectation here is that the Economic Management cluster, which includes subratings for macroeconomic management, debt policy, and fiscal policy, would correlate more strongly with DPLs. This is because in order to be eligible for a DPL, countries must have an IMF program, or at least a letter of comfort from the IMF, indicating an acceptable level of macroeconomic management. Of course, economic performance is only one factor in determining whether a country is given a DPL. Countries without budget shortfalls, particularly resource-rich countries, are unlikely to seek out or receive DPLs. Economic management, therefore, may be seen as a necessary but not sufficient condition for a country to receive a DPL.

22. In fact, improvement in Public Sector Management scores correlate most with DPLs in FCS countries. As with the overall CPIA, the number of years with one or more DPLs has a stronger relationship with changes in the PSM score than the total number of DPLs a country received. Each additional year with one or more DPLs is correlated with a 0.1 point increase in the Public Sector Management score for FCS countries, excluding small states. The relationship with the other clusters, including

Economic Management, is relatively weak but some positive linear trend may be seen for FCS countries.

23. As part of the research for this note, a further investigation was conducted into the subindicator ratings for each cluster, but this research yielded little further insight since these subindicators mostly changed in increments of 0.5 or 1 over the period. Together with the fact that the number of DPLs ranged from zero to seven only, this yielded little variation in the data across countries so determining a relationship was difficult.

Conclusion

24. Taken together, these results suggest DPLs, particularly the regularity of DPLs, do correlate with CPIA improvements for FCS countries. Small states, especially island countries, are anomalies, likely due to the high volume of aid they receive. As such, most of them received no DPLs while two of them received a single one.

25. Having regular DPLs, regardless of the number in a given year, is related to a CPIA increase of 0.07 points on average for FCS. Countries with many DPLs like Lao PDR and Sierra Leone achieved even greater increases, between 0.2 and 0.4 points. Of the four clusters, Public Sector Management is most highly associated with DPLs. This could be because governance reforms, unlike changes to social or structural policies, may be most responsive to DPL actions. However, these correlations cannot be inferred as causal based on the analysis conducted here. It is very possible that countries which perform better in CPIA terms get more DPLs and that is the relationship captured by the regression analysis. It is likely that number of DPLs and CPIA improvements, and improvements in each cluster, are to an extent mutually causal and affect each other simultaneously. The interesting finding that the relationship is much weaker—in fact not significant at all—in Never FCS also merits further investigation.

Appendix K. World Bank Assistance to Agriculture in Low-Income Fragile and Conflict-Affected States

1. The vast majority of operations in Agriculture and Rural Development (ARD) in fragile and conflict-affected states (FCS) fall under the growth and jobs pillar of this evaluation. International Development Association (IDA) assistance from the World Bank to Always FCS focused frequently on emergency projects which—though often leading to satisfactory outcomes—were only modestly strategic for achieving long-term sustained growth and employment.

Conflict and Fragility Damage the Institutions that Support Agriculture

2. Agriculture, rural development, and land policy are bound together in an integrated institutional system. Weak institutions are typically the cause for low Country Policy and Institutional Assessment (CPIA) ratings and hence FCS status because institutions that support agriculture are often damaged by conflict, resulting in the sector's fragility. The following are some examples of impacts on vital agricultural institutions during conflict:

- Production infrastructure systems (e.g., irrigation systems, water supplies for livestock) are destroyed
- The supply chains for factors of production (e.g., fertilizer, seeds, fuel, chemicals) are disrupted because traders reduce exposure to risk; productivity is compromised
- Rural communities are torn apart making the enabling environment for production fragile (e.g., farmers are caught between warring factions and endangered by land mines) and productivity is reduced
- Marketing systems are disrupted (e.g., through destruction of roads, community and village markets) and farmer incomes decline.

3. Additionally, rights to land are abrogated by new political structures, or, a collapse of the rule of law may lead to confiscation of farm land making land rights more uncertain and increasing investment risks. Access to primary social services (e.g., education, health) is also constrained. Attendance becomes more costly

because local movement is dangerous, leading to reduced human capital development.

Characteristics of the Agricultural Sector in IDA Countries

4. The agricultural sector in Always FCS is relatively more important than in other IDA countries. Gross domestic product (GDP) generated from agriculture between 2000 and 2011 was on average 30 percent of total GDP in countries that are Always FCS compared with those that are Partial FCS or Never FCS which both generate 23 percent of total GDP from agriculture on average.

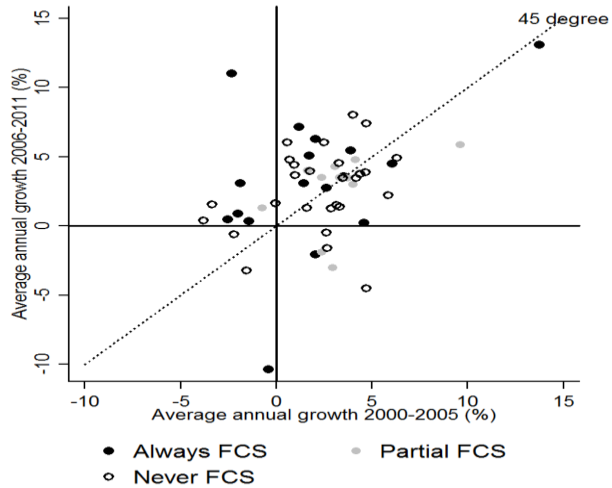
5. Growth of GDP from agriculture in Always FCS has been lower than in other IDA countries since 2000. Trends in gross agricultural production for the three FCS country groupings reveal different average levels of production growth among them.[1] Average growth rates of agricultural GDP in Always FCS were 2 to 3 percent per annum (typically around the population growth rate) compared with 5 to 6 percent per annum in Partial FCS and 2 to 5 percent in Never FCS. The widest distribution of growth rates was among Never FCS, caused mainly by the low performance of the agricultural sector in Sahelian countries such as Mali, Niger, and Mauritania. It is significant, however, that the average growth rate for agriculture in Always FCS tended to increase after the mid-2000s (see Figure K.1).[2]

6. Agriculture is the most likely source of jobs in conflict affected situations.[3] Analysis of household surveys shows that strong growth in the agricultural sector results in higher income growth for the poorest groups and poverty reduction. Low growth in the agricultural sector has stimulated migration from rural to urban areas, leading to high rates of urban population growth and a high proportion of the population in urban areas in Always FCS countries.

7. Agricultural productivity is lower in the Always FCS group compared with the other two groups. Indexes of cereal yields in Always FCS are about half the average of yields in the other two groups. A feature of the trends in cereal yields in all FCS groupings is their high variability and virtually no growth. The Sahel again stands out with low yields because agricultural production technology is substantially lower than in other regions. Weak technology is clearly a serious matter and a cause for economic fragility for all IDA countries. It underscores the fact that growth in production is mainly attributable to increases in the area harvested — usually in soil and environments that are marginally suitable for cereal production (such as in Sudan and Mali), or through clearing sub-tropical forests

(such as the "slash and burn" systems in Cameroon). The expansion of cropping to marginal areas has become a serious environmental concern in Africa because it results in increased fragility of the agricultural sector.[4]

Figure K.1. Compound Annual Growth Rate Agriculture Value Added 2000–2005 versus 2006–2011 (percentage)



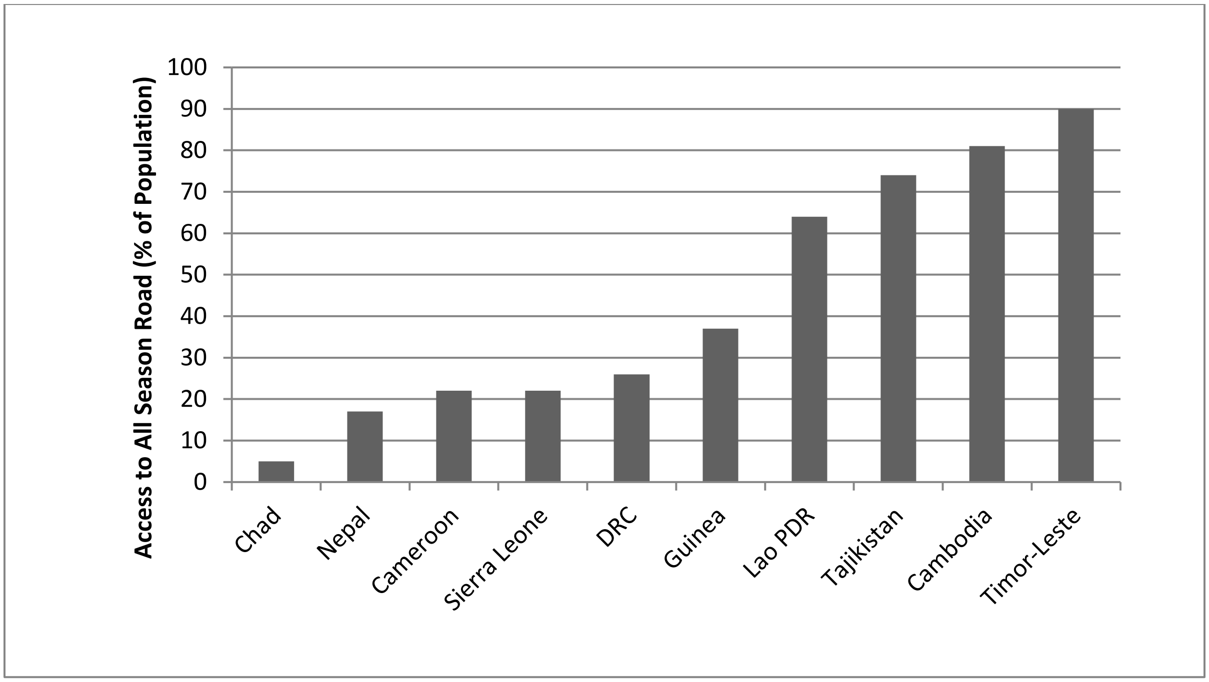
Source: IEG computations based on World Development Indicators.

8. The share of employment in agriculture in Always FCS ranges from 40 to 70 percent. Despite the somewhat lower average importance of the agricultural sector in the other two groups, employment in agriculture as a share of total employment is still high for many, ranging from 30 to 80 percent. There is no apparent association between the extent of conflict and fragility in IDA countries and the share of employment in agriculture. However, the data available on both employment in agriculture and GDP per capita do show that, for a cross section of IDA countries, as per capita total GDP increases, the share of the labor force employed in agriculture declines.[5]

9. Access to rural roads is weak in all FCS. A major constraint for farmers in IDA countries and in particular for FCS is the distance from social services and markets due to inadequate rural road networks. This isolation is a major cause for poverty and fragility in rural areas. Figures K.2 and K.3 show data available from the IDA indicators on the percentage of the rural population with access to an all-season road in FCS and Never FCS.[6] Although the number of countries for which data are available is small, a comparison of the two figures suggests that access is slightly better in Always and Partial FCS compared with Never FCS, but the differences in access between the two groups are small. However, with the exception

of Zambia, the data show that access to all season roads is much poorer among IDA countries in Sub-Saharan Africa than in IDA countries outside Sub-Saharan Africa. Nepal (a Partial FCS) with only 17 percent of the population having access to all-season roads has problems similar to Sub-Saharan Africa.

Figure K.2. Proportion of Rural Population with Access to All-Season Roads in Always and Partial FCS (percentage)



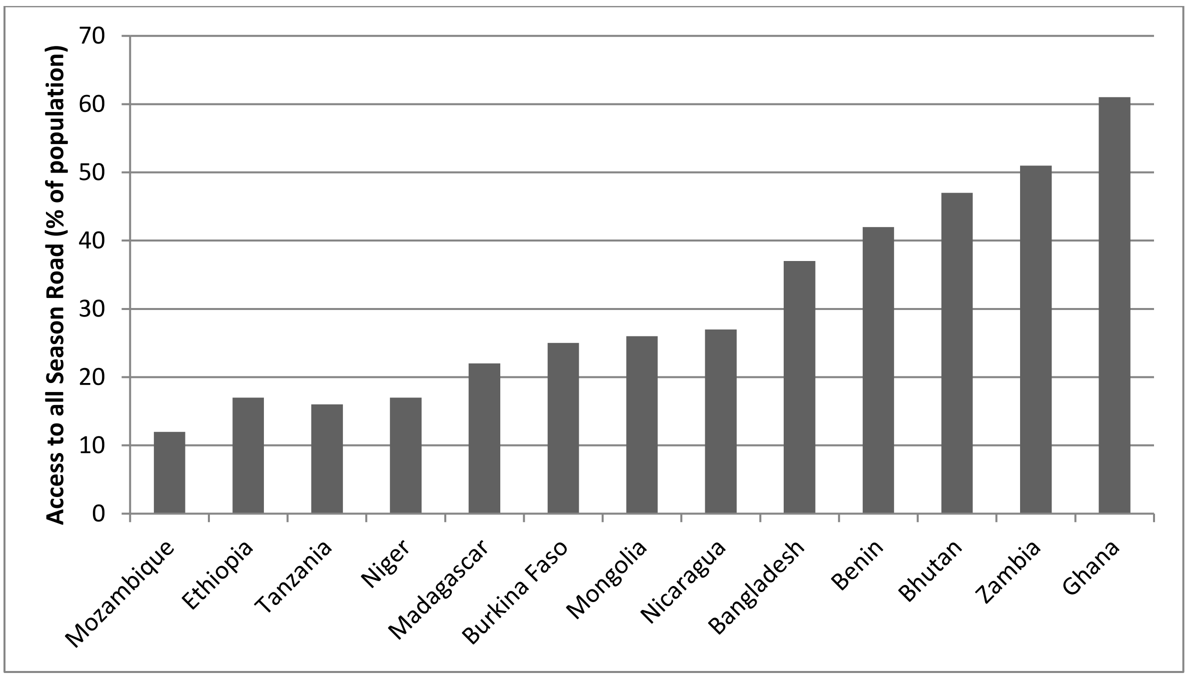
Source: Based on available IDA indicators between FY00 and FY12.

10. Lack of clarity on land rights can lead to conflict and fragility in rural areas. Agrarian history is littered with conflict over land rights. It has been estimated that less than 20 percent of occupied land in Sub-Saharan Africa is registered.[7] In most IDA countries in Sub-Saharan Africa there are traditional systems of customary land rights but arrangements for the access to and transfer of rights are often fragile because of a lack of agreement over interpretations of customary and statutory laws and the powers to enforce them. For example, at the root of the civil war in the Darfur region of in Sudan was the conflict between pastoralists (nomadic herders) who traditionally moved from North Darfur to South Darfur and beyond during the dry season to provide grazing for their livestock. In the past the nomads had used the region's vast common rangelands for grazing but as these areas became more frequently used by farmers for crop production, the farmers challenged the right of the nomads to use rangelands for grazing that had been transformed to agriculture

use. The nomads objected to this constraint on their traditional grazing rights, leading to decades of conflict and violence.

11. The Bank is addressing land rights issues in FCS. In May 2012, under the auspices of the Food and Agriculture Organization, the World Committee on Food Security endorsed "Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries, and Forests in the Context of National Food Security." Since then, the Bank, the United Nations, and a number of development partners have formulated the Land Governance Assessment Framework, which is a diagnostic tool to help evaluate the legal framework, policies, and practices regarding land governance, and to monitor improvement over time.[8] There are no outcomes from this work yet, but it will address causes of conflict and fragility in many FCS.

Figure K.3. Proportion of Rural Population with Access to All-Season Roads in Never FCS



Source: Based on available IDA indicators between FY00 and FY12.

World Bank Assistance to Address Fragility in FCS

ANALYTICAL WORK

12. The basis for Bank assistance to agriculture provided in Always FCS has not always been strategic. Table K.1 shows the comparisons between the timing of agricultural sector analysis and agriculture and rural development (ARD)

investment for Always FCS. It shows that for the Always FCS as a group there were only six out of 21 countries in the group for which there was an analytical document on future strategy for the agricultural sector. In the six countries where formal agricultural sector reports were prepared, they were timely except in Liberia where the first investment operation during (after the resolution of the conflict) was approved prior to the completion of the sector report. The conclusion is that whereas the majority of Always FCS emergency investment projects were quickly prepared and approved under emergency procedures, their design was not framed in the context of a medium- to longer-term strategy. For some countries where no formal sector analysis was available, notes on specific subsectors were prepared and they provided the rationale for specific projects such as in Sudan.[9]

INVESTMENT PROJECTS

13. During FY01–12, there were 336 IDA investments in agricultural and rural development with a total commitment of $10.4 billion. Table K.2 shows that total lending for ARD averaged 12 percent of total IDA commitments. The percentage varied relatively little between FCS groupings. Figure K.4 shows the trends in commitments between FY01 and FY12.

14. For the agricultural portfolio alone, Table K.3 shows that core agriculture investments such as support for rehabilitation of agricultural production and strengthening relevant institutions such as drought management, horticulture, and livestock production systems, as well as a few projects focused on land administration in the three FCS groupings made up between 37 and 79 percent of the total ARD portfolio, while irrigation accounted for 7 to 19 percent,[10] and infrastructure (which excludes rural roads) 1 to 3 percent. The main difference between the projects in Always FCS and those in Partial FCS and Never FCS was that 55 percent of the Always FCS portfolio was allocated to community-driven development (CDD) type projects. The dominant contributor to this large allocation was the National Solidarity Program in Afghanistan which cost $1.45 billion or 91percent of all CDD projects in Always FCS.

Table K.1. Summary of the Timing of Agriculture Sector Analysis in Relation to the Timing of Investment Operations in Agriculture for Always FCS (2000–2012)[a]

Country (Always FCS)	Timing of delivery of first strategic agricultural sector analysis[b]	Approval of first agriculture investment operation	Approval of second agriculture investment operation
Afghanistan	None	Emergency Horticulture and Livestock Project (May 2006)	Emergency Irrigation Rehabilitation Project (May 2007)
Angola	None	None	None
Burundi	None	Emergency Irrigation Rehabilitation Project (June 2004)	Agro-pastoral Productivity and Markets Development Project (April 2010)
Central African Republic	None	Food Response Project (July 2008)	Agro-pastoral Recovery Project (May 2011)
Chad	None	Local Development Program Support Project 2 (March 2011)	Emergency Agriculture Production Support Project (May 2012)
Comoros	None		
Congo, Dem. Rep.	2006 (sector report)	Agriculture Rehabilitation and Recovery Support Project (May 2007)	Forest and Nature Conservation Project (March 2010)
Congo, Rep.	2006 (policy note)	Agricultural Development and Rural Roads Rehabilitation Project (July 2007)	Forest and Economic Diversification Project (May 2012)
Côte D'Ivoire	None	None	
Eritrea	None	None	
Guinea	None	None	
Guinea Bissau	None	None	
Haiti	2005 (sector report)	Strengthening the Management of Agriculture Public Services (GFRP) Project (April 2010)	
Kosovo	None	Emergency Farm Reconstruction Project (June 2000)	
Liberia	2008 (sector report)	Agriculture and Infrastructure Development Project July 2007	Smallholder Tree Crop Revitalization Project (May 2012)
Sierra Leone	2004 (sector report)	Rural and Private Sector Development Project (May 2007)	
Solomon Islands	2007 (sector report)	Rural Development Program (September 2007)	
Somalia	None		
Sudan	None	Improving Livestock Production and Marketing Project (August 2007)	Revitalizing the Sudan Gum Arabic Production and Marketing Project (July 2009)
Timor-Leste	None	Third Agriculture Rehabilitation Project (October 2004)	
Togo	Unpublished Strategy Note	Agriculture Sector Support Project (April 2011)	

Note: Some approval dates to be verified.

a. Not including CDDs, development policy operations (DPLs), and Avian Flu projects.

b. For some countries, such as Afghanistan, an agricultural sector report is currently being prepared.

Table K.2. IDA Investment in Agriculture and Rural Development by FCS Grouping (FY01–12)

	Number and value of IDA credits and grants for agriculture and rural development			ARD as proportion of total IDA credits
Category	Number	IDA credits and grants (US$ millions)	Average credit and grant (US$ millions)	Percentage
Always FCS	74	2,894	39.1	14
Partial FCS	67	1,104	16.5	16
Never FCS	195	6,403	32.8	11
Total	*336*	*10.402*	*31*	*12*

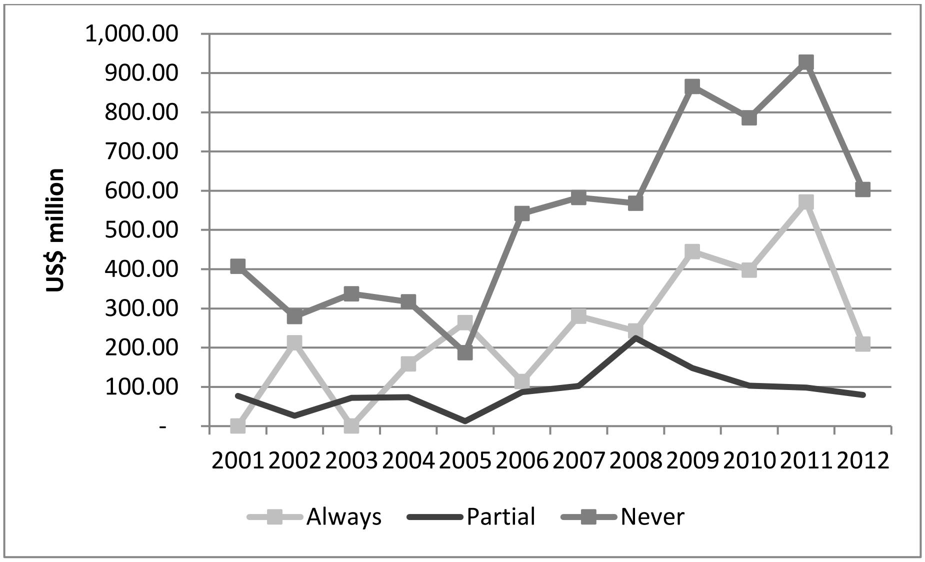
Source: Business Warehouse.

Table K.3. Bank Assistance to IDA Countries for Agriculture and Rural Development (FY01–12)

	Always FCS		Partial FCS		Never FCS		Total	
Subsector	US$ millions	%	US$ millions	%	US$ millions	%	US$ millions	%
Infrastructure	25	0.9	0	0	50	0.8	75	0.7
CDD	1,600	55.3	26	2.4	942	14.7	2.569	24.7
Agriculture	1.078	37.3	870	79.0	4,764	74.4	6,712	64.5
Irrigation	191	6.6	209	18.9	647	10.1	1,047	10.1
Total	*2,894*	*100.00*	*1,104*	*100.00*	*6,403*	*100.00*	*10,402*	*100.00*

Source: Business Warehouse.

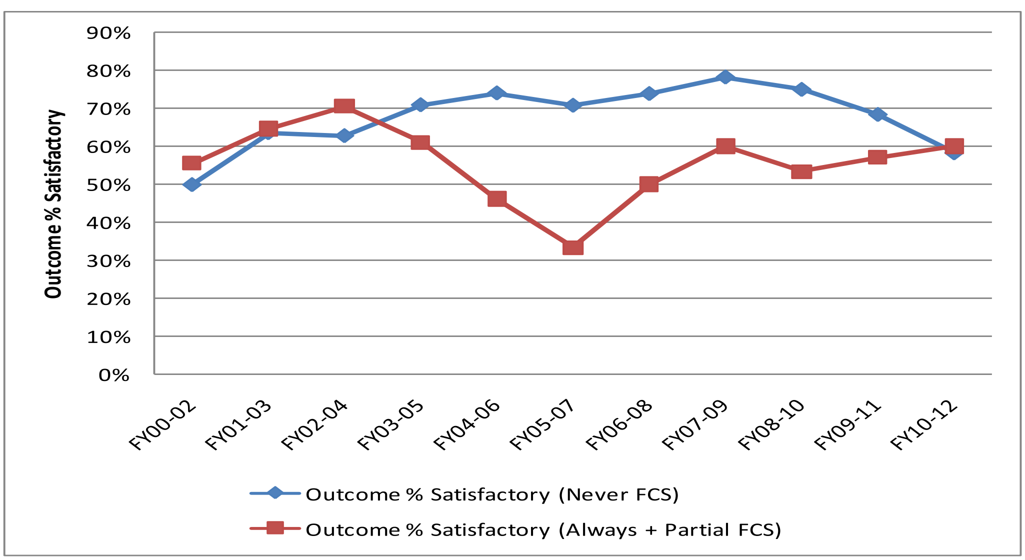
Figure K.4. Trend in Commitments for Agriculture and Rural Development Projects (FY01–12)



RESULTS (EFFICACY) OF THE PORTFOLIO

15. Figure K.5 shows the outcomes for 145 ARD projects (including CDD) which exited from the IDA portfolio between FY00–02 and FY10–12. As a group Always and Partial FCS were less satisfactory than Never FCS although the performance of Always and Partial FCS improved substantially over the last five years while the performance of Never FCS declined over the last three years to a point where 60 percent of the average outcomes of all groups were moderately satisfactory or better.

Figure K.5. Trends in the Outcomes of IDA Projects for Agriculture and Rural Development (FY00–12, 3-year moving average)



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[1]Gross agricultural production indexes (based on 2004–2006 =100) published by FAOSTAT

[2]However, changes in growth rates varied. For example growth of the agricultural production index for Afghanistan declined from 5.1 percent pa during 2000–2005 to 2.7 percent per annum between 2005 and 2011. On the other hand for Togo for the same two periods it increased from 1.8 percent per annum to 5.1 percent per annum.

[3]World Development Report, 2011, page 162.

[4]Shoghik Hovshannisyan analyzed labor productivity measured by GDP per worker in agriculture on a PPP basis but found no differences between FCS and never FCS.

[5]This issue has been discussed in more detail in the main report.

[6]Access to an all-season road is measured as the proportion of rural people who live within 2 kilometers (typically equivalent to a 20-minute walk) of an all-season road. An all-season road is a road that is motorable all year by the prevailing means of rural transport.

[7]"World Bank Group Agriculture Action Plan (2013–2015)," 2013, page 51.

[8]World Bank, "The Land Governance Assessment Framework," 2012.

[9]Studies of gum arabic and livestock led to projects financed by the Multi-Donor Trust Fund–National Sudan.

[10]In the "Always FCS" group all of the irrigation investments were in Afghanistan.

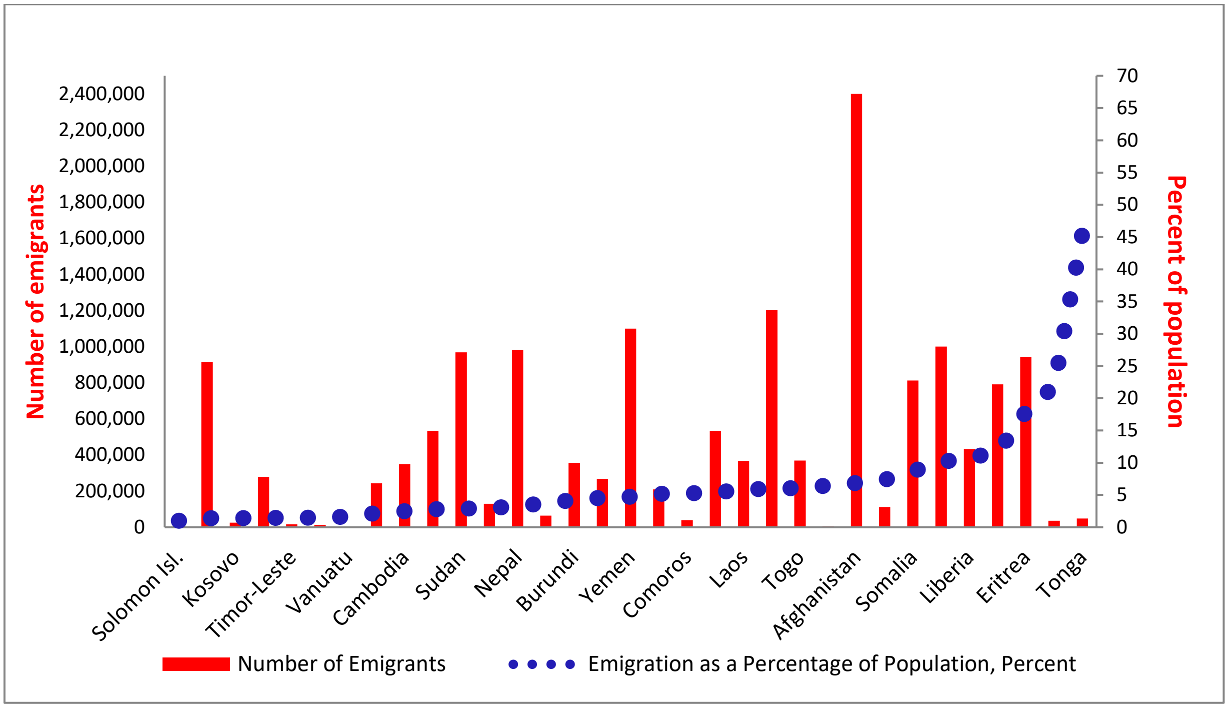
Appendix L. Migration in Low-Income Fragile and Conflict-Affected States

1. Migration has become an important component of livelihood strategies in the developing world. In both fragile and conflict-affected states (FCS)[1] and Never FCS groups, migrants constitute a sizable proportion of the population living abroad. Migration also has huge implications for economies in these countries in terms of significant remittance flows. These trends highlight the need to effectively manage and leverage the inflow of financial resources. Social policies in these countries also have to be cognizant of the needs of migrant households and provide appropriate support services.

2. Migration and remittances are important drivers of economies in International Development Association (IDA) countries both in FCS and Never FCS groups. In 2010, the highest numbers of emigrants among the FCS were from Afghanistan (2.4 million), Côte d'Ivoire (1.2 million), Republic of Yemen (1.1 million), Haiti (1 million), and Nepal (983.6 thousand). Emigration as a percentage of population was largest in the small islands such as Tonga (45.5 percent) and São Tomé and Príncipe (21.9 percent), and Eritrea (17.9 percent), Tajikistan (11.5 percent), Liberia (10.8 percent), and Haiti (10.1 percent). Migration was also important among countries that were Never FCS; nearly 16 countries have more than 5 percent of their populations residing abroad.[2] Thus, migration is also a source of short-term job creation in these countries.

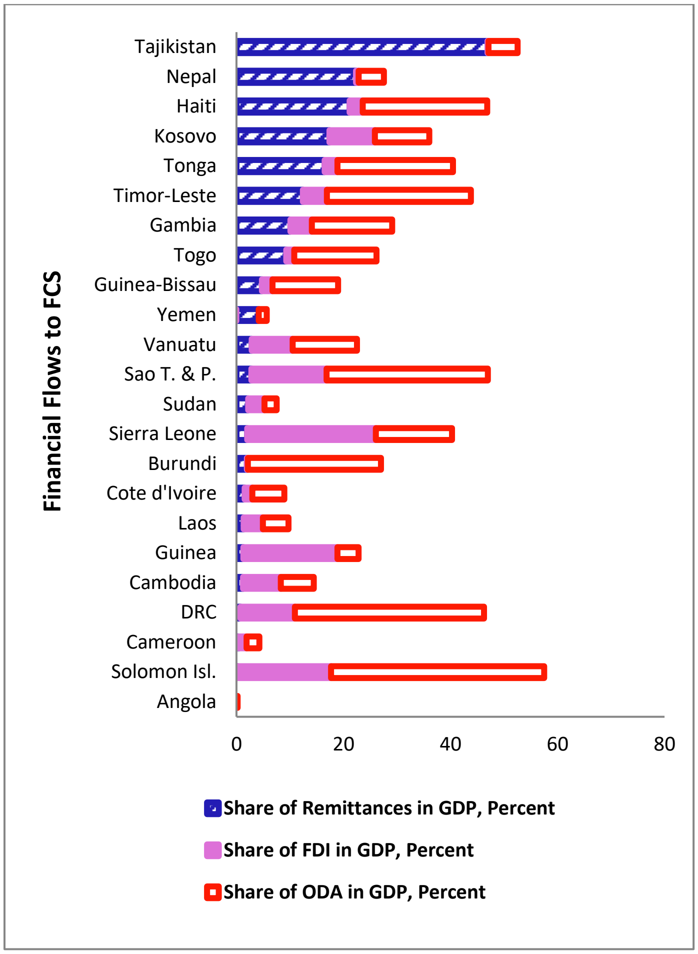
3. Remittances became one of the major financial flows in many IDA countries, including FCS and Never FCS. In 10 IDA FCS economies, remittances were greater than official development assistance (ODA) or foreign direct investment (FDI), and in a few cases they were larger than both together: remittances accounted for 46.9 percent of GDP in Tajikistan, 23.3 percent in Nepal, and 7.4 percent in Kosovo in 2011. Also, in several Never FCS countries such as Lesotho, Kyrgyz Republic, Moldova, Samoa, Senegal, Bangladesh, Sri Lanka, Honduras, Guyana, and Nicaragua remittances were equal or higher than FDI and ODA. Among different financial inflows, remittances are most resistant and countercyclical in nature (Yang 2008).[3] They therefore constitute a very important source of revenue, especially for the most vulnerable groups of population.

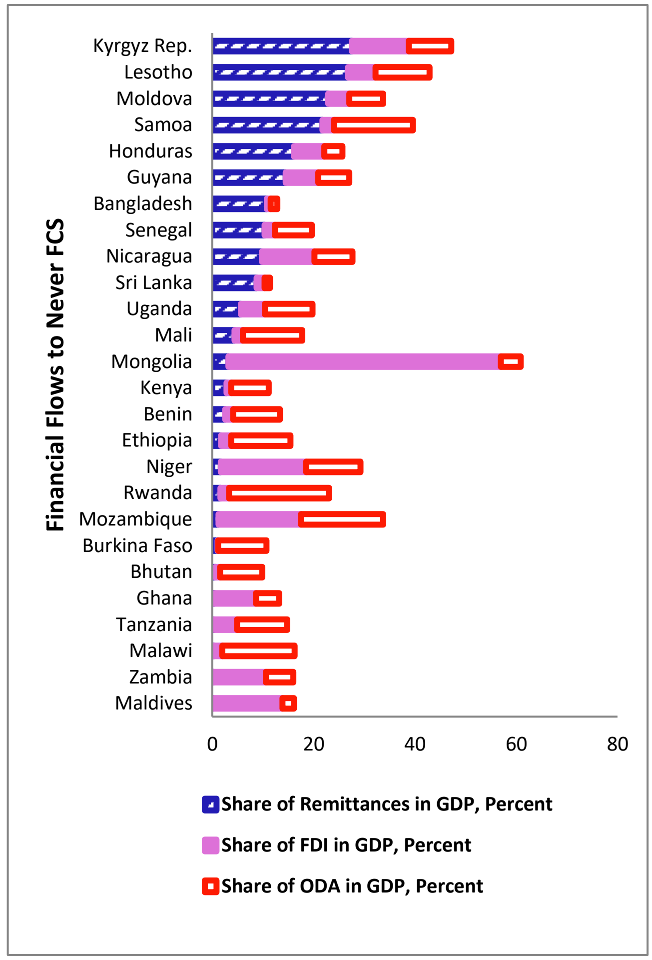
Figure L.1. Emigration in FCS Countries (2010)



4. The Bank Group has not placed substantial emphasis on the development of interventions targeted at migrant households. FCS and non-FCS countries with large emigrant populations could, therefore, benefit from policy advice on how to tailor social services toward migrants and the families they leave behind to mitigate the impact of social vulnerabilities caused by departing family members.

Figure L.2. ODA, FDI, and Remittances in FCS[4] and Never FCS in 2011 (percentage of GDP)





Source: OECD.

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[1]Due to the small number of observations, in this appendix data for Always FCS and Partial FCS have been combined into one category FCS.

[2]More in-depth information is contained in a background paper on "Growth and Aid in FCS," which was commissioned for the evaluation.

[3]See for example, Yang, D. 2008. "International Migration, Remittances, and Household Investment: Evidence from Philippine Migrants' Exchange Rate Shocks." *Economic Journal* 118, 528: 630–591.

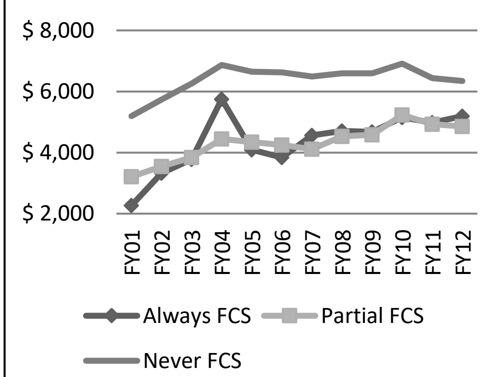
[4]The data for IDA FCS exclude Liberia where remittance data are not precise although they are estimated to be more than 30 percent of GDP.

Appendix M. Budget Analysis

1. This appendix analyzes trends in the World Bank's administrative budget expenditures in fragile and conflict-affected states (FCS) over the period FY01–12. Expenditures are analyzed for the following services: lending (i.e. project preparation costs), project supervision (and implementation support), and analytical and advisory activities (AAA), which is further divided into economic and sector work (ESW) and technical assistance (TA). To complete the analysis, changes in lending and supervision coefficients per project are analyzed and compared over time, both in terms of unit cost per project and unit cost per one million dollars of commitment volume.

2. The country classification is consistent with the country groups for the FCS evaluation: Always FCS, Partial FCS, and Never FCS. Although this country grouping is based on the FCS classification from FY06–12, to enable a meaningful comparison of the budget and avoid distortions due to additions or deletion of countries from the lists, the country groups are kept constant for the entire period FY01–12. For ready comparison between the three FCS groups, all budget expenditures were converted into constant 2011 US$ to adjust for inflation and separated into the World Bank's internal budget (BB) and trust funds (TF).

Figure M.1. Average Country Budget for Client Services



Analysis of the World Bank's Budget for Client Services in FY01–12

3. The client services budget for Always FCS increased much more than for Partial FCS and Never FCS. Among the three groups, the client services budget for Always FCS increased by 140 percent over the period FY01–12 in real terms, and amounted to an average of $5.2 million per country in FY12. The budget for Partial FCS increased by 58 percent and by 30 percent for Never FCS, and reached $4.9 million and $5.9 million per country, respectively.

4. During the corresponding period (FY01–12), the increase in BB funding (in constant 2011 US$) for Always FCS countries (89 percent) was much smaller than

the increase from TF (266 percent). A similar trend is found in the case of Partial FCS and Never FCS (Table M.1).

5. The Bank's average budget for client services increased as well, however, by much less than the total budget increase over the same time period (Figure M.1). On average, funding to Always FCS increased by 127 percent between the periods FY01–07 and FY07–12; the funding to Partial FCS increased by 120 percent; and the funding to Never FCS countries increased by 105 percent.

Figure M.2. Operational Budgets in Always FCS (FY01–12, constant 2011 US$)

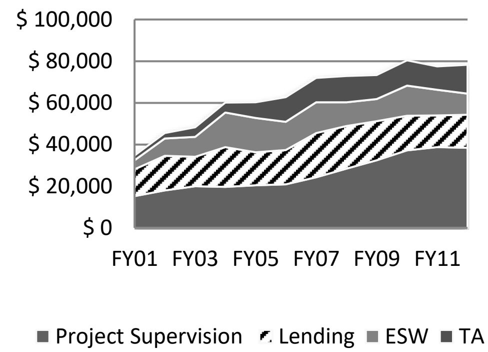


Table M.1. Changes in Budget for Client Services by Country Group (FY01–12, constant 2011 US$ thousands)

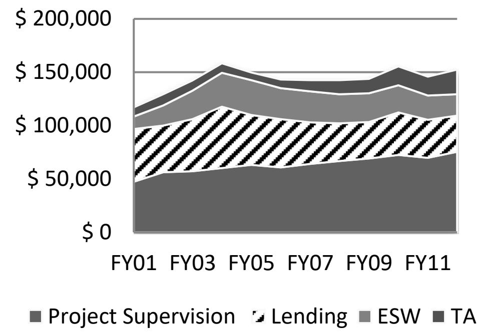
Country groups		FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Always FCS	BB	32,506	47,645	47,398	60,169	58,337	58,010	60,262	59,172	63,458	67,601	61,710	61,539
	TF	12,947	18,969	27,285	46,130	23,497	22,573	35,531	37,890	33,074	38,567	42,857	47,377
	Total	45,453	66,614	74,683	106,299	81,835	80,583	95,793	97,062	96,532	106,168	104,567	108,915
Partial FCS	BB	28,155	35,283	39,123	45,034	43,420	40,977	39,323	40,492	41,476	43,584	36,705	33,877
	TF	8,623	6,659	6,319	8,272	8,622	9,180	10,026	12,682	13,479	19,190	22,479	24,439
	Total	36,778	41,943	45,441	53,306	52,042	50,157	49,349	53,175	54,955	62,774	59,184	$ 58,316
Never FCS	BB	107,791	125,665	145,054	154,882	150,226	147,996	141,977	137,059	133,046	135,583	124,236	122,339
	TF	32,421	28,170	23,169	30,381	28,022	31,043	33,336	40,879	44,956	51,031	54,125	61,474
	Total	140,212	153,836	168,223	185,263	178,248	179,039	175,313	177,938	178,003	186,614	178,360	183,812

Analysis of the Bank's Funding for Operational Services (FY01–12)

6. An analysis of the budgets for different components of operational services (project supervision, lending, and AAA) was conducted (in constant 2011 US$) for a more detailed illustration of changes among the three country groups.

ALWAYS FCS

Figure M.3. Operational Services in Never FCS (FY01–12, constant 2011 US$)



7. The supervision budget for this group increased by 151 percent and by FY12 constituted almost half of the budget, while the 24 percent increase for lending was much more modest (Table M.2 and Figure M.2). Budget allocation for ESW grew by 133 percent. TA registered the largest increase—504 percent—over the same period.

8. The countries experiencing the largest increase in funding for TA, ESW, and project supervision were: Afghanistan, Haiti, Liberia, and DRC. By contrast, the smallest increase for the same services was registered in Eritrea, Chad, and Guinea.

9. Most countries in the Always FCS group experienced an increase in funding for TA, with the largest increase occurring in Afghanistan, Haiti, and Sudan. A decline in funding for TA occurred in Burundi, Eritrea, and Chad.

10. Over the FY01–12 period, the following countries experienced an increase in funding for ESW: Côte d'Ivoire, Comoros, Sudan, Somalia, and the Democratic Republic of Congo. By contrast, Eritrea, Timor-Leste, and Kosovo experienced a reduction in funding for ESW.

PARTIAL FCS

11. In this group also, the largest share of the operational services budget was allocated for project supervision, which grew by 125 percent from $10.5 million in FY01 to $23 million in FY12 (Table M.3). By contrast the budget for lending decreased by 39 percent. In this group of countries, supervision budgets increased in Djibouti, Kiribati, Tonga, Lao People’s Democratic Republic, and Nepal; lending budget increased in Tonga; and AAA budgets in Kiribati and Tonga. Lending budgets declined in the Republic of Yemen and Cambodia in recent years with a drop in portfolio activity, while AAA budgets declined in Gambia, Cambodia, Lao PDR, and Tonga.

12. Between FY01–06, funding for ESW increased by 220 percent, but in FY07–12 it declined by 37 percent. Funding for TA increased by 352 percent over the period FY01–12, with the increase occurring largely during FY07–12 (Table M.3). ESW was financed largely by the Bank, while trust funds were the major contributor to TA funding.

NEVER FCS

13. Countries in this group also dedicated the largest share of funding to supervision, allocations increasing by 59 percent from $47.4 million to $75.4 million between FY01 and FY12 (Figure L.4 and Table M.4). The following countries allocated the largest share of the budget for supervision: Ethiopia, Mongolia, and Maldives. In contrast, the lending budget for all countries in this group decreased by 32 percent and the funding for TA increased by 171 percent (much less than in Always FCS). The budget for ESW in Never FCS increased between FY01 and FY06 but decreased during FY07–12 (Figure M.3). The majority of funding for ESW came from BB. A breakdown of TA funding by country shows Kenya, Kyrgyz Republic, Moldova, and Maldives allocating the largest share for TA, with Guyana, Nicaragua, and Senegal allocating the lowest share. An increase in ESW budget occurred in the following countries: Bhutan, Mali, and Rwanda; while it decreased in Guyana, Honduras, Moldova, and Samoa.

Table M.2. Changes in Operational Budget for Always FCS (FY01–12, constant 2011 US$ thousands)

Always FCS	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Lending	12,833	16,725	14,062	18,979	15,861	16,375	21,108	20,548	18,805	16,750	15,082	15,960
Supervision	15,299	17,929	20,038	19,760	20,488	20,951	24,338	28,386	32,427	37,148	38,823	38,387
ESW	4,315	8,239	9,528	16,642	16,408	13,558	14,863	11,369	10,643	14,341	12,361	10,040
TA	2,306	2,667	4,597	4,808	7,464	11,815	11,721	12,629	11,509	12,160	11,286	13,921
Total	34,753	45,560	48,226	60,190	60,221	62,699	72,030	72,932	73,383	80,399	77,553	78,308

Table M.3. Changes in Operational Budget for Partial FCS (FY01–12, constant 2011 US$ thousands)

Partial FCS	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Lending	15,761	17,342	15,051	15,767	16,178	11,039	9,465	13,221	10,151	11,417	9,912	9,670
Supervision	10,575	10,596	12,313	13,277	14,395	15,714	17,721	17,303	19,658	20,335	22,731	23,777
ESW	2,775	6,233	7,325	10,707	9,938	10,266	8,877	6,276	7,278	8,118	6,076	5,594
TA	2,268	2,267	2,481	4,155	2,598	2,593	2,184	5,017	6,922	11,416	10,676	10,246
Total	31,379	36,438	37,170	43,907	43,110	39,612	38,247	41,817	44,009	51,286	49,395	49,287

Table M.4. Changes in Operational Budget for Never FCS (FY01–12, constant 2011 US$ thousands)

Never FCS	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Lending	49,351	43,886	48,699	57,466	46,464	45,055	38,743	35,475	34,353	39,834	35,451	33,794
Supervision	47,448	56,271	57,260	60,353	63,342	60,921	64,204	66,786	69,059	72,367	69,927	75,435
ESW	11,693	18,862	26,835	31,760	32,772	28,953	29,006	27,035	26,761	25,588	22,745	20,015
TA	8,520	10,347	9,525	8,775	7,122	8,341	10,532	13,184	13,581	17,587	17,869	23,116
Total	117,012	129,366	142,319	158,353	149,700	143,271	142,485	142,481	143,754	155,376	145,991	152,361

Analysis of the Bank's Funding for Supervision and Lending per Project and per $1 million Commitment Volume (FY01–12)

14. The previous analysis shows that the Bank's operational budget increased in FY01–12. However, the unit cost per project can be affected by an increase in the number of projects or the size of the projects. The following analysis provides a better understanding of the budget's changes per project for supervision and per $1 million in commitment volume for lending operations.

15. Average budget allocation for supervision per project (in nominal US$) increased significantly throughout FY01–12, though there was no significant difference in the level of increase between the three country groups; Always FCS increased by 78 percent; Partial FCS increased by 96 percent; and Never FCS increased by 82 percent. In constant dollars, supervision expenditures per projects in Always FCS increased by 8 percent; in Partial FCS increased by 19 percent, and in Never FCS increased by 10 percent. During FY07–12 the supervision budget increased by 20 percent in Always FCS, while it decreased by 5 percent and 3 percent in Partial FCS and Never FCS, respectively (Figures M.4 and M.5).

16. The Bank is providing more funding for supervision per project in Always FCS than in the other two groups; the supervision coefficient in FY12 for Always FCS is 13 percent higher than Partial FCS and 18 percent higher than Never FCS.

17. Average costs of project preparation (in nominal US$) decreased in all three FCS groups over the period FY01–12 (Table M.13). The reduction in preparation costs per project was 15 percent for Always FCS and Never FCS, and 40 percent for Partial FCS. However, this picture changes significantly when FY07 is used as the base year. Costs in Always FCS increased by 33 percent, for Never FCS they increased by 9 percent, while Partial FCS experienced a decline of 5 percent.

18. In constant US$, preparation costs per project in FY12 dropped to half of the FY01 value in Always FCS and Never FCS, and to 36 percent of the FY01 value in Partial FCS (Figure M.4). However, in FY07–12, the preparation cost per project in Always FCS increased by 7 percent, while it decreased in Partial FCS and Never FCS by 23 percent and 13 percent, respectively (Table M.13).

Figure M.4. Changes in Lending Coefficient (FY01–12, constant 2011 US$)

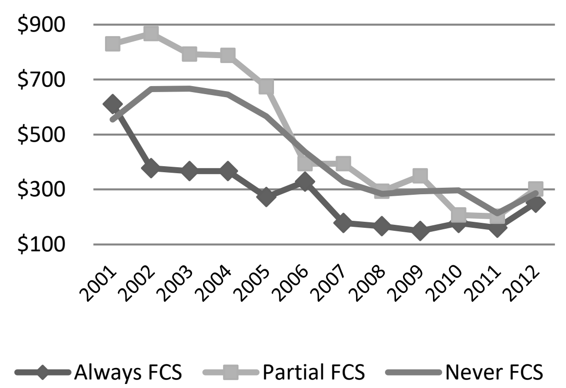
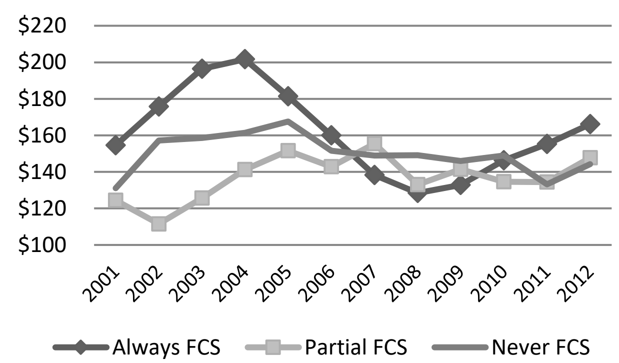


Figure M.5. Changes in Supervision Coefficient (FY01–12, constant 2011 US$)



19. Like the supervision cost coefficient, the project preparation cost coefficient is greater for Always FCS than for the other two country groups. It is four percent higher than Partial FCS and nine percent higher than Never FCS.

20. Another way to assess supervision cost is the amount spent per $1 million in commitment volume. On this basis, the cost is greater in Always and Partial FCS than in Never FCS, though it should be noted that commitment volume per project is highest in Never FCS. In Always FCS the supervision budget per $1 million commitment volume increased by 44 percent over FY01–12 (Table M.5). The main increase occurred in the second part of the decade, when the budget increased by 55 percent from FY07 to FY12. In Partial FCS the supervision budget increased by 127 percent over FY01–12. It was the largest increase among all country groups. The main increase occurred in the first part of the decade, when the budget increased by 65 percent in FY01–06. Supervision cost in Never FCS increased by 65 percent from FY01 to FY12; the budget mainly increased during the first half of the decade (40

percent). Overall, Always and Partial FCS countries received twice as much funding for supervision per $1 million commitment volume than Never FCS.

Table M.5. Supervision Budget per $1 Million Commitment Volume (nominal US$)

	Always FCS			Partial FCS			Never FCS		
Fiscal year	Active portfolio commitment (US$ thousands)	Supervision budget (US$ thousands)	Supervision per $1 million commitment (US$)	Active portfolio commitment (US$ thousands)	Supervision budget (US$ thousands)	Supervision per $1 million commitment (US$)	Active portfolio commitment (US$ thousands)	Supervision budget (US$ thousands)	Supervision per $1 million commitment (US$)
2001	2,204,781	9,483	**4,301**	2,031,847	6,555	**3,226**	14,789,413	29,411	**1,989**
2002	2,960,381	11,480	**3,878**	2,164,273	6,785	**3,135**	15,039,740	36,031	**2,396**
2003	3,064,469	13,344	**4,354**	2,383,284	8,200	**3,440**	15,901,090	38,130	**2,398**
2004	3,553,839	13,882	**3,906**	2,269,944	9,328	**4,109**	16,491,717	42,400	**2,571**
2005	3,824,853	15,128	**3,955**	2,197,885	10,629	**4,836**	16,376,758	46,770	**2,856**
2006	4,105,948	16,305	**3,971**	2,290,813	12,229	**5,338**	17,062,532	47,411	**2,779**
2007	5,036,167	20,020	**3,975**	2,196,393	14,578	**6,637**	17,297,219	52,814	**3,053**
2008	6,520,570	25,218	**3,867**	2,741,647	15,372	**5,607**	17,640,407	59,334	**3,364**
2009	6,300,930	29,384	**4,664**	2,950,570	17,814	**6,037**	20,392,658	62,580	**3,069**
2010	6,582,600	35,211	**5,349**	3,145,226	19,275	**6,128**	21,906,337	68,594	**3,131**
2011	6,440,661	38,823	**6,028**	3,321,451	22,731	**6,844**	24,327,845	69,927	**2,874**
2012	6,365,945	39,347	**6,181**	3,321,169	24,371	**7,338**	23,508,196	77,321	**3,289**

21. In FY01–12, project preparation costs (i.e. lending) per $1 million commitment volume had a fluctuating pattern among all country groups, with a more significant decline in commitment volume in FCS. Commitment volume per project in FCS (Always + Partial) decreased by 32 percent during FY07–12, from $30.2 million to $20.4 million, compared to the FY01–06 period (Table M.7). In contrast, commitment volume per project in Never FCS increased by 6 percent, from $41.8 million to $44.4 million, across the same time periods.

22. The decline in lending costs by commitment volume in FCS could be due to an increase in the number of emergency recovery loans and additional financing projects in FCS and Never FCS during FY01–12. IDA countries that were Never FCS received additional financing 264 times, which is 21 percent of all projects in FY01–

12. Among IDA FCS, additional financing reached 183 (18 percent), while the total number of projects was 1,013. Overall, the share of additional financing in both country groups was similar.

23. Economic Recovery Loans are more prevalent in FCS countries (Table M.8). Twenty-two percent of projects in FCS were Economic Recovery Loans as opposed to six percent in Never FCS; the preparation cost of emergency projects is lower than the cost for regular projects which may explain why approvals commitment volume per project is lower in FCS than in Never FCS.

Table M.6. Lending Budget per $1 Million Commitment Volume (nominal US$)

	Always FCS			Partial FCS			Never FCS		
Fiscal year	Approvals commitment volume (US$ thousands)	Lending (US$ thousands)	Lending per $1 million commitment (US$)	Approvals commitment volume (US$ thousands)	Lending (US$ thousands)	Lending per $1 million commitment (US$)	Approvals commitment volume (US$ thousands)	Lending (US$ thousands)	Lending per $1 million commitment (US$)
2001	370,100	7,954	**21,492**	380,965	9,770	**25,644**	3,552,004	30,590	**8,612**
2002	2,703,600	10,709	**3,961**	301,836	11,104	**36,789**	2,757,325	28,100	**10,191**
2003	1,336,457	9,364	**7,007**	492,996	10,023	**20,330**	3,219,284	32,430	**10,074**
2004	1,455,494	13,334	**9,161**	496,103	11,077	**22,328**	3,575,649	40,372	**11,291**
2005	1,081,495	11,711	**10,829**	381,468	11,946	**31,315**	3,748,038	34,308	**9,154**
2006	942,307	12,743	**13,524**	343,171	8,591	**25,034**	4,139,552	35,064	**8,471**
2007	1,392,235	17,364	**12,472**	334,010	7,786	**23,312**	4,175,615	31,870	**7,632**
2008	2,108,053	18,255	**8,660**	958,390	11,746	**12,256**	4,347,064	31,517	**7,250**
2009	1,609,271	17,041	**10,589**	528,146	9,198	**17,416**	6,106,355	31,130	**5,098**
2010	1,553,308	15,877	**10,221**	959,240	10,822	**11,281**	6,360,750	37,758	**5,936**
2011	1,631,111	15,082	**9,247**	727,378	9,912	**13,627**	7,414,585	35,451	**4,781**
2012	1,239,141	16,359	**13,202**	648,949	9,911	**15,273**	6,146,399	34,639	**5,636**

Table M.7. Commitment Volume per Project in Always FCS (US$ thousands)

Always FCS	FY01–06	FY07–12
Approvals commitment volume	7,889,453	9,533,118
Number of projects	211	438
Average size per project	37,391	21,765
Commitment volume per project in Partial FCS (UD$ thousands)		
	FY01–06	**FY07–12**
Approvals commitment volume	2,396,539	4,156,113
Number of projects	130	234
Average size per project	18,435	17,761
Commitment volume per project in Always + Partial FCS (UD$ thousands)		
	FY01–06	**FY07–12**
Approvals commitment volume	10,285,992	13,689,231
Number of projects	341	672
Average size per project	30,164	20,371
Commitment volume per project in Never FCS (UD$ thousands)		
	FY01–06	**FY07–12**
Approvals commitment volume	20,991,852	34,550,768
Number of projects	502	778
Average size per project	41,816	44,410

Table M.8. FCS Approvals (FY01–12)

Always and Partial FCS		Never FCS	
Total number of projects	1,013	Total number of projects	1,280
Number of emergency projects	221	Number of emergency projects	72
Percentage of emergency operations, %	22	Percentage of emergency operations, %	6

Table M.9. The World Bank's Budget to Always FCS (FY01–12, constant 2011 US$ thousands)

Category	Source	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Services	BB[a]	35,699	51,666	51,087	63,007	63,220	63,791	65,674	64,351	68,524	73,729	70,668	71,314
	TF[b]	13,019	18,973	27,667	47,340	25,415	25,599	37,924	40,995	38,932	46,302	48,682	50,568
	Total	*48,717*	*70,639*	*78,754*	*110,346*	*88,635*	*89,390*	*103,598*	*105,347*	*107,457*	*120,031*	*119,350*	*121,883*
Client services	BB	32,506	47,645	47,398	60,169	58,337	58,010	60,262	59,172	63,458	67,601	61,710	61,539
	TF	12,947	18,969	27,285	46,130	23,497	22,573	35,531	37,890	33,074	38,567	42,857	47,377
	Total	*45,453*	*66,614*	*74,683*	*106,299*	*81,835*	*80,583*	*95,793*	*97,062*	*96,532*	*106,168*	*104,567*	*108,915*
Country services	BB	31,366	45,548	45,451	57,170	56,204	55,665	57,919	56,804	60,399	65,484	59,577	58,997
	TF	12,351	18,689	18,122	19,853	18,441	16,384	24,968	25,959	22,291	24,803	27,238	28,597
	Total	*43,717*	*64,237*	*63,574*	*77,023*	*74,645*	*72,049*	*82,887*	*82,764*	*82,690*	*90,287*	*86,815*	*87,595*
Project supervision	BB	12,237	15,550	16,448	16,563	17,704	18,425	19,275	22,540	24,337	27,029	26,219	27,027
	TF	3,062	2,379	3,590	3,197	2,785	2,526	5,063	5,846	8,089	10,119	12,604	11,361
	Total	*15,299*	*17,929*	*20,038*	*19,760*	*20,488*	*20,951*	*24,338*	*28,386*	*32,427*	*37,148*	*38,823*	*38,387*
Lending	BB	8,831	12,834	10,138	13,622	13,005	14,456	14,372	11,884	13,885	13,338	12,399	12,908
	TF	4,002	3,891	3,924	5,357	2,856	1,919	6,736	8,664	4,920	3,412	2,683	3,052
	Total	*12,833*	*16,725*	*14,062*	*18,979*	*15,861*	*16,375*	*21,108*	*20,548*	*18,805*	*16,750*	*15,082*	*15,960*
Country economic and social indicators	BB	5,619	9,595	10,770	16,918	17,546	14,946	15,820	13,879	13,312	16,321	12,859	11,378
	TF	5,216	12,285	9,653	9,844	11,974	11,766	12,772	11,205	9,151	10,626	10,965	12,721
	Total	*10,835*	*21,880*	*20,423*	*26,761*	*29,519*	*26,712*	*28,592*	*25,085*	*22,463*	*26,946*	*23,824*	*24,098*
o/w Technical assistance	BB	1,761	1,581	2,218	2,850	4,267	3,681	4,402	3,767	4,632	5,687	4,660	4,861
	TF	546	1,086	2,379	1,958	3,197	8,133	7,319	8,862	6,877	6,473	6,626	9,059
	Total	*2,306*	*2,667*	*4,597*	*4,808*	*7,464*	*11,815*	*11,721*	*12,629*	*11,509*	*12,160*	*11,286*	*13,921*
o/w Economic and sector	BB	3,608	7,619	8,192	13,667	12,606	10,241	10,548	9,865	8,380	10,188	8,023	6,378
	TF	707	620	1,336	2,975	3,802	3,318	4,315	1,504	2,262	4,152	4,339	3,661
	Total	*4,315*	*8,239*	*9,528*	*16,642*	*16,408*	*13,558*	*14,863*	*11,369*	*10,643*	*14,341*	*12,361*	*10,040*
Country program support	BB	4,665	7,428	7,920	9,897	7,611	7,433	7,654	7,714	8,446	7,999	7,624	7,314
	TF	45	134	725	1,076	610	81	(1)	50	2	145	308	491
	Total	*4,710*	*7,562*	*8,646*	*10,973*	*8,221*	*7,514*	*7,653*	*7,764*	*8,448*	*8,143*	*7,933*	*7,805*
Sector and global service	BB	688	1,342	1,574	2,830	1,936	1,850	1,698	1,914	2,218	1,092	1,210	1,566
	TF	596	280	9,162	26,278	5,042	6,155	10,566	11,590	10,780	13,660	14,842	18,185
	Total	*1,284*	*1,622*	*10,737*	*29,108*	*6,978*	*8,005*	*12,264*	*13,504*	*12,998*	*14,752*	*16,052*	*19,751*

a. World Bank internal budget (BB), actual expenditures.
b. Trust fund (TF), actual expenditures.

Table M.10. The World Bank's Budget to Partial FCS in FY01–12 (constant 2011 US$ thousands)

Category	Source	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Services	BB[a]	29,311	36,477	40,367	46,350	45,606	42,582	41,540	42,822	44,019	46,171	40,058	37,050
	TF[b]	8,709	6,703	6,322	8,404	8,901	9,573	10,831	15,775	19,186	25,531	27,304	26,801
	Total	*38,021*	*43,180*	*46,690*	*54,754*	*54,508*	*52,156*	*52,371*	*58,597*	*63,206*	*71,702*	*67,362*	*63,851*
Client services	BB	28,155	35,283	39,123	45,034	43,420	40,977	39,323	40,492	41,476	43,584	36,705	33,877
	TF	8,623	6,659	6,319	8,272	8,622	9,180	10,026	12,682	13,479	19,190	22,479	24,439
	Total	*36,778*	*41,943*	*45,441*	*53,306*	*52,042*	*50,157*	*49,349*	*53,175*	*54,955*	*62,774*	*59,184*	*58,316*
Country services	BB	27,411	34,287	37,617	43,229	41,734	38,763	37,480	38,560	39,710	40,685	34,540	31,952
	TF	8,138	6,511	5,990	7,073	7,939	7,539	7,360	9,839	9,795	15,433	18,845	21,193
	Total	*35,548*	*40,797*	*43,607*	*50,303*	*49,673*	*46,302*	*44,840*	*48,399*	*49,505*	*56,118*	*53,385*	*53,145*
Project supervision	BB	9,337	10,006	11,735	12,630	13,423	14,348	15,709	15,049	17,118	16,886	16,742	15,937
	TF	1,238	590	578	647	973	1,365	2,012	2,254	2,540	3,449	5,989	7,840
	Total	*10,575*	*10,596*	*12,313*	*13,277*	*14,395*	*15,714*	*17,721*	*17,303*	*19,658*	*20,335*	*22,731*	*23,777*
Lending	BB	10,133	13,539	12,365	13,947	13,842	8,791	8,061	11,315	8,614	9,684	7,187	6,779
	TF	5,628	3,803	2,686	1,820	2,336	2,248	1,404	1,907	1,537	1,733	2,725	2,891
	Total	*15,761*	*17,342*	*15,051*	*15,767*	*16,178*	*11,039*	*9,465*	*13,221*	*10,151*	*11,417*	*9,912*	*9,670*
Country economic and social indicators	BB	4,381	6,755	7,820	11,217	9,216	10,443	8,644	7,671	9,189	9,847	7,038	6,413
	TF	1,026	1,904	2,398	3,773	3,549	2,622	2,710	3,748	5,176	9,799	9,801	9,532
	Total	*5,407*	*8,659*	*10,218*	*14,990*	*12,764*	*13,065*	*11,354*	*11,418*	*14,365*	*19,646*	*16,839*	*15,945*
o/w Technical assistance	BB	1,228	944	1,359	2,372	1,649	1,534	927	1,845	3,052	4,663	3,363	2,326
	TF	1,040	1,323	1,123	1,783	949	1,059	1,257	3,172	3,870	6,754	7,313	7,921
	Total	*2,268*	*2,267*	*2,481*	*4,155*	*2,598*	*2,593*	*2,184*	*5,017*	*6,922*	*11,416*	*10,676*	*10,246*
o/w Economic and sector	BB	2,789	5,652	6,050	8,717	7,339	8,703	7,423	5,753	5,973	5,092	3,639	4,027
	TF	(14)	581	1,275	1,990	2,599	1,563	1,453	523	1,305	3,026	2,437	1,567
	Total	*2,775*	*6,233*	*7,325*	*10,707*	*9,938*	*10,266*	*8,877*	*6,276*	*7,278*	*8,118*	*6,076*	*5,594*
Country program support	BB	3,505	3,965	5,372	5,148	4,898	4,399	4,529	4,086	4,421	4,108	3,445	2,768
	TF	199	123	170	576	846	732	820	894	(13)	1	26	19
	Total	*3,704*	*4,088*	*5,542*	*5,724*	*5,744*	*5,131*	*5,349*	*4,980*	*4,408*	*4,109*	*3,472*	*2,787*
Sector and global service	BB	586	819	1,033	1,637	1,467	1,660	1,551	1,742	1,357	1,947	1,353	1,185
	TF	486	148	329	1,198	683	1,634	2,662	2,822	3,664	3,657	3,569	3,162
	Total	*1,071*	*968*	*1,362*	*2,835*	*2,150*	*3,294*	*4,213*	*4,564*	*5,021*	*5,604*	*4,922*	*4,346*

a. World Bank internal budget (BB), actual expenditures.

b. Trust fund, actual expenditures.

Table M.11. The World Bank's Budget to Never FCS in FY01–12 (constant 2011 US$ thousands)

Category	Source	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Services	BB[a]	115,479	133,247	153,185	161,830	157,104	155,683	149,486	144,761	140,791	143,212	132,992	131,866
	TF[b]	32,672	28,297	23,848	31,556	29,543	32,526	35,619	45,180	57,051	64,521	68,578	74,775
	Total	*148,151*	*161,545*	*177,032*	*193,386*	*186,647*	*188,209*	*185,105*	*189,940*	*197,842*	*207,733*	*201,570*	*206,640*
Client services	BB	107,791	125,665	145,054	154,882	150,226	147,996	141,977	137,059	133,046	135,583	124,236	122,339
	TF	32,421	28,170	23,169	30,381	28,022	31,043	33,336	40,879	44,956	51,031	54,125	61,474
	Total	*140,212*	*153,836*	*168,223*	*185,263*	*178,248*	*179,039*	*175,313*	*177,938*	*178,003*	*186,614*	*178,360*	*183,812*
Country services	BB	104,592	121,444	140,330	151,076	144,868	142,808	137,836	130,537	128,899	129,921	119,435	116,805
	TF	27,703	23,700	19,393	25,311	22,805	19,692	24,286	28,301	32,671	38,795	41,153	49,072
	Total	*132,295*	*145,144*	*159,723*	*176,387*	*167,674*	*162,500*	*162,122*	*158,839*	*161,570*	*168,716*	*160,588*	*165,877*
Project supervision	BB	42,847	51,481	53,266	53,863	58,006	56,854	57,293	56,445	55,807	56,980	54,957	55,002
	TF	4,601	4,790	3,994	6,490	5,336	4,067	6,911	10,341	13,252	15,387	14,970	20,433
	Total	*47,448*	*56,271*	*57,260*	*60,353*	*63,342*	*60,921*	*64,204*	*66,786*	*69,059*	*72,367*	*69,927*	*75,435*
Lending	BB	32,199	33,888	41,662	50,124	41,013	40,636	35,151	32,803	31,625	34,395	29,550	27,831
	TF	17,151	9,998	7,038	7,342	5,452	4,419	3,592	2,672	2,729	5,439	5,901	5,963
	Total	*49,351*	*43,886*	*48,699*	*57,466*	*46,464*	*45,055*	*38,743*	*35,475*	*34,353*	*39,834*	*35,451*	*33,794*
Country economic and social indicators	BB	16,017	22,232	29,417	31,044	30,634	29,241	29,816	27,792	27,667	27,894	24,767	23,225
	TF	4,849	7,734	7,717	10,067	9,579	8,550	10,533	12,815	13,024	15,388	16,004	20,166
	Total	*20,866*	*29,966*	*37,134*	*41,111*	*40,213*	*37,791*	*40,349*	*40,607*	*40,691*	*43,282*	*40,771*	*43,391*
o/w Technical assistance	BB	4,843	4,092	4,322	3,687	3,618	3,981	4,995	5,315	6,055	7,770	6,814	6,738
	TF	3,677	6,255	5,203	5,087	3,504	4,360	5,537	7,869	7,526	9,817	11,055	16,378
	Total	*8,520*	*10,347*	*9,525*	*8,775*	*7,122*	*8,341*	*10,532*	*13,184*	*13,581*	*17,587*	*17,869*	*23,116*
o/w Economic and sector	BB	10,522	17,383	24,321	26,781	26,719	24,932	24,322	22,120	21,492	20,024	17,827	16,279
	TF	1,172	1,479	2,514	4,980	6,053	4,022	4,683	4,915	5,269	5,564	4,918	3,737
	Total	*11,693*	*18,862*	*26,835*	*31,760*	*32,772*	*28,953*	*29,006*	*27,035*	*26,761*	*25,588*	*22,745*	*20,015*
Country program support	BB	13,243	13,143	15,061	13,978	13,060	13,319	12,813	11,317	12,798	10,268	9,916	10,305
	TF	790	994	229	173	479	580	530	19	66	213	166	260
	Total	*14,033*	*14,137*	*15,291*	*14,152*	*13,539*	*13,899*	*13,343*	*11,336*	*12,865*	*10,481*	*10,082*	*10,564*
Sector and global service	BB	2,249	2,743	3,592	2,287	4,050	4,044	2,767	4,683	2,679	4,472	3,474	3,089
	TF	4,718	4,429	3,692	4,997	5,213	11,155	8,820	12,552	12,271	12,228	12,736	12,147
	Total	*6,968*	*7,172*	*7,284*	*7,285*	*9,263*	*15,199*	*11,588*	*17,235*	*14,950*	*16,700*	*16,210*	*15,236*

a. World Bank internal budget (BB), actual expenditures.

b. Trust fund (TF), actual expenditures.

Table M.12. Changes in Supervision Coefficient (FY01–12, US$ thousands)

Always FCS						
Fiscal year	**Nominal US$ (thousands)**	**Nominal US$ per active project**	**Change in percentage by year**	**2011 Constant US$ (thousands)**	**Constant US$ per project**	**Change in percentage by year**
01	9,482.88	95.79		15,298.64	154.53	
02	11,479.86	112.55	17%	17,928.71	175.77	14%
03	13,343.65	130.82	16%	20,037.95	196.45	12%
04	13,882.35	141.66	8%	19,760.11	201.63	3%
05	15,128.02	133.88	-5%	20,488.29	181.31	-10%
06	16,305.21	124.47	-7%	20,951.23	159.93	-12%
07	20,020.38	113.75	-9%	24,337.75	138.28	-14%
08	25,218.13	114.11	0%	28,385.55	128.44	-7%
09	29,384.39	120.43	6%	32,426.56	132.90	3%
10	35,210.92	138.63	15%	37,147.52	146.25	10%
11	38,822.89	155.29	12%	38,822.89	155.29	6%
12	39,347.07	170.33	10%	38,387.38	166.18	7%
	Overall change in percentage FY01–12		78%	**Overall change in percentage FY01–12**		8%

Partial FCS						
Fiscal year	**Nominal US$ (thousands)**	**Nominal US$ per active project**	**Change in percentage by year**	**2011 Constant US$ (thousands)**	**Constant US$ per project**	**Change in percentage by year**
01	6,555.16	77.12		10,575.38	124.42	
02	6,784.58	71.42	-7%	10,595.84	111.54	-10%
03	8,199.66	83.67	17%	12,313.31	125.65	13%
04	9,327.83	99.23	19%	13,277.22	141.25	12%
05	10,629.06	111.88	13%	14,395.22	151.53	7%
06	12,229.21	111.17	-1%	15,713.80	142.85	-6%
07	14,577.61	127.87	15%	17,721.25	155.45	9%
08	15,372.00	118.25	-8%	17,302.74	133.10	-14%
09	17,813.93	128.16	8%	19,658.21	141.43	6%
10	19,274.88	127.65	0%	20,335.00	134.67	-5%
11	22,730.57	134.50	5%	22,730.57	134.50	0%
12	24,371.43	151.38	13%	23,777.00	147.68	10%
	Overall change in percentage FY01–12		96%	**Overall change in percentage FY01–12**		19%

Never FCS						
Fiscal year	**Nominal US$ (thousands)**	**Nominal US$ per active project**	**Change in percentage by year**	**2011 Constant US$ (thousands)**	**Constant US$ per project**	**Change in percentage by year**
01	29,410.54	81.24		47,447.74	131.07	
02	36,030.84	100.64	24%	56,271.25	157.18	20%
03	38,130.37	105.62	5%	57,259.80	158.61	1%
04	42,400.34	113.37	7%	60,352.56	161.37	2%
05	46,769.77	123.73	9%	63,341.58	167.57	4%
06	47,411.34	117.94	-5%	60,920.76	151.54	-10%
07	52,814.49	122.54	4%	64,203.86	148.96	-2%
08	59,333.61	132.44	8%	66,785.94	149.08	0%
09	62,580.03	132.30	0%	69,058.94	146.00	-2%
10	68,594.27	141.14	7%	72,366.95	148.90	2%
11	69,926.88	133.19	-6%	69,926.88	133.19	-11%
12	77,320.80	147.84	11%	75,434.93	144.24	8%
	Overall change in percentage FY01–12		82%	**Overall change in percentage FY01–12**		10%

Table M.13. Changes in Lending Coefficient FY01–12 (US$ thousands)

Fiscal year	Nominal US$ (thousands)	Nominal US$ per new project	Change in percentage by year	2011 Constant US$ (thousands)	Constant US$ per new project	Change in percentage by year
Always FCS						
01	7,954.31	378.78		12,832.61	611.08	
02	10,708.93	314.97	-17%	16,724.69	491.90	-20%
03	9,364.37	267.55	-15%	14,062.33	401.78	-18%
04	13,333.88	380.97	42%	18,979.42	542.27	35%
05	11,711.47	249.18	-35%	15,861.16	337.47	-38%
06	12,743.46	326.76	31%	16,374.60	419.86	24%
07	17,363.73	241.16	-26%	21,108.19	293.17	-30%
08	18,255.09	237.08	-2%	20,547.94	266.86	-9%
09	17,040.64	198.15	-16%	18,804.86	218.66	-18%
10	15,876.58	220.51	11%	16,749.79	232.64	6%
11	15,082.29	188.53	-15%	15,082.29	188.53	-19%
12	16,359.18	320.77	70%	15,960.17	312.94	66%
	Overall change in percentage FY01–12		-15%	**Overall change in percentage FY01–12**		-49%
Partial FCS						
Fiscal year	**Nominal US$ (thousands)**	**Nominal US$ per new project**	**Change in percentage by year**	**2011 Constant US$ (thousands)**	**Constant US$ per new project**	**Change in percentage by year**
01	9,769.61	514.19		15,761.22	829.54	
02	11,104.16	555.21	8%	17,341.95	867.10	5%
03	10,022.54	527.50	-5%	15,050.70	792.14	-9%
04	11,076.87	553.84	5%	15,766.79	788.34	0%
05	11,945.73	497.74	-10%	16,178.42	674.10	-14%
06	8,590.89	306.82	-38%	11,038.78	394.24	-42%
07	7,786.33	324.43	6%	9,465.44	394.39	0%
08	11,745.84	261.02	-20%	13,221.12	293.80	-26%
09	9,198.45	317.19	22%	10,150.77	350.03	19%
10	10,821.63	196.76	-38%	11,416.82	207.58	-41%
11	9,912.10	202.29	3%	9,912.10	202.29	-3%
12	9,911.36	309.73	53%	9,669.62	302.18	49%
	Overall change in percentage FY01–12		-40%	**Overall change in percentage FY01–12**		-64%
Never FCS						
Fiscal year	**Nominal US$ (thousands)**	**Nominal US$ per new project**	**Change in percentage by year**	**2011 Constant US$ (thousands)**	**Constant US$ per new project**	**Change in percentage by year**
01	30,590.14	343.71		49,350.78	554.50	
02	28,100.30	425.76	24%	43,885.71	664.93	20%
03	32,429.88	444.24	4%	48,699.47	667.12	0%
04	40,372.36	453.62	2%	57,465.94	645.68	-3%
05	34,308.03	418.39	-8%	46,464.31	566.64	-12%
06	35,064.24	340.43	-19%	45,055.47	437.43	-23%
07	31,870.30	270.09	-21%	38,743.09	328.33	-25%
08	31,516.86	252.13	-7%	35,475.40	283.80	-14%
09	31,130.43	266.07	6%	34,353.37	293.62	3%
10	37,757.69	281.77	6%	39,834.36	297.27	1%
11	35,450.83	213.56	-24%	35,450.83	213.56	-28%
12	34,638.91	293.55	37%	33,794.06	286.39	34%
	Overall change in percentage FY01–12		-15%	**Overall change in percentage FY01–12**		-48%

Appendix N. Statistical Tables

Table N.1. Number of Lending Projects by Theme (FY01–12)

	Always FCS		Partial FCS		Never FCS	
Fiscal years	01–06	07–12	01–06	07–12	01–06	07–12
Theme I: Building Capacity of State	51	98	21	36	127	137
Theme II: Building Capacity of Citizens	86	185	53	97	200	298
Theme III: Promoting Growth and Jobs	74	155	56	100	194	364
Total	*211*	*438*	*130*	*233*	*521*	*799*

Table N.2. IDA Commitment and Trust Funds by Theme (FY01–12, US$ millions)

	Always FCS				Partial FCS				Never FCS			
	FY01–06		FY07-12		FY01–06		FY07-12		FY01–06		FY07-12	
	IDA	Trust funds	IDA	Trust funds	IDA	Trust funds	IDA	Trust funds	IDA	Trust funds	IDA	Trust funds
Theme I: building capacity of state	1,508.25	2,530.84	2,285.40	663.75	272.12	21.57	374.05	32.92	6,217.37	78.29	6,981.77	299.20
Theme II: building capacity of citizens	1,657.80	751.66	1,832.53	1,907.87	701.21	138.91	1,066.28	555.42	5,951.00	687.25	8,237.81	3,300.10
Theme III: promoting inclusive growth and jobs	2,668.80	550.01	3,813.40	970.28	1,299.07	116.31	2,180.60	300.37	8,877.77	447.51	17,721.19	1,581.66
Total	*5,834.85*	*3,832.51*	*7,931.33*	*3,541.90*	*2,272.40*	*276.78*	*3,620.93*	*888.72*	*21,046.14*	*1,213.05*	*32,940.77*	*5,180.96*

Table N.3. Net Commitments for IDA Countries (FY01–12, US$ millions)

Fiscal year	Always FCS		Partial FCS		Never FCS		Always + Partial FCS	
	IDA	Trust funds	IDA	Trust funds	IDA	Trust funds	IDA	Trust funds
01	309.40	103.80	378.39	11.06	3,640.03	66.16	687.79	114.86
02	1,326.23	2,445.27	301.49	5.11	2,596.21	185.97	1,627.72	2,450.39
03	1,175.94	204.05	491.67	26.85	3,348.88	116.86	1,667.61	230.90
04	1,286.82	237.21	474.69	33.83	3,559.87	108.68	1,761.51	271.05
05	928.66	671.32	334.66	118.09	3,740.20	266.20	1,263.32	789.41
06	807.80	170.85	291.50	81.84	4,160.95	469.17	1,099.30	252.69
07	1,201.80	333.47	328.70	56.39	3,970.97	946.95	1,530.50	389.86
08	1,954.40	448.99	841.62	131.81	4,188.96	731.84	2,796.02	580.80
09	1,202.19	780.09	502.14	94.13	5,873.47	919.87	1,704.33	874.21
10	1,381.49	432.79	792.37	212.63	5,984.30	932.33	2,173.86	645.42
11	1,273.15	917.95	625.93	273.89	7,362.03	974.25	1,899.08	1,191.84
12	918.30	628.62	530.17	119.88	5,561.04	675.71	1,448.47	748.50
Total	*13,766.18*	*7,374.41*	*5,893.34*	*1,165.50*	*53,986.91*	*6,394.01*	*19,659.52*	*8,539.92*

Table N.4. New Project Approvals and Net Commitment for a Select Group of IDA Countries (FY01–12, US$ millions)

Sector board	Always FCS				Partial FCS				Never FCS				Always + Partial FCS			
	FY01–06		FY07–12		FY01–06		FY07–12		FY01–06		FY07–12		FY01–06		FY07–12	
	US$	No.	US$	No.	US$	No.	US$	No.	US$	No.	US$	No.	US$	No.	US$	No.
Agriculture and Rural Development	748.28	16	2,145.88	58	348.88	23	755.58	44	2,070.60	66	4,333.07	129	1,097.16	39	2,901.46	102
Competitive Industries Practice	—	0	—	0	—	0	—	0	—	0	5.00	1	—	0	—	0
Economic Policy	1,200.06	16	2,259.64	50	223.91	13	264.16	21	2,145.51	46	3,552.51	68	1,423.97	29	2,523.79	71
Education	365.34	12	1,084.46	35	392.82	19	775.09	21	2,018.11	43	3,238.13	59	758.15	31	1,859.55	56
Energy and Mining	357.76	18	467.19	49	269.40	11	635.44	29	1,685.41	37	4,288.14	112	627.16	29	1,102.63	78
Environment	25.45	7	54.09	17	35.15	8	49.38	11	399.71	45	568.99	48	60.59	15	103.47	28
Financial and Private Sector Development	590.26	15	348.95	18	132.45	6	120.43	9	1,906.05	52	1,165.33	41	722.71	21	469.38	27
Financial Inclusion Practice	—	0	—	0	—	0	—	0	—	0	11.00	1	—	0	—	0
Financial Management	2,399.06	2	142.60	11	—	0	2.38	1	—	0	81.30	4	2,399.06	2	144.98	12
Financial Systems Practice	—	0	19.00	1	—	0	—	0	—	0	—	0	—	0	19.00	1
Gender and Development	—	0	9.00	2	—	0	2.05	1	—	0	—	0	—	0	11.05	3
Global Information/ Communications Technology	28.13	2	57.49	2	22.56	1	22.51	3	99.41	6	145.41	8	50.69	3	80.00	5
Health, Nutrition and Population	677.69	22	614.08	30	253.76	12	451.59	19	1,598.39	46	2,192.59	54	931.45	34	1,065.67	49
Investment Climate Practice	—	0	—	0	—	0	10.00	1	—	0	—	0	—	0	10.00	1
Operational Services	—	0	10.53	2	—	0	—	0	—	0	—	0	—	0	10.53	2
Poverty Reduction	33.16	4	14.84	10	18.17	3	52.42	5	1,317.45	24	1,742.39	34	51.32	7	67.25	15
Procurement	—	0	—	0	—	0	—	0	—	0	23.60	1	—	0	—	0
Public Sector Governance	406.81	29	521.55	24	51.61	5	88.02	9	2,832.71	57	1,876.18	29	458.43	34	609.56	33
Social Development	506.60	10	195.13	27	41.33	2	114.98	9	491.26	10	138.26	17	547.93	12	310.10	36
Social Protection	436.97	22	620.94	44	116.61	5	205.99	14	1,742.45	27	4,960.94	45	553.58	27	826.94	58
Transport	1,214.23	19	1,617.86	24	275.23	9	418.67	12	2,439.50	27	4,680.61	49	1,489.46	28	2,036.53	36
Urban Development	486.27	8	821.80	25	135.86	7	360.84	15	722.61	16	2,444.01	51	622.12	15	1,182.64	40
Water	191.30	9	468.21	9	231.46	6	180.12	9	790.03	18	2,674.26	47	422.76	15	648.33	18
Total	**9,667.36**	**211**	**11,473.23**	**438**	**2,549.19**	**130**	**4,509.65**	**233**	**22,259.20**	**520**	**38,121.73**	**798**	**12,216.55**	**341**	**15,982.88**	**671**

Note: Commitment volumes exclude IBRD, IDFs, HIPC, Partnership, and SN product lines. Recipient executed activities are limited to Stand-alone recipient executed projects and TF cofinancing of IDA projects. All other product lines have been included. If not specified, IDA and trust fund commitment volume figures have been combined. Additional financing and supplements are included as separate projects but are then supervised as part of the parent project.

Table N.5. Outcome Ratings for All Operations at Exit in IDA Countries by Number of Projects

Exit fiscal year	Number of projects (Always FCS)	Outcome % satisfactory (Always FCS)	Number of projects (Partial FCS)	Outcome % satisfactory (Partial FCS)	Number of projects (Never FCS)	Outcome % satisfactory (Never FCS)	Number of projects (Always + Partial FCS)	Outcome % satisfactory (Always + Partial FCS)
01	21	57%	12	67%	58	74%	33	61%
02	25	60%	9	56%	63	65%	34	59%
03	22	64%	11	64%	65	69%	33	64%
04	21	52%	21	71%	63	73%	42	62%
05	22	55%	18	83%	71	75%	40	68%
06	17	71%	7	43%	72	76%	24	63%
07	14	57%	15	80%	66	65%	29	69%
08	18	78%	12	50%	60	70%	30	67%
09	26	69%	9	67%	44	64%	35	69%
10	26	73%	17	65%	50	66%	43	70%
11	21	67%	12	67%	47	55%	33	67%
12	17	65%	11	64%	26	54%	28	64%

Note: % satisfactory = moderately satisfactory or higher.

Table N.6. Outcome Ratings for all Operations at Exit in IDA Countries by Commitment Volume

Exit fiscal year	Net commitments (Always FCS)	Commitment % satisfactory (Always FCS)	Net commitments (Partial FCS) (US$ millions)	Commitment % satisfactory (Partial FCS)	Net commitments (Never FCS) (US$ millions)	Commitment % satisfactory (Never FCS)	Net commitments (Always + Partial FCS) (US$ millions)	Commitment % satisfactory (Always + Partial FCS)
01	350.34	55%	239.15	83%	2,084.10	76%	589.49	66%
02	430.93	57%	146.15	79%	2,756.19	63%	577.08	63%
03	808.15	35%	229.38	79%	3,012.99	76%	1,037.54	44%
04	302.58	38%	684.37	80%	2,328.27	76%	986.95	67%
05	592.16	81%	460.05	94%	3,869.10	71%	1,052.21	87%
06	755.36	50%	114.12	43%	3,535.70	79%	869.48	49%
07	370.33	64%	399.63	82%	3,626.72	65%	769.95	73%
08	1,357.87	97%	145.60	61%	3,065.79	72%	1,503.47	94%
09	746.24	86%	213.03	69%	2,182.72	73%	959.27	83%

10	1,161.94	91%	506.75	79%	2,525.80	63%	1,668.69	88%
11	791.05	75%	458.58	52%	1,976.65	61%	1,249.63	67%
12	424.16	49%	185.64	55%	1,069.19	73%	609.80	51%

Note: % satisfactory = moderately satisfactory or higher.

Table N.7. DPL Outcome Ratings at Exit in IDA Countries by Number of Projects

Exit fiscal year	Number of DPLs (Always FCS)	Outcome % satisfactory (Always FCS)	Number of DPLs (Partial FCS)	Outcome % satisfactory (Partial FCS)	Number of DPLs (Never FCS)	Outcome % satisfactory (Never FCS)	Number of DPLs (Always + Partial FCS)	Outcome % satisfactory (Always + Partial FCS)
01	2	50%	1	100%	6	83%	3	67%
02	2	50%			9	67%	2	50%
03	4	50%			13	77%	4	50%
04	4	25%	7	71%	9	44%	11	55%
05	4	50%			19	79%	4	50%
06	7	57%	1	100%	18	89%	8	63%
07	2	50%	3	100%	16	75%	5	80%
08	6	100%	3	100%	14	43%	9	100%
09	6	67%	2	50%	7	71%	8	63%
10	7	71%	3	67%	7	86%	10	70%
11	4	100%	1	0%	4	75%	5	80%
12	4	75%	2	50%	1	0%	6	67%

Note: % satisfactory = moderately satisfactory or higher.

Table N.8. DPL Outcome Ratings at Exit in IDA Countries by Commitment Volume

Exit fiscal year	Net Commitments (Always FCS)	Commitment % satisfactory (Always FCS)	Net commitments (Partial FCS) (US$ millions)	Commitment % satisfactory (Partial FCS)	Net commitments (Never FCS) (US$ millions)	Commitment % satisfactory (Never FCS)	Net commitments (Always + Partial FCS) (US$ millions)	Commitment % satisfactory (Always + Partial FCS)
01	45.89	85%	55.77	100%	521.44	79%	101.66	93%
02	89.26	44%			970.34	73%	89.26	44%
03	586.43	16%			1,536.99	73%	586.43	16%
04	139.18	4%	421.28	94%	863.35	58%	560.46	72%
05	143.68	78%			1,699.37	74%	143.68	78%
06	500.49	42%	9.68	100%	1,559.15	92%	510.17	44%
07	27.82	37%	48.04	100%	976.75	68%	75.85	77%
08	1,104.26	100%	36.63	100%	1,213.18	54%	1,140.89	100%

09	41.17	100%	20.59	100%	316.51	81%	61.76	100%
10	251.61	85%	20.06	65%	680.91	90%	271.67	84%
11	136.33	100%	68.88	0%	187.14	71%	205.21	66%
12	123.67	93%	31.23	14%	29.54	0%	154.89	77%

Note: % satisfactory = moderately satisfactory or higher.

Table N.9. Investment Project Outcome Ratings at Exit in IDA Countries by Number of Projects)

Exit fiscal year	Number of projects (Always FCS)	Outcome % satisfactory (Always FCS)	Number of projects (Partial FCS)	Outcome % satisfactory (Partial FCS)	Number of projects (Never FCS)	Outcome % satisfactory (Never FCS)	Number of projects (Always + Partial FCS)	Outcome % satisfactory (Always + Partial FCS)
01	19	58%	11	64%	52	73%	30	60%
02	23	61%	9	56%	54	65%	32	59%
03	18	67%	11	64%	52	67%	29	66%
04	17	59%	14	71%	54	78%	31	65%
05	18	56%	18	83%	52	73%	36	69%
06	10	80%	6	33%	54	72%	16	63%
07	12	58%	12	75%	50	62%	24	67%
08	12	67%	9	33%	46	78%	21	52%
09	20	70%	7	71%	37	62%	27	70%
10	19	74%	14	64%	43	63%	33	70%
11	17	59%	11	73%	43	53%	28	64%
12	13	62%	9	67%	25	56%	22	64%

Note: % satisfactory = moderately satisfactory or higher.

Table N.10. Investment Project Outcome Ratings at Exit in IDA Countries by Commitment Volume

Exit fiscal year	Net commitments (Always FCS)	Commitment % satisfactory (Always FCS)	Net commitments (Partial FCS) (US$ millions)	Commitment % satisfactory (Partial FCS)	Net commitments (Never FCS) (US$ millions)	Commitment % satisfactory (Never FCS)	Net commitments (Always + Partial FCS) (US$ millions)	Commitment % satisfactory (Always + Partial FCS)
01	304.45	50%	183.38	78%	1,562.66	74%	487.83	61%
02	341.67	61%	146.15	79%	1,785.85	58%	487.82	66%
03	221.73	85%	229.38	79%	1,476.00	80%	451.11	82%
04	163.40	67%	263.10	57%	1,464.92	87%	426.50	61%
05	448.49	82%	460.05	94%	2,169.73	68%	908.53	88%
06	254.87	65%	104.44	37%	1,976.55	68%	359.31	57%
07	342.51	66%	351.59	79%	2,649.97	63%	694.10	73%

08	253.61	86%	108.97	48%	1,852.61	85%	362.57	75%
09	705.07	86%	192.43	65%	1,866.21	71%	897.50	81%
10	910.34	93%	486.69	80%	1,844.89	53%	1,397.02	88%
11	654.72	70%	389.70	61%	1,789.51	59%	1,044.42	67%
12	300.49	31%	154.42	63%	1,039.65	75%	454.91	42%

Table N.11a. Performance Indicators for Always FCS (FY01-12 by number of projects)

Fiscal years		Number of Projects Evaluated	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
FY01–06	Always FCS	130	59.4	27.3	29.2	43.2	62.3	59.4
	Partial FCS	80	67.9	38.5	33.8	61.4	65.0	66.3
	Never FCS	395	72.2	58.6	49.7	72.0	74.2	73.4
	Always + Partial FCS	210	62.6	31.4	31.0	50.3	63.3	62.0
FY07–12	Always FCS	123	68.9	21.3	--	--	70.7	67.5
	Partial FCS	78	66.2	40.3	--	--	69.2	61.5
	Never FCS	296	63.4	49.7	0.0	0.0	68.2	65.5
	Always + Partial FCS	201	67.8	28.6	--	--	70.1	65.2
FY01–12	Always FCS	253	64.0	22.2	29.2	43.2	66.4	63.3
	Partial FCS	158	67.1	40.0	33.8	61.4	67.1	63.9
	Never FCS	691	68.4	51.7	49.5	71.7	71.6	70.0
	Always + Partial FCS	411	65.2	29.1	31.0	50.3	66.7	63.6

Table N.12b. Performance Indicators for Evaluated Projects in Always FCS (FY01-12 by commitment volume)

Fiscal years		Commitment Volume (US$, millions)	Outcome (%Sat)[a]	RDO[b] (% Moderate or Lower)	Inst Dev Impact[c] (% Substantial or Higher)	Sustainability (% Likely)	Overall Bank Performance (%Sat)[a]	Overall Borrower Performance (%Sat)[a]
FY01–06	Always FCS	3241	52.3	15.2	29.0	43.3	56.9	49.4
	Partial FCS	1,873	81.4	31.9	51.4	81.5	77.1	79.4
	Never FCS	17,586	73.4	61.1	44.9	73.9	79.2	75.0
	Always + Partial FCS	5114	62.9	18.3	39.1	60.8	64.3	60.4
FY07–12	Always FCS	4852	83.8	12.2	--	--	88.3	79.7
	Partial FCS	1915	68.4	49.4	--	--	69.3	62.8

	Never FCS	14,647	67.6	51.7	0.0	0.0	72.1	70.1
	Always + Partial FCS	6766	79.5	22.7	--	--	82.9	74.9
FY01–12	Always FCS	8093	71.2	12.8	29.0	43.3	75.7	67.6
	Partial FCS	3788	74.8	47.0	51.4	81.5	73.2	71.0
	Never FCS	32,234	70.8	54.1	44.7	73.6	75.9	72.8
	Always + Partial FCS	11,881	72.3	21.9	39.1	60.8	74.9	68.7

Source: WB Business Warehouse Table 4a.5 as of 8/5/13.
Note: a. %Sat = Moderately satisfactory or higher
b. RDO = Risk to development outcomes

c. Inst Dev impact = Institutional Development Impact

Table N. 13. Number and Average of Projects with IEG Outcome Ratings (Exit FY01–12, average rating on a 6-point scale)

Network	Sector Board	Always FCS				Partial FCS				Never FCS				Always + Partial FCS			
		FY01–06		FY07–12		FY01–06		FY07–12		FY01–06		FY07–12		FY01–06		FY07–12	
		No.	Ratings	No.	Ratings	No.	Ratings	No.	Ratings	No.	Ratings	No.	Ratings	No.	Ratings	No.	Ratings
SDN	Agriculture and Rural Development	13	3.6	9	3.4	17	3.6	12	3.6	60	3.9	35	4.0	30	3.6	21	3.5
PREM	Economic Policy	14	3.0	28	4.0	8	3.8	12	4.0	32	3.9	20	4.2	22	3.3	40	4.0
HDN	Education	12	3.8	10	3.9	11	4.2	8	3.4	39	4.1	34	3.6	23	4.0	18	3.7
SDN	Energy and Mining	8	4.3	7	3.3	3	4.0	1	5.0	25	3.8	14	3.4	11	4.2	8	3.5
SDN	Environment	1	2.0	2	2.5	0		2	3.5	25	3.8	8	3.4	1	2.0	4	3.0
FPD	Financial and Private Sector Development	11	3.2	5	3.0	1	4.0	6	2.5	34	4.1	30	3.4	12	3.3	11	2.7
OPCS	Financial Management	0		1	4.0	0		0		0		0		0		1	4.0
SDN	Global Information/Communications Technology	0		1	4.0	0		1	4.0	5	4.8	4	4.0	0		2	4.0
HDN	Health, Nutrition and Population	12	3.5	18	3.7	8	3.4	8	3.6	31	3.5	40	3.6	20	3.5	26	3.7
PREM	Poverty Reduction	0		2	3.5	1	4.0	2	4.0	15	4.2	13	3.5	1	4.0	4	3.8
PREM	Public Sector Governance	22	3.6	13	3.8	5	2.6	4	3.0	33	3.6	32	3.7	27	3.4	17	3.6
SDN	Social Development	2	4.0	5	3.4	1	2.0	2	4.5	3	4.7	3	4.0	3	3.3	7	3.7
HDN	Social Protection	13	3.7	7	4.4	7	3.9	4	4.3	26	4.0	16	3.9	20	3.8	11	4.4
SDN	Transport	7	3.9	6	4.3	10	4.6	7	4.7	30	4.6	19	4.0	17	4.3	13	4.5
SDN	Urban Development	8	3.6	5	4.0	2	4.5	4	4.0	17	4.5	10	4.4	10	3.8	9	4.0
SDN	Water	5	3.6	3	2.3	4	4.3	3	3.3	17	4.9	15	4.5	9	3.9	6	2.8
SDN		44	3.8	38	3.5	37	4.0	32	4.0	182	4.2	108	4.0	81	3.9	70	3.7
PREM		36	3.4	43	3.9	14	3.4	18	3.8	80	3.9	65	3.8	50	3.4	61	3.9
HDN		37	3.6	35	3.9	26	3.8	20	3.7	96	3.8	90	3.7	63	3.7	55	3.8
FPD		11	3.2	5	3.0	1	4.0	6	2.5	34	4.1	30	3.4	12	3.3	11	2.7
OPCS		0		1	4.0	0		0		0		0		0		1	4.0

Note: Six-point scale ranges from 1= highly unsatisfactory to 6 = highly satisfactory.

Table N.14. Net Commitment Volume and Percentage of Projects Rated Moderately Satisfactory or Higher (exit FY01–12, US$ millions)

Network	Sector Board	Always FCS				Partial FCS				Never FCS				Always + Partial FCS			
		FY01–06		FY07–12		FY01–06		FY07–12		FY01–06		FY07–12		FY01–06		FY07–12	
		US$	%	US$	%	US$	%	US$	%	US$	%	US$	%	US$	%	US$	%
SDN	Agriculture and Rural Development	89.25	62	198.62	56	165.88	59	187.07	67	828.68	68	930.16	71	255.13	60	385.68	62
PREM	Economic Policy	291.76	43	1,581.64	71	452.39	75	108.81	75	2,267.44	78	1,202.01	85	744.15	55	1,690.44	73
HDN	Education	83.66	67	95.55	70	135.52	82	198.14	50	1,322.65	72	709.01	47	219.18	74	293.69	61
SDN	Energy and Mining	127.11	88	2.47	57	139.97	100	12.27	100	611.92	68	596.78	43	267.08	91	14.74	63
SDN	Environment	—	0	3.21	50	—		0.44	50	162.53	68	37.27	38	—	0	3.65	50
FPD	Financial and Private Sector Development	215.47	36	106.11	40	10.25	100	—	0	769.32	74	655.52	57	225.72	42	106.11	18
OPCS	Financial Management	—		34.29	100	—		—		—		—		—		34.29	100
SDN	Global Information/ Communications Technology	—		23.39	100	—		18.49	100	125.66	100	40.07	100	—		41.88	100
HDN	Health, Nutrition and Population	161.52	58	298.71	67	73.38	50	213.22	75	359.40	45	634.34	50	234.90	55	511.92	69
PREM	Poverty Reduction	—		3.13	50	9.68	100	18.87	100	982.28	87	370.22	54	9.68	100	22.00	75
PREM	Public Sector Governance	287.27	64	128.13	77	2.64	20	28.76	50	1,653.26	61	1,009.03	59	289.91	56	156.90	71
SDN	Social Development	46.05	50	58.56	40	—	0	40.98	100	55.35	100	261.80	67	46.05	33	99.54	57
HDN	Social Protection	148.22	62	191.98	100	160.33	71	93.44	75	682.89	73	918.95	75	308.55	65	285.41	91
SDN	Transport	87.14	71	987.92	100	260.55	90	291.67	100	1,678.12	87	1,422.21	79	347.68	82	1,279.60	100
SDN	Urban Development	111.66	63	352.40	80	46.46	50	50.88	75	805.92	82	339.42	90	158.12	60	403.29	78
SDN	Water	43.77	60	—	33	68.08	75	41.47	33	611.05	94	580.21	93	111.85	67	41.47	33
SDN		504.97	66	1,626.57	63	680.94	70	643.27	75	4,879.24	76	4,207.93	72	1,185.92	68	2,269.84	69
PREM		579.02	56	1,712.90	72	464.71	57	156.44	72	4,902.98	73	2,581.26	66	1,043.74	56	1,869.34	72
HDN		393.40	62	586.23	74	369.23	69	504.80	65	2,364.94	64	2,262.30	53	762.62	65	1,091.03	71
FPD		215.47	36	106.11	40	10.25	100	—	0	769.32	74	655.52	57	225.72	42	106.11	18
OPCS		—		34.29	100	—		—		—		—		—		34.29	100

Table N.15. Per Capita ODA to IDA FCS and Never FCS in IDA-Only Countries (constant 2011 prices, US$)

IDA fragile and conflict-affected states				Never FCS IDA countries			
Country	2000–2005	2006–2011	Growth	Country	2000–2005	2006–2011	Growth
Angola	279	86	-69.26	Bangladesh	76	65	-13.37
Yemen, Rep.	129	122	-5.26	Madagascar	307	217	-29.44
Guinea	235	150	-36.36	Sri Lanka	235	221	-5.91
Nepal	134	161	20.17	Ethiopia	164	245	50.00
Eritrea	574	186	-67.54	Kenya	136	255	87.06
Chad	239	253	5.95	Niger	273	260	-4.85
Congo, Dem. Rep.	268	274	2.14	Uganda	311	337	8.57
Côte d'Ivoire	199	307	54.05	Malawi	330	373	12.89
Tajikistan	241	310	28.43	Tanzania	335	388	15.70
Central African Republic	171	331	94.05	Ghana	363	396	8.97
Cambodia	316	331	4.67	Burkina Faso	316	410	29.70
Cameroon	312	352	12.96	Kyrgyz Republic	361	429	18.79
Togo	104	357	241.82	Benin	367	444	21.16
Sudan	182	403	121.52	Mali	342	452	32.09
Gambia, The	359	416	15.66	Lesotho	285	475	66.64
Burundi	279	425	52.19	Honduras	698	481	-31.10
Comoros	371	429	15.66	Senegal	490	520	6.08
Somalia	193	441	128.01	Mozambique	591	542	-8.31
Lao PDR	440	458	4.09	Rwanda	384	564	46.87
Sierra Leone	595	498	-16.39	Moldova	297	588	97.71
Guinea-Bissau	574	538	-6.24	Zambia	680	590	-13.26
Congo, Rep.	656	730	11.36	Mauritania	811	686	-15.36
Haiti	221	865	291.32	Mongolia	762	691	-9.30
Djibouti	803	1,000	24.61	Nicaragua	1,347	844	-37.33
Afghanistan	399	1,024	156.65	Bhutan	1,042	1,061	1.79
Liberia	303	1,371	352.23	Maldives	972	1,132	16.47
Timor-Leste	2,257	1,636	-27.50	Guyana	1,283	1,362	6.12
São Tomé and Príncipe	2,124	1,798	-15.35	Samoa	2,050	2,846	38.78
Kiribati	2,207	2,357	6.82	Micronesia, Fed. Sts.	7,545	6,667	-11.64
Vanuatu	1,999	2,564	28.25	Marshall Islands	8,684	7,723	-11.07
Tonga	2,397	3,149	31.38	Tuvalu		13,842	
Solomon Islands	2,289.354	3,844	67.89				

Table N.16. Portfolio Status (FY01–12)

Country	Status	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Afghanistan	# Proj		5	9	14	17	17	21	36	38	34	33	34
	# Proj At Risk		0	3	1	3	2	2	6	9	13	14	8
	% At Risk		0	33	7	18	12	10	17	24	38	42	24
	Net Comm Amt		140.0	545.4	1,059.6	726.2	873.2	1,013.6	2,706.8	2,856.9	2,768.2	1,311.5	2,943.2
	Comm At Risk		0.0	85.0	15.0	176.0	130.0	33.0	235.0	304.9	496.1	406.1	386.7
	% Commit at Risk		0.0	15.6	1.4	24.2	14.9	3.3	8.7	10.7	17.9	31.0	13.1
Cameroon	# Proj	9	9	9	7	7	9	8	12	13	12	15	16
	# Proj At Risk	2	5	3	3	2	1	1	1	3	4	4	8
	% At Risk	22	56	33	43	29	11	13	8	23	33	27	50
	Net Comm Amt	428.6	434.1	504.3	227.8	192.6	260.3	263.6	368.2	447.1	400.7	483.6	583.3
	Comm At Risk	26.7	354.8	247.4	76.7	77.7	56.4	18.2	18.2	64.2	83.2	136.0	311.9
	% Commit at Risk	6.2	81.7	49.1	33.7	40.4	21.6	6.9	4.9	14.4	20.8	28.1	53.5
Congo, Dem. Rep.	# Proj		2	2	7	8	8	10	13	19	21	21	20
	# Proj At Risk		0	0	0	2	3	6	8	8	10	12	14
	% At Risk		0	0	0	25	38	60	62	42	48	57	70
	Net Comm Amt		500.0	504.0	1,240.0	1,332.0	1,407.0	1,737.0	1,957.7	2,327.9	2,198.0	2,039.0	1,812.7
	Comm At Risk		0.0	0.0	0.0	160.0	262.0	1,171.0	1,443.7	908.7	1,449.7	1,724.0	1,367.3
	% Commit at Risk		0.0	0.0	0.0	12.0	18.6	67.4	73.7	39.0	66.0	84.5	75.4
Liberia	# Proj					1	1	6	16	18	20	17	18
	# Proj At Risk					0	0	1	1	2	1	0	5
	% At Risk					0	0	17	6	11	5	0	28
	Net Comm Amt					25.0	30.0	76.5	140.9	216.0	253.3	361.2	347.5
	Comm At Risk					0.0	0.0	46.5	46.5	13.5	5.0	0.0	194.0
	% Commit at Risk					0.0	0.0	60.8	33.0	6.3	2.0	0.0	55.8
Nepal	# Proj	8	8	10	9	12	12	13	18	18	19	21	25
	# Proj At Risk	1	2	2	1	1	3	4	4	5	11	8	5
	% At Risk	13	25	20	11	8	25	31	22	28	58	38	20
	Net Comm Amt	221.3	225.5	303.2	302.0	424.5	421.5	470.2	829.5	864.4	1,087.7	1,267.6	1,392.2
	Comm At Risk	5.0	126.3	78.0	75.6	75.6	145.2	138.7	163.2	303.6	753.2	558.4	484.0
	% Commit at Risk	2.3	56.0	25.7	25.0	17.8	34.5	29.5	19.7	35.1	69.2	44.1	34.8
Sierra Leone	# Proj	7	7	7	7	9	8	9	15	16	18	15	18
	# Proj At Risk	1	1	1	4	2	3	3	5	5	2	2	2
	% At Risk	14	14	14	57	22	38	33	33	31	11	13	11
	Net Comm Amt	150.5	184.5	158.5	180.1	216.8	202.4	244.6	257.5	243.3	230.4	228.0	260.8
	Comm At Risk	10.0	15.0	35.0	115.0	54.2	35.0	72.6	112.5	141.0	47.5	35.9	13.9
	% Commit at Risk	6.6	8.1	22.1	63.8	25.0	17.3	29.7	43.7	58.0	20.6	15.7	5.3
Solomon Islands	# Proj	2	1	1	1	1	1		2	3	5	6	7
	# Proj At Risk	0	0	1	0	0	0		0	2	2	3	4
	% At Risk	0	0	100	0	0	0		0	67	40	50	57
	Net Comm Amt	20.9	4.0	4.0	4.0	4.0	4.0		4.7	8.7	15.2	18.9	22.1
	Comm At Risk	0.0	0.0	4.0	0.0	0.0	0.0		0.0	5.5	5.5	8.7	16.7
	% Commit at Risk	0.0	0.0	100.0	0.0	0.0	0.0		0.0	63.2	36.3	46.0	75.2
Timor-Leste	# Proj	8	10	11	8	7	7	8	7	9	8	9	8
	# Proj At Risk	1	3	6	1	0	0	2	2	4	4	5	3
	% At Risk	13	30	55	13	0	0	25	29	44	50	56	38
	Net Comm Amt	54.3	75.4	69.5	60.0	47.7	53.8	40.8	24.5	28.7	28.8	49.7	53.3

Country	Status	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
	Comm At Risk	13.9	19.7	52.0	7.5	0.0	0.0	14.5	7.9	17.6	12.6	17.5	8.1
	% Commit at Risk	25.6	26.1	74.8	12.5	0.0	0.0	35.5	32.1	61.4	43.8	35.1	15.2
Yemen, Rep.	# Proj	20	19	18	19	17	18	19	22	24	31	32	26
	# Proj At Risk	2	2	2	4	1	1	2	0	4	8	13	20
	% At Risk	10	11	11	21	6	6	11	0	17	26	41	77
	Net Comm Amt	636.0	605.9	675.8	784.0	687.0	747.7	711.7	853.4	997.9	1,068.0	954.7	705.0
	Comm At Risk	78.7	45.7	50.7	98.8	27.5	21.3	155.3	0.0	110.0	376.2	405.2	536.2
	% Commit at Risk	12.4	7.5	7.5	12.6	4.0	2.8	21.8	0.0	11.0	35.2	42.4	76.0
AFR	# Proj	369	367	355	349	354	371	393	530	582	597	644	627
	# Proj At Risk	54	93	65	78	99	78	83	111	150	152	133	127
	% At Risk	15	25	18	22	28	21	21	21	26	25	21	20
	Net Comm Amt	14,535.7	15,330.8	15,951.4	16,606.7	16,829.6	18,568.6	21,093.2	24,041.3	29,334.3	35,438.5	38,884.9	40,416.8
	Comm At Risk	2,452.3	4,117.3	2,964.4	3,218.0	4,377.0	3,281.1	3,926.1	6,042.6	7,322.0	9,703.1	8,269.7	6,504.6
	% Commit at Risk	16.9	26.9	18.6	19.4	26.0	17.7	18.6	25.1	25.0	27.4	21.3	16.1
EAP	# Proj	280	267	252	235	230	229	223	283	308	319	335	357
	# Proj At Risk	26	35	25	21	14	14	24	34	46	55	59	58
	% At Risk	9	13	10	9	6	6	11	12	15	17	18	16
	Net Comm Amt	28,768.5	25,940.0	23,413.4	21,253.5	20,218.0	19,453.4	18,926.8	20,558.6	25,727.0	28,448.6	30,018.4	30,381.1
	Comm At Risk	1,990.2	2,271.1	892.4	1,473.4	842.2	803.8	1,625.9	1,767.4	2,385.9	2,785.4	3,482.7	3,339.1
	% Commit at Risk	6.9	8.8	3.8	6.9	4.2	4.1	8.6	8.6	9.3	9.8	11.6	11.0
South Asia Region	# Proj	144	136	150	157	162	151	166	198	211	220	234	249
	# Proj At Risk	15	14	25	20	19	19	24	34	32	43	45	32
	% At Risk	10	10	17	13	12	13	14	17	15	20	19	13
	Net Comm Amt	17,734.5	17,292.2	17,935.9	18,192.8	18,219.8	17,376.4	20,653.6	22,803.0	26,115.3	33,705.5	38,124.8	37,874.7
	Comm At Risk	1,577.5	1,543.4	2,537.0	3,625.0	1,755.1	2,858.3	3,366.3	4,177.7	3,179.5	4,885.8	5,306.8	5,604.6
	% Commit at Risk	8.9	8.9	14.1	19.9	9.6	16.4	16.3	18.3	12.2	14.5	13.9	14.8
MNA	# Proj	140	137	130	121	116	110	116	147	140	159	164	151
	# Proj At Risk	24	31	22	18	15	10	24	28	29	40	44	54
	% At Risk	17	23	17	15	13	9	21	19	21	25	27	36
	Net Comm Amt	5,897.9	5,356.1	4,993.1	5,235.4	5,918.3	6,621.3	6,118.5	7,022.1	6,779.4	8,720.5	9,450.1	8,532.3
	Comm At Risk	1,126.4	1,304.5	797.8	413.9	489.9	254.3	1,148.5	991.2	1,204.0	1,913.2	1,478.6	1,839.9
	% Commit at Risk	19.1	24.4	16.0	7.9	8.3	3.8	18.8	14.1	17.8	21.9	15.6	21.6
FCS/IDA[a]	# Proj	173	185	191	179	188	195	213	339	378	385	402	370
	# Proj At Risk	36	46	51	46	43	42	60	81	120	121	136	137
	% At Risk	21	25	27	26	23	22	28	24	32	31	34	37
	Net Comm Amt	4,140.6	5,137.4	5,885.8	6,362.4	6,296.1	6,301.4	6,972.2	10,455.1	11,957.2	12,316.3	11,364.1	12,333.7
	Comm At Risk	1,138.0	1,352.2	1,765.7	1,171.0	1,470.8	1,480.5	2,450.3	3,143.4	3,838.4	4,781.8	4,932.4	5,013.3
	% Commit at Risk	27.5	26.3	30.0	18.4	23.4	23.5	35.1	30.1	32.1	38.8	43.4	40.6
World	# Proj	1,562	1,544	1,519	1,469	1,463	1,468	1,485	1,832	1,925	1,990	2,059	2,029
	# Proj At Risk	192	289	234	238	235	199	243	312	386	410	382	387
	% At Risk	12	19	15	16	16	14	16	17	20	21	19	19
	Net Comm Amt	108,261.0	104,617.1	97,262.6	95,194.5	96,084.0	95,193.6	100,357.1	110,835.9	135,706.0	162,975.3	171,755.3	173,706.1
	Comm At Risk	12,654.3	17,541.9	14,371.6	14,869.4	12,757.7	11,000.1	15,354.3	18,967.7	20,857.8	28,963.1	23,850.0	24,465.0
	% Commit at Risk	11.7	16.8	14.8	15.6	13.3	11.6	15.3	17.1	15.4	17.8	13.9	14.1

Source: WB Business Warehouse Table 3a.4 as of July 12, 2013.

Note: AFR = Africa Region; EAP = East Asia and Pacific Region; FCS = fragile and conflict-affected states; IDA = International Development Association; MNA =Middle East and North Africa Region.

a. FCS/IDA based on the list of Always + Partial FCS: Afghanistan, Angola, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Comoros, Côte d'Ivoire, Democratic Republic of Congo, Djibouti, Eritrea, The Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Kosovo, the Lao People's Democratic Republic, Liberia, Nepal, Republic of Congo, Republic of Yemen, São Tomé and Príncipe, Sierra Leone, Solomon Islands, Somalia, Sudan, Tajikistan, Timor-Leste, Togo, Tonga, and Vanuatu.

Table N.17. Economic, Social Indicators, and Comparators (2001–2011)

Series Name	Afghanistan	Cameroon	Congo, Dem. Rep.	Liberia	Nepal	Sierra Leone	Timor-Leste	Yemen, Rep.	Low income
GROWTH					**2006–2011 Average**				
GDP growth (annual %)	9.7	3.0	5.8	11.7	4.4	5.6	9.3	1.9	5.9
GNI per capita, Atlas method (current US$)	341.7	1,128.3	1,48.3	2,21.7	423.3	311.7	2,182.0	988.3	466.9
GNI per capita, PPP (current international $)	943.3	2,183.3	283.3	406.7	1,138.3	765.0	4,468.0	2,280.0	1,198.1
GDP per capita growth (annual %)	6.7	0.8	2.9	6.9	2.5	2.9	6.1	-1.2	3.7
Agriculture, value added (% of GDP)	27.8	19.8	46.2	60.8	33.5	49.5	—	9.4	26.3
Industry, value added (% of GDP)	24.9	31.2	22.1	7.1	16.5	22.1	—	37.4	24.9
Services, etc., value added (% of GDP)	47.3	49.0	31.7	32.0	50.0	28.5	—	53.2	48.8
MACROECONOMIC INDICATORS									
Gross capital formation (% of GDP)	34.5	16.5	19.3	26.0	31.4	14.9	—	14.8	23.7
Gross domestic savings (% of GDP)	-24.9	14.6	9.3	-57.6	8.2	4.3	—	9.2	9.0
Inflation, consumer prices (annual %)	8.1	3.1	15.8	9.9	9.3	13.7	7.4	11.8	7.5
Real effective exchange rate index (2005 = 100)	—	103.3	389.1	—	—	109.5	—	—	—
Official exchange rate (LCU per US$, period average)	48.9	481.5	696.6	65.7	72.3	3440.3	1.0	205.3	—
Gross national expenditure (% of GDP)	159.5	101.9	110.0	183.5	123.2	110.6	—	105.6	—
Foreign direct investment (% of GDP)	—	0.2	—	—	0.0	—	—	—	—
EXTERNAL BALANCE									
Exports of goods and services (% of GDP)	23.1	28.5	57.1	26.6	12.1	18.6	—	34.7	24.9
Imports of goods and services (% of GDP)	82.5	30.4	67.1	110.1	33.5	29.1	—	40.4	39.6
Current account balance (% of GDP)	—	-1.7	—	-34.2	1.4	-20.3	—	-4.7	—
External debt stocks (% of GNI)	17.4	14.6	100.5	396.2	29.1	53.3	—	26.5	33.3
Total debt service (% of GNI)	0.1	1.9	5.0	42.1	1.3	0.8	—	1.1	1.4
Gross domestic savings (% of GDP)	-24.9	14.6	9.3	-57.6	8.2	4.3	—	9.2	9.0
Gross fixed capital formation (% of GDP)	34.5	16.4	19.3	26.0	21.4	14.9	—	14.8	22.8
IBRD loans and IDA credits (DOD, current US$ millions)	410.7	303.8	—	134.7	—		—	—	35,362.3
FISCAL ACCOUNTS[a] (% of GDP)									
Total revenue and grants					17.2			30.8	
Of which oil revenue								20.1	
Total expenditure					19.1			34.9	
Of which Current					12.9			26.9	
Of which Development					6.3			—	
Overall balance, including grants (commitment basis)					1.9			-4.2	
Official external debt, [after rescheduling]					26.0			6,533.2	
Current account, including grants					1.0			-2.1	
SOCIAL INDICATORS									
Health									
Life expectancy at birth, total (years)	47.6	50.5	47.7	55.0	67.7	46.6	61.3	64.3	58.0
Immunization, DPT (% of children ages 12-23 months)	63.3	71.5	66.2	57.3	86.0	76.3	70.5	85.5	76.0
Improved sanitation facilities (% of population with access)	36.6	49.0	23.0	16.4	29.0	12.2	45.2	51.2	35.4
Improved water source (% of population with access)	49.2	75.2	45.0	70.8	87.8	53.0	65.8	55.2	64.2
Mortality rate, infant (per 1,000 live births)	77.4	81.3	113.4	67.8	43.4	124.7	53.0	60.1	67.4
Education									
School enrollment, preprimary (% gross)	—	25.1	3.3	113.0	—	6.8	—	1.2	13.8
School enrollment, primary (% gross)	94.0	115.4	91.3	99.5	—	124.7	89.5	102.9	—
School enrollment, secondary (% gross)	34.2	40.5	36.2	44.8	43.5	—	88.7	39.1	—
Population									
Population, total (thousands)	33,005.9	13,905.0	63,377.2	3,734.7	29,165.1	5,670.3	1,094.5	23,007.0	775,920.2
Population growth (annual %)	2.8	1.1	2.8	4.3	1.9	2.5	2.4	3.1	2.1
Urban population (% of total)	22.8	19.6	33.0	47.3	16.2	38.4	27.4	30.9	27.1
Literacy rate, adult total (% of people ages 15 and above)	—	75.7	66.8	60.8	60.3	42.1	54.5	63.9	62.9

Source: World Development Indicators, January 14, 2013.

a. IMF, Article IV Consultations.

Appendix O. List of People Met

WORLD BANK GROUP

Name	Title/Organization
Government Officials in Partner Countries	
Cameroon	
André Mama Fouda	Ministry of Public Health
Celestin E. Zam-Ngono	Ministry of Public Health, *Hôpital de District de la Cite des Palmiers*, Director
Enandjoun Bwanga	Ministry of Public Health, National Country Coordinator (PAISS)
Hele Pierre	Ministry of Environment Protection of Nature And Sustainable Management, Minister
Jean Claude Mbwentchou	Ministry of Housing and Urban Development, Minister
Joe Louis Mvondo	Ministry of Public Health, National Coordinator
Nana Anoubakar Djalloh	Ministry of Environment Protection of Nature and Sustainable Development, Minister Delegate
Congo, Dem. Rep.	
Albert Kibangula Asoyo	Ministry of Agriculture and Development, National Coordinator, PARSSA
Alphonse Motomungu	Ministry of Finance, Chief Division
Baby Vangu-Ki- Nsongo	Ministry of Finance, Joint Coordinator
Bavon Elima N'Sa Mputu	Ministry of Environment, Nature Conservation and Tourism, Minister
Claude Nzau-a-Nzau	Ministry of Finance, Director of Internal Unit
Felicien Mulenda Kahenga	Ministry of Finance, Coordinator
Francis Ndongala Buatu	Public Procurement Regulation Authority, DAF
François Behue	Department of Public Service, International Technical Expert-Governance
Gilbert Mukendi Kadima	COPIREP, Responsible de la Cellule des Strategies et Transactions
Godefroid Misenga Milabyo	Ministry of Finance, Coordinator
Godelieve Elisabeth Lonji Bandeleka	Ministry of Public Services, Head of Cabinet
Guy Kabeya Muana Kalala	Public Procurement Regulation Authority, Director of Regulation
Hubert Miyimi Muwawa	Ministry of Industry, Project Engineer
Ilunga Ilunkamba	COPIREP, Executive Secretary
Jean-Claude Masangu-Mulongo	Central Bank of DRC, Governor
Jean-Luc Mualu	COPIREP, Communication Officer
Jean-PierreKapuku	Public Procurement Regulation Authority, Deputy General Director
John Muloba Kitonge	Ministry of Finance, Consultant
JustinMatumueni Valamba	Ministry of Education, Civil Engineer PARSE
Louise Munga Mesozi	Ministry of Portfolio, Minister
Mabolia Yenga	Ministry of Mines, National Coordinator POMINES
Magloire Ngunza Benga Saka	Public Procurement Regulation Authority, Director of Statistic/Communication
Martin M. W.Lukaya	Ministry of Environment, Nature Conservation and Tourism, Project Coordinator of Forest and National Conservation (World Bank/MCET Project)
Matthieu Luvunu Mbenza	Ministry of Interior, Safety, and Customary Decentralization Business, Deputy National Coordinator PRCG
Peter Kongolo Tcheza	Ministry of Mines, Internal Auditor PROMINES
Popaul Kizungu Chihisa	Ministry of Interior, Safety, and Customary Decentralization Business, National Coordinator PRCG
RuphinBo Elongo Kimuemue	Fond Social –RDC, General Coordinator
Simon Kayoyo Umbela	Ministry of Education, National coordinator, PARSE
Stanys Bujakera Sangano	Public Procurement Regulation Authority, Director General
Tuzolana Bimuala Callixte	COPIREP, Responsible de la Cellule Juridique
Victor Kabengele wa Kadilu	Ministry of Environment, Nature Conservation and Tourism, REDD National Coordinator
Wivine Matipa Mumba	Ministry of Justice and Human Rights, Minister
Xavier Ndusha	Ministry of Finance, DAF
Nepal	
Bindeswar Prasad Lekhak	Ministry of Finance, Section Officer Foreign Aid Coordination Division

Birendra Bir Basnyat	Ministry of Agriculture Development, Monitoring and Evaluation Specialist
Koshal Chandra Subedi	Law Ministry, Under Secretary
Krishna Gyawali	Ministry of Industry, Secretary
Lava Deo Awasthi	Ministry of Education Department of Education, Director General
Madhu Kumar Marasini	Ministry of Finance, Chief / Joint Secretary
Mohan Man Sainju	Ex-Chairman, Board of Directors, Poverty Alleviation Fund
Narendra Man Shrestha	Ministry of Law, Justice, Constituent, Joint Secretary
Praveen Mishra	Ministry of Health and Population, Secretary
Pushpa Lal Shakya	National Planning Commission Secretariat, Joint Secretary
Radhesh Pant	Nepal Investment Board, Chief Executive Officer Investment Board
Ramesh Adhikari	Ministry of Federal Affairs and Local Development, Under Secretary
Shanta Bahadur Shrestha	Ministry of Federal Affairs and Local Development, Secretary
Upendra Prasad Adhikary	Ministry of Women, Children and Social Welfare Government of Nepal, Joint-Secretary
Yamuna Shanker Kasaju	Rural Water Supply and Sanitation Fund Development Board, Portfolio Manager
Yogendra Kumar Karki	Ministry of Agriculture and Co-operatives, Project Director
Sierra Leone	
Aminata Sannoh	Ministry of Social Welfare, Gender, and Children's Affairs, assistant Secretary for Administration
Charles Wandy	Ministry of Social Welfare, Gender, and Children's Affairs, Gender Director
Francis Kabiya	Ministry of Social Welfare, Gender, and Children's Affairs, Director of Social Welfare
Haja Mariatu Koroma	Ministry of Social Welfare, Gender, and Children's Affairs, Deputy Secretary
Hon. Moujeh E. Kaikai	Ministry of Social Welfare, Gender, and Children's Affairs, Minister
Joseph Sunday Sinnah	Ministry of Social Welfare, Gender, and Children's Affairs, Deputy Chief, Social Services Officer
Joyce Kamara	Ministry of Social Welfare, Gender, and Children's Affairs, Deputy Director of Children's Services
Monfred Momoh Sesay	Ministry of Justice, Principal State Counsel
Saidu Conton Sesay	National Commission for Social Action (NaCSA), Commissioner
Soccoh Kabia	Former Health Minister, Gender/Social Welfare/Children's Affairs
Valnora Edwin	Campaign for Good Governance (CGG), National Coordinator
Solomon Islands	
Carlos Orton	Ministry of Finance, Advisor
Edmond Sikua	Permanent Secretary – Police and Correctional Services
Frank Wickham	Ministry of Agriculture, Permanent Secretary
James Remobatu	Permanent Secretary – Justice
Janet Tuhaika	Ministry of Women, Director
Norman Hiropuhi	Ministry of Finance, Budget Director
Philip Tagini	Office of the Prime Minister, Director
Selina Boso	Ministry of Rural Development, Permanent Secretary
Susan Sulu	MDPAC - Ministry of Planning and Aid, Director
Yemen, Rep.	
Abbas Eisa Al-Zubaidi	Ministry of Fish Wealth, Deputy Minister for Planning and Projects Affairs
Abdulla Abdulaziz Abdulmajeed	Ministry of Planning and International Cooperation, Deputy Minister For Projects Programming
Abdulla Awad Basunbul	Ministry of Fish Wealth, Deputy Minister
Abdulla H.AI-Shatter	Ministry of Planning and International Cooperation, Dep. Minister for Planning and Programmers Develop
Abdullah Al Dailami	Social Fund for Development, Cultural Heritage Unit Head
Abdulmalik Althawr	Ministry of Agriculture, Deputy Minister of Agriculture
Abdulmalik M. Alama	Ministry of Oil and Minerals, Deputy Minister
Abdulraqueb Saif Fateh	Ministry of Local Administration, Vice Minister
Abdurazaq Y. AI-Ashwal	Ministry of education, Minister Of Education
Ahmed A. Ghaleb	Ministry of Finance Tax Authority, Chairman of Tax Authority
Ali Kasim Ismail	Ministry of Higher Education and Scientific Research, Deputy Minister for Education Affairs
Amin Mohammed A. Al-Maqtari	Ministry of Local Administration, Deputy Minister of Local Planning and Budget
Esmail Hamud Al-Moushky	Ministry Of Justice, Vice General Director Public relation and media
I Awadh Saad Al-Soqatri	Ministry of Fish Wealth, Minister
Iqbal Yassin Bahader	Ministry of Industry and Trade, Deputy Minister

Khaled Mohamed Saeed	Ministry of Planning and International Cooperation, Head of World Bank Portfolio Monitoring Unit
Lamis A. Al-Iryani	Social Fund for Development, Unit Head Monitoring and Evaluation
Mohammed Hamoud Alhammadi	Ministry of Local Administration, Expert and Consultant; decentralization, governance and Local Development, Deputy Minister, Deputy Minister
Mohammed M. Qaffah	Federation of Yemen Chambers of Commerce and Industry Sana'a, General Manager
Mohammed S. Al-Sadi	Ministry of Planning and International Cooperation, Minister
Mutahar A. Al-Abbasi	Ministry of Planning and International Cooperation, Vice Minister
Taha Hussain Al-Hamdani	Ministry of Civil Services and Insurance, Deputy Minister for Technical Services
Tawfiq Abdulwahed AI-Sharjby	Ministry of Water and Environment, Deputy Minister
Donor Officials	
Cameroon	
Annette Coly	German Embassy Yaounde, Head of Cooperation
Apollinaire Tchameni	World Bank PASE Project *"Programme D'appui Au Système Educatif du Cameroun"*, General Coordinator
Boriana Yontcheva	IMF, Resident Representative
Delphine Tommy	European Union, Programs Manager
Emile Ahohe	UNECA, Director Subregional Office for Central Africa
Gregory D. Thome	Embassy of the United States of America, Deputy Chief of Mission
Kane Racine	African Development Bank, Resident Representative
Mamadou Diouf	UN, Deputy Country Director
Matthieu le Grix	Agence Française du Développement, Project Manager
Congo, Dem. Rep.	
Christopher Pycroft	DFID, Head
Floribert B. Nyamwoga	Conseil pour la Defense Environmentale par la Legalite et la Tracabilite
Helena Sterwe	UN, Aid Coordination Specialist
Jean-Jacques Kayembe Mufwankolo	Initiative pour la Transparence des Industries Extractives, Technical Expert
Martin Ohlsen	PAM, Representative
Nicolas Nganze Doukou	European Union/COREF, Expert principal en Finances publiques
René Gorenflo	European Union, Economic Adviser
Richard Robinson	USAID, Technical Advisor
Rodney Dyer	DFID, Team Leader
Valentin Zongo	African Development Bank, Resident Representative
Vincent Dowd	European Union, Ministre Conseiller/Chef de coopération
Nepal	
Caroline Vandenabeele	UN, Head of Resident and Humanitarian Coordinator's Office
Christoph Feyen	GIZ, Support to Nepal Peace Trust Fund (NPTF) Programmer Manager
David C. Atteberry	USAID Nepal, Mission Director
Dominic O'Neill	Development for International Development, Head
Eklabya Sharma	International Centre for Integrated Mountain Development (ICIMOD), Director Programme Operations
Golam Rasul	International Centre for Integrated Mountain Development (ICIMOD), Division Head/Senior Economist
Jörn Grävingholt	German Development, Senior Researcher
José Assalino	ILO Country Office for Nepal, Director
Kenichi Yokoyama	Asian Development Bank, Country Director Nepal Resident Mission
Lucis Withers	International Center for Transitional Justice, Head of Office
Nabin Kumar Karna	International Labor Organization, National Programme Coordinator
Narpat S Jodha	International Centre for Integrated Mountain Development (ICIMOD), Policy Analyst
Nita Neupane	ILO, Program Officer
Rachana Shrestha	Asian Development Bank, Senior Public Management Officer
Raju Tuladhar	Asian Development Bank, Senior Country Specialist
Roland F. Steurer	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Country Director
Shailendra Kumar Jha	International Labor Organization, National Programme Coordinator
Shankar Man Shrestha	Rural Microfinance Development Centre Ltd., Chief Executive Officer
Terence D. Jones	UNDP, Resident Representative, a.i.
Sierra Leone	

Ankur Puribit	Honorary Consul, Consulate of Sierra Leone
Dunstan S. Spencer	Enterprise Development Services Limited, Agricultural Economist Senior Partner
Gabriel Rugalema	FAO Representative,
Ibrahim Ansu Bangura	African Development Bank, Macroeconomist
John-Paul Fanning	Department for International Development, Economic Adviser
Keith Thompson	Department for International Development, Private Sector Development Adviser
Mia Seppo	UNDP, Country Director
Phil Harding	Department for International Development, Team Leader, Wealth Creation
Yero H.J. Baldeh	African Development Bank, Resident Representative
Solomon Islands	
Ali Gillies	AusAID, Fragility Conflict Branch
Anita Dwyer	AusAID, Timor-Leste, Director
Dereck Rooken-Smith	AusAID, ADG – ODE
Diane Barclay	AusAID, Multilateral, Director and ADG
Jane Chandler	AusAID South Asia, Director
Jane Lake	RAMSI, Development Coordinator
Louisa Dow	AusAID, Manager – ODE
Luke Simmons,	AusAID, Program Officer
Nicholas Coppel	RAMSI, Special Coordinator
Paul Griffiths	AusAID, Assistant Director General, Multilateral and Donor Partnerships Branch
Robert Christie	AusAID, Solomon Islands, Director
Rochelle White	AusAID, Director
Sarah Wong	MFAT (NZ), Country Manager
Scott McNamara	AusAID, Program Officer
Tanya McQueen	AusAID, Afghanistan, Manager
Tim Vistarini	RAMSI, Law and Justice, Program Director
Tony Hughes	Crawford School ANU, Research Affiliate
Tristen Slade	AusAID, Director and ADG
Yemen, Rep.	
Bouwe-Jan Smeding	Kingdom of the Netherlands, Deputy Head Development Cooperation/First Secretary Health
Edward Christow	UNDP, Democratic Governance, Team Leader
Gudrun Orth	GIZ, Programmer Coordinator
Ismai Ourd Cheikh Ahmed	UNDP, Resident and Humanitarian Coordinator
Mary Horvers	Delegation of the European Union to the Republic of Yemen, Attaché Governance, State building and Human Rights
Micha Ramakers	Delegation of the European Union to the Republic of Yemen, Head of Development Cooperation Section
Mohamed Noman Sallam	Food and Agriculture Organization of the UN, Assistant FAO in Rep. of Yemen
Osama Hashim All Abed	Food and Agriculture Organization of the UN, Programmer Clerk
Other (e.g., nongovernmental organizations, private sector)	
Cameroon	
David Abouem Achoyi	Particip GmbH, Consultant
Ignace Imiga Toiwaket	ISSEA, Chief Department of Economic
Iyug Iyug Samuel	SYNDICAT, General Secretary
Jules Simplice Kembou	Groupement Inter Patronal du Cameroun, Economist
Noé NDI Mbere	Groupement Inter-Patronal du Cameroun, Statistical Assistant
S.A. Robert Ngonthe	ISSEA, Director of Continuing Education and Applied Research
Vincent Kouete	Groupement Inter-Patronal du Cameroun, Senior Economist
Zibi Ebanga Edwin	Port Authority of Douala, Chief Department
Congo, Dem. Rep.	
André Radloff	ProCredit Bank Congo, Director General
André Tshabantu	FEC Federation des Entreprises du Congo, Managing Director
Charlotte Benneker	RD Congo Program Tropenbos International, Director
Didier Magala Mulume-O-D	CPCAI, Communication Officer
Dieudonné Ngwasi Akilimali	CPCAI, Expert

Eliane Munkei	FEC Federation des Entreprises du Congo, President of the Woman Entrepreneurs
Etienne-Claude MABUNDA	RAWBANK, National Corporate Banking Manager
François Lecuyer	Advans Banque Congo, Director General
Honoré Njibikila Nkonka Kenabantu	FEC Federation des Entreprises du Congo, Director of Research Department, Private Sector Liaison Office World Bank – DRC
Kimona Bononge	FEC Federation des Entreprises du Congo, General Secretary
Marcel Posthuma	XSML, Managing Partner
Michel B. Losembe	Association Congolaise des Banques, President
Noemie Morard	Equamineral, Executive Assistant
Quentin Loontjens	Midema, Director General
Roger Masamba	OHADA Commission, President
Nepal	
Abinash Bohra	Morang Merchants' Association, President
Amrit Bishwakarma	Jana Utthan Pratishthan (JUP), Nepal
Anuj Agarwal	Vishal Group, LTD., Director
Anup Kumar Shrestha	Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Assistant Director
Birendra B. Basnet	Buddha Air, Managing Director
Chhaya Sharma	Federation of Women's Entrepreneurs' Association of Nepal (FWEAN), President
Curtis Wong	SIL International Partners in Language Development
Datiliar Day Pant	Nirdhan Utthan Bank Limited, Executive Director
Dinesh Golchha	Chamber of Industries, Morang (CIM), President
Fatik Thapa	Nepal Participatory Action Network (NEPAN), Executive Director
Gajadhar Sunar	Dalit NGO Federation, President
George Verughese	The Asia Foundation, Country Representative
Harihar Dev Pant	Nirdhan Utthan Bank Limited, Executive Director
Hemant Dabadi	Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Director General
Maha Prasad Adhikari	Nepal Rastra Bank, Deputy Governor
Megh Nath Neupane	Confederation of Nepalese Industries, Director General
Narendra Kumar Basnyat	Bank of Kathmandu Ltd., Chairman
Nirmal Kumar BK	Dalit NGO Federation, Advisor
Prakash Budhamagar	Nepal Participatory Action Network (NEPAN), Research Officer
Prakash Mundara	Morang Merchants' Association, Secretary General
Rabi Rajbanshi	Shree Sharda Secondary School, Headteacher
Rabindra B. Malla	SCT - Network", Managing Director
Sagar Prasai	The Asia Foundation, Deputy Country Representative
Sanjay Kumar Jha	Poverty Alleviation Fund (PAF), Portfolio Manager
Shri Krishna Upadhyay	Support for Activities for Poor Producers in Nepal (SAPPROS) Founder and Executive Chairman
Somnath Adhikari	Chamber of Industries, Morang (CIM), Executive Secretary
Sujeev Shakya	Beed
Suman Rayamajhi	Beed, Founder and CEO
Sushil BK	Dalit NGO Federation, Secretary
Tej Adhikari	Nepal Participatory Action Network (NEPAN), Researcher
Yamuna Shankar Kasaju	Rwssfdb, Portfolio Manager MSC. Environmental Sanitation
Yuba Raj Khatiwada	Nepal Rastra Bank, Governor
Yuba Raj Khatiwada	Nepal Rastra Bank, Governor
Sierra Leone	
Alan Armstrong	Mantrac Sierra Leone, LTD, Mining Operations Manager
Andrew A. Damoah	Sierra Light House Ltd, General Manager
Anthony Osa. Oboh	Unique Venture Capital, Managing Director/CEO
Bernhard Metz	Harvard Kennedy School. Master in Public Administration (MPA) Candidate
Franklyn Williams	Sierra Leone Business Ltd, Deputy Director
Friedemann Gile	(GIZ) GmbH Resource Governance Project, Project Manager
Godwin I. Isuekenhor	Unique Venture Capital
Ighodaro O. Kennedy	West Africa Venture Fund LLC, Country Manager

J. Sampha Koroma	Union Trust Bank, Limited, CEO/MD
Keith Tukei	Airtel Sierra Leone, Commercial Director
Kenei Laurin	(SLETI) Sierra Leone Extractive Industries Transparency, National Coordinator
Laila A. Velji	ELRA, Eluma Research Associates, Lead Researcher
Lamin Bangura	Guaranty Trust Bank (SL) Limited, Assistant Manager
Malcom Sutton	AngloGold Ashanti Limited, Senior Environmental Manager, Risks and Liabilities
Nancy Diana Sesay	Open Society Initiative for West Africa (OSIWA), Program Coordinator
Patrick Beckley	Joule Africa, Country Director
Patrick Saidu Conteh	Sierra Leone Commercial Bank Limited, Deputy Managing Director
Randa Swaid	City Plaza Managing Director
Raymond Kai Gbekie	SLIEPA, Director of Investment Promotion
Sheka Forna	Elixir Group, CEO
Shiaka Kawa	SLIEPA, Director of Export Development
Simeon Coroma	TIMAP for Justice, Founding Director
Solomon Islands	
Jerry Tengemoana	CEO, SI Chamber of Commerce
Lottie Vaisekavea	Rural Development Project Manager, Consultant
Robin Davies	Crawford School ANU, Deputy Director
Terence Wood	Crawford School ANU, Research Affiliate
Tony Swan	Crawford School ANU, Research Affiliate
Yemen, Rep.	
A. Wahab Thabet	Thabet Group of Companies, Resident Director
Abdullah M. Alkassim	Alamalbank Microfinance, Head of International Partnerships
Colette Fearon	Oxfam, Country Director
Mohammed A. Hussein Yahya	General Investment Authority, Head of the Promotion Sector
Gerald Maier	Adra Yemen, Country Director
Hashem Awnallah	Islamic Relief, Country Director
Jamal Omar M. Omar	Foundation For Social Development, Vice President
Jon Bennett	Oxford Development Consultants
Lina A. Al-Eryani	SOUL, Monitoring and Evaluation Unit Manager
Mohammed S. Al-Lai	Alamalbank Microfinance, CEO
Mukhtar M. Alsaqqaf	Universal Yemen, Managing Director
Nageeb Ullah Akhunzadah	Save The Children, Director Support Services
Roberta Contin	CHF International, Program Director
Seamus Cleary	Clear Consult
Shawki Al-Qadhi	Nods Yemen
Yahya S. Mohsen	General Investment Authority, Chairman
Other International Stakeholders	
Dena Assaf	UNDG, Deputy Director of UN D Operations Coordinator
Felix Piedade	Timor Leste Ministry of Finance, Coordinator of New Implementation
Helder da Costa	G7+, G7+ of Fragile States Head International Secretariat
Indran A. Naidoo	UNDP, Director, Evaluation Office
Jordan Ryan	UNDP, Assistant Administrator and Director Bureau for Crisis Prevention and recovery
Former and Current World Bank Group Staff	
Abel Paul Basile Bove	Governance Specialist
Adamou Labara	Former IFC Country Representative, DRC
Afrah Alawi AI-Ahmadi	Senior Human Development Specialist
Alain Ebobisse	Global Head, IFC Infraventures
Alaleh Motamedi	Senior Procurement Specialist. Procurement Policy and Services Group, Operations Policy and Country Services
Albertus (Bert) Voetberg	Lead Health Specialist South Asia Region
Alexandre Laure	Jr. Professional Officer
Alexandre Marc	Chief Technical Specialist, OPSFN
Ali Tuhanuku	ET Consultant

Amadou Nchare	Agriculture Economist
Amadou Oumar Ba	Agricultural Specialist
Andrea Vermehren	Lead Social Protection Specialist
Anjalee Thakali	Deputy Project Coordinator
Anne Tully	Country Manager
Annette Leith	Operations Officer
Ashish Rauniar	IFC, Operations Officer, Nepal
Babacar Sedikh Faye	IFC CASA Coordinator, DRC
Bandita Sujapati	Consultant
Bernard Harborne	Social Development Department
Bishnu Bahadur Thapa	Junior Professional Associate
Brandon Carter	MIGA, Environmental Specialist
Brigitte Bocoum	Mining Specialist
Christopher Gabelle	Sr. Governance Specialist
Colin Shepherd	Head, IFC Conflict-Affected States in Africa (CASA) initiative
Daniel Evans	J4P, Country Manager
Ekaterina Romanova	Social Cohesion and Violence Prevention Team
Emmanuel Pinto Moreira	Sector Leader-PREM
Erik Johnson	Senior Operations Officer
Eustache Ouayoro	Country Director
Faustin-Ange Koyasse	Sr. Economist
Ferdinand Ngobounan	Operations Officer Douala Field Office (IFC)
Florence P. Boupda Ngueda	Senior Investment Officer - Global Financial Markets Department (IFC)
Frances Sese Gadzekpo	IFC CASA Coordinator, Sierra Leone
Franz Drees-Gross	Country Director
Fred Zake (IFC)	Senior Operations Officer, Head NICRP, SEDF
Gaber All Al-Sanabani	Mining Projects - Investment Climate
Gary Milante	Senior Economist, OPSFC
Gibril S. Jailoh	Program Officer Justice for the Poor, Sierra Leone, LEGJR
Gilberto de Barros	Sr. Private Sector Development Specialist
Gregor Binkert	IFC, Cameroon Country Director
Hardwick Tchale	Sr. Agriculture Economist
Henri E. Rabarijohn	IFC Country Manager, Cameroon
Herminie Delanne	Consultant
Homina Nassery	Public Health and Gender Specialist, Human Development Network
James Emery	IFC, Head Strategy
James Reichert	Senior Infrastructure Specialist
Jane Sansbury	Country Program Coordinator
Jasmine Rajbhandary	Social Protection Specialist
Jean Christophe Carret	Sector Leader-AFTSN
Jean Mabi Mulumba	Senior Public Sector Specialist
Jean-Philippe Mukuaki M.Z.	IFC, Program Manager DRC SME Development Program
Jie Tang	Lead Energy Specialist Sustainable Development Department
Jillian Crowther	MIGA, Environmental and Social Development Specialist
Jinan Shi	Senior Procurement Specialist
Joel Hellman	Director, OPSFC Nairobi
John Speakman	Lead Private Sector Development Specialist
John Virdin	Sr. Natural Resources Management Specialist
Julien Galant	Former IFC CASA Coordinator, DRC
Kamlesh Khelawan	Senior Energy Specialist
Karen C. Sjetnan	Sr. Cameroon Country Officer
Katherine Baker	Consultant
Keith D. Leslie	Sr. Social Development Specialist
Ketaki S. Bhagwati	IFC Chief Investment Officer

APPENDIX O
LIST OF PEOPLE MET

Kyle F. Kelhofer (IFC)	Country Manager Bangladesh, Bhutan and Nepal
Laura Anne Watson	IFC, Senior Operations Office, Nepal
Mahine Diop	Senior Municipal Engineer
Maiko Miyake	IFC, Head
Mamadou Barry	Sr. Mining Specialist
Manav Bhattarai	Health Specialist
Manievel Sene	Sr. Rural Development Specialist
Marcelo Jorge Fabre	Senior Operations Officer, OPSFC
Mary Agboli	IFC, Sr. Country Officer and Country Representative, Sierra Leone
Mary Porter Peschka	Sr. Manager, IFC
Maurizia Tovo	Lead Social Development Specialist
Mette Strand Gjerloeff	IFC Sr. Operations Officer
Michel Kerf	Sector Manager
Mohan Prasad Aryal	Operations Officer, Nepal
Moise Ekedi Endene	Permanent Secretary - Cameroon Business Forum (CBF) (IFC)
Nabil Fawaz	MIGA, Sector Leader
Naif M. Abu-Lohom	Sr. Water Resources Specialist
Nilesh Shrivastava	IFC, Manager
Olga Minampala	IFC, CAF
Olivier Nour Noel	Infrastructure and Financial Markets (IFC)
Papa Demba Thiam	Senior Private Sector Development Specialist
Paul Barbour	MIGA, Senior Risk Management Officer
Persephone Economou	MIGA, Research Officer
Peter Ganda	Operations Officer
Peter Taniform	Senior Transport Specialist
Peter Tropper	IFC, Chief Investment Officer
Rabin Shrestha	Senior Energy Specialist
Rachel Perks	Mining Specialist
Radhika Srinivasan	Senior Social Scientist, OPSFC
Rajeev Gopal	Former IFC Resident Representative, Nepal
Robert Jauncey	Senior Country Manager
Roberto Aiello	Senior Energy Specialist
Ross Misika	Program Coordinator
Sakuntala Akmeemana	Senior Public Sector Specialist
Saurav Dev Bhatta	Senior Education Specialist
Stephen Mink	Lead Economist
Sulaiman Namara	Senior Social Sector Economist
Suleiman Namara	Sr. Social Protection Economist, AFTSW
Susan Goldmark	Country Director, Nepal (former)
Susan Kayonde	Sr. Private Sector Development Consultant
Taneem Ahad	IFC, Associate Operations Officer, Nepal
Tehseen Sayed	Country Manager
Tendai Gregan	Energy Specialist
Tim Bulman	Economist
Truman Packard	Lead Economist
Valentino S. Bagatsing	IFC Resident Representative, Nepal
Victoire Ngounoue	Consultant
Vijay Pillai	Country Program Coordinator, Malawi, Zambia, and Zimbabwe
Vincent Perrot	Consultant
Vivek Suri	Lead Economist
William James Simpson	Security Advisor
Yongmei Zhou	Sector Manager, OPSFC