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Moldova: World Bank Country-Level Engagement on Governance and Anticorruption

IEG Working Paper 2011/11

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IEG: Improving World Bank Group Development Results Through Excellence in Evaluation

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ISBN 13: 978-1-60244-208-5
ISBN 10: 1-60244208-8

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Abbreviations

AAA	Analytical and advisory activities
APL	Adaptable program loan
CAP	Country strategy and action plan
CAS	Country Assistance Strategies
CASCR	CAS Completion Report
CCECC	Center for Combating Economic Crimes and Corruption
CDD	Community Driven Development
CEP	Competitiveness Enhancement Project
CFAA	Country Financial Accountability Assessment (World Bank)
CGAC	Country Governance and Anticorruption
CIS	Commonwealth of Independent States
COA	Court of Accounts
CPAR	Central Public Administration Reform (Moldova)
CPAR	Country Procurement Assessment Report (World Bank)
CPIA	Country Policy and Institutional Assessment (World Bank)
CPS	Country Partnership Strategy (World Bank)
CSO	Civil society organization
DAC	Development Assistance Committee
DFID	Department for International Development (UK)
DPL	Development Policy Loan
EBRD	European Bank for Reconstruction and Development
ECA	Europe and Central Asia Region
EGPRSP	Economic Growth and Poverty Reduction Strategy Paper
EITI	Extractive Industries Transparency Initiative
ESAF	Enhanced Structural Adjustment Facility
ESW	Economic and sector work
EU	European Union
FY	Fiscal year
GAC	Governance and anticorruption
GAVI	Global Alliance for Vaccines and Immunization
GDP	Gross domestic product
GEF	Global Environment Facility
GPF	Governance Partnership Facility
IBRD	International Bank for Reconstruction and Development
ICA	Investment Climate Assessment
ICR	Implementation Completion and Results
IDA	International Development Association
IEG	Independent Evaluation Group (World Bank Group)
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labor Organization
IMF	International Monetary Fund
INT	Department of Institutional Integrity (World Bank)
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
LIL	Learning and Innovation Loan
MTSQ	Measurement, standards, testing, and quality
NDS	National development strategy
NGO	Nongovernment organization
ODA	Official development assistance
PCRM	Moldovan Communist Party
PEFA	Public Expenditure and Financial Accountability assessment
PER	Public Expenditure Review
PETS	Public Expenditure Tracking Survey
PFM	Public financial management
PIU	Project implementation unit
PMU	Project management unit
PRGF	Poverty Reduction and Growth Facility

PRSP	Poverty Reduction Strategy Paper
SAF	Structural Adjustment Facility
SOE	State-owned enterprise
SWaP	Sectorwide Approach (World Bank)
TACIS	Technical assistance to the Commonwealth of independent states
TRACECA	Transport Corridor Europe – Caucasus – Asia
TTL	Task team leader (World Bank)
UNAIDS	United Nations Program on HIV/AIDS
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children’s Fund
UNODC	United Nations Office on Drugs and Crime
USAID	United States Agency for International Development
USD	United States Dollar
VAT	Value added tax
WFP	World Food Program

Preface

This case study summarizes the findings of desk reviews and a field visit carried out in January 2011 as part of IEG's evaluation of the 2007 Governance and Anticorruption (GAC) Strategy. The case study sought to evaluate the relevance and effectiveness of Bank support for GAC efforts over the FY2004-10 period, to assess the contributions of 2007 strategy implementation, and to identify early outcomes and lessons.

This report was prepared by Clay Wescott (lead) and Raj Desai as a background paper for IEG's GAC evaluation. The report was prepared under the supervision of Navin Girishankar and the overall guidance of Cheryl Gray and Ali Khadr.

The authors are grateful to officials from the Government of Moldova and the World Bank's Country Team for constructive discussions. They are also grateful for comments from the IEG's GAC Evaluation team members. Barbara Balaj provided editorial support and Aimée Niane provided administrative support.

Summary

Moldova has suffered over the last two decades from rising poverty, territorial secession, armed conflict, and the spillover effects of a regional financial crisis, with declining population size and life expectancy, and an economy approximately one-half of what it was in 1990. The return of the Moldovan Communist Party (PCRM), which won two major elections after 2001, contributed to increasing centralization of governmental authority along with a reform agenda that emphasized greater state control over the economy, fiscal support to state enterprises and collective farms, land consolidation, economic protectionism, and the tolerance of monopolies in industry and energy. At the same time, the government has increased social expenditures, and taken major steps to improve public financial management.

Governance was a centerpiece of the Bank's country strategies in Moldova. The Moldova country program has appropriately adopted opportunistic approaches to address ongoing political uncertainty, although the Bank missed opportunities to strengthen civil society organizations (CSOs) as a natural constituency for good governance. At the sector level, the Bank's engagement was highly relevant for public sector governance given the institutional fragilities in the public administration system. Engagement in primary education was relevant in addressing key constraints. Bank engagement in the road sector used GAC issues to set a sustainable framework for policy dialogue, investment, maintenance planning, regulation and safety. Regarding private sector development, Bank GAC support helped to target a major source of rents. At the project level, the Bank's engagement was substantially relevant in using smart project design, smart fiduciary portfolio oversight, enhanced oversight, and training for task teams.

Bank engagement was moderately effective at the country and project levels, and substantially effective at the sector level. There was progress in several aspects of public financial management (PFM). Regulatory streamlining has reduced costs to business, although resistance to civil service reform has left much work to be done. The Bank has also helped achieve progress on GAC issues in primary education, roads, and private sector development. Education progress is highly uneven across regions, for example, overweight trucks continue to tear up roads, and private investment is not enough to make a dent in high unemployment. A graduated approach to country systems and road sector technical audits help address GAC issues at the project level. The overall impact of GAC strategy implementation was moderate. The GAC committees set up at the regional and sectoral Bank department levels are particularly useful mechanisms for disseminating practices from the GAC Council. Staff have been proactive in using CGAC resources. However, three applications for Window 1 funding were not approved, reducing the ability of this small program to seize opportunities.

Table S. 1 Moldova—Summary IEG Assessment

GAC Elements	IEG Ratings	
	Relevance	Effectiveness
1. GAC at Country Level	■■■	■■
2. GAC in Sector Level		
Core Public Sector		
Public Financial Management	■■■■	■■■
Civil Service	■■■■	■■
Basic Service Delivery		
Roads	■■■	■■■
Primary Education	■■■	■■■
Investment Climate	■■■	■■
Accountability Institutions	■■■■	■■
3. GAC at Project Level	■■■	■■■
Implementation of GAC-related technical assistance	■■■	■■
Use of Country Systems	■■	■■
4. 2007 GAC Strategy Implementation		
Impact of GAC support on staff attitudes towards GAC issues	■■	■■
Impact of GAC support on enhancing quality of operational response	■■	■■

Ratings: ■ Negligible ||| ■■ Moderate ||| ■■■ Substantial ||| ■■■■ High

Source: IEG

1. Introduction

Background: 2007 GAC Strategy and Implementation Plan

1.1 The 2007 strategy—a corporate strategy—set forth several objectives relating to the development of capable and accountable states and committed the Bank to seven principles of engagement on GAC issues (Box 1-1-1). In response to shareholder concerns about the perceived arbitrariness of senior management decisions to cut off lending to certain countries, the strategy reiterated the Bank's use of rules-based criteria for allocating resources, as well as its aim to stay engaged even in poorly governed countries to ensure that the "poor do not pay twice." At the same time, the strategy placed considerable emphasis—more than earlier strategies—on safeguarding Bank funds from fiduciary risks. Early on, it was acknowledged that, to achieve its "vision of success," the strategy required a more detailed implementation plan.

Box 1-1. The Multiple Objectives and Guiding Principles of the 2007 GAC Strategy

1. The GAC strategy had several objectives:
   - "to support poverty reduction…."
   - "…[by] developing capable and accountable states ….[undertaking] sound policies, improving service delivery, [establishing] rules for markets, combating corruption," and
   - "…to ensure that its funds are used for their intended purposes."
2. In addition, the "GAC guiding principles" were as follows:
   - Focus on "[a] capable and accountable state to create opportunities for poor people, provide better services, and improve development outcomes."
   - Country ownership and leadership are key. Country government is the principal counterpart.
   - Remaining engaged so the poor do not pay twice.
   - Consistent approach across countries, even though one size does not fit all.
   - Engage broad set of stakeholders with focus on transparency, accountability, and participation.
   - Strengthen rather than bypass country systems.
   - Harmonization (the Bank will not act in isolation).

Source: World Bank documents.

1.2 The implementation plan (IP) sought to define concrete steps for "what the World Bank itself will do to support the GAC agenda, and how it will work with governments, domestic stakeholders, and development partners to support country-level governance improvements and regional and global initiatives." The plan's success was to be measured by (i) a significant and growing number of countries seriously addressing key governance impediments to development effectiveness and poverty reduction; (ii) Bank-supported projects and programs increasingly addressing GAC impediments; and (iii) countries and global partners valuing and respecting the Bank's capacity in this area (World Bank 2007a).

It was envisaged that these objectives would eventually be reflected empirically in improvements in country governance performance.

1.3 To this end, the IP proposed to deliver guidance materials, tools, training, incremental resources, and strategic staffing to help deepen Bank engagement in the following areas:

- *GAC-in-Countries.* These initiatives sought to enhance Bank-country engagement on governance and anticorruption issues. Initially, country-GAC (CGAC) processes—comprising joint workshops, peer-to-peer learning events, clinics, and upstream assessment activities—were launched in 27 countries to help Bank teams systematically diagnose governance challenges and identify ways of addressing them through CAS design, sector strategies, and project preparation. The CGAC processes were intended to deepen the Bank's understanding of what can be done to strengthen GAC in CASs and help identify governance entry points (for example, core public management and accountability institutions, private sector engagement, and demand-side capacities and frameworks). Following the CGACs, a more targeted effort involving 18 countries sought to enhance GAC responsiveness with the help of considerable support provided under the Window One facility of the Governance Partnership Facility (GPF). (World Bank 2008a).

- *GAC-in-Sectors and GAC-in-Projects*. These efforts aimed to strengthen incentive and accountability frameworks in sector dialogue and project design, as well as systematic risk assessment and management (for example, through the use of political economy analysis, actionable governance indicators, and demand-side measures). Guidance notes and toolkits were designed to advise Bank teams on how to address GAC issues in the sectors and to support cross-cutting concerns, such as social accountability (World Bank 2008b and 2009c). Also included were handbooks, tools, and training to support efforts to prevent fraud and corruption in projects.[1] A 2009 Quality Assurance Group (QAG) survey of projects approved in FY08 aimed to establish a baseline for incorporation of "generic" GAC elements in projects (World Bank 2009f).

- *Global GAC Efforts.* The Bank proposed to increase its involvement in peer learning networks and collaborative governance initiatives. These included the Extractive Industries Transparency Initiative (EITI) and global and regional legal conventions such as the Stolen Asset Recovery (StAR) Initiative,[2] Medicines Transparency Alliance (MeTA), and Construction Sector Transparency (CoST) Initiative. In addition, the Bank sought to harmonize GAC policies (for example, on cross-debarment) with other multilateral development banks, and to establish common response principles for high-risk countries under the auspices of Gov-Net.

[1] Recent efforts included the introduction of new procurement and financial management risk management systems (P-RAMS and PRIMA).

[2] Closely related were efforts to help strengthen the integrity of financial sectors in developing countries through a sound Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime. More recently, the Bank helped launch of the International Corruption Hunters' Network to facilitate closer cooperation among enforcement agencies around the world.

1.4 *Internal Reforms*. Other important internal reforms were carried out as complements to the GAC agenda, including implementation of Volcker Panel recommendations on strengthening the Integrity Vice Presidency,[3] launch of a new WBI strategy emphasizing multi-stakeholder engagements (World Bank 2009a), update of the Bank's disclosure policy, launch of a new Operational Risk Assessment Framework (ORAF) for investment lending,[4] the recruitment of a Chief Risk Officer, an annual integrated risk monitoring report, and other efforts to modernize investment lending (World Bank 2011a).

1.5 *Resourcing the Strategy*. Significant incremental budgetary and donor resources were deployed over the FY08–12 period to support GAC implementation. This comprised $54 million in incremental Bank budget as well as $61 million in donor funds allocated through the GPF. The GPF was supported by the United Kingdom, the Netherlands, and Norway.

1.6 *Change Management*. GAC implementation was viewed as a significant change management agenda. Institutional arrangements to support this Bank-wide initiative prominently featured a GAC Council, consisting of the Vice Presidents and chaired by the Managing Directors. The Council was supported by a GAC Secretariat, various other partnership secretariat units, and GAC focal points in Regional and network units. The Bank also periodically sought the advice of a Group of External Advisers, an Independent Advisory Board (that advises the President and Audit Committee on Integrity Vice Presidency performance), and an International Technical Advisory Group (that advises on the Use of Country Systems pilot).

IEG GAC Evaluation and Country Case Studies

1.7 The evaluation aims to help enhance the Bank's approach to governance and anticorruption and to improve its effectiveness in helping countries develop capable and accountable states that create opportunities for the poor. Pursuant to this objective, the evaluation assessed the relevance of the 2007 GAC strategy and implementation plan, as well as the efficiency and effectiveness of implementation efforts in making Bank engagement with countries and other development partners more responsive to GAC concerns. It also sought to identify early lessons about what works and what does not in helping to promote good governance and reduce corruption.

1.8 A key component of the evaluation involved case studies of six country programs over the FY04-10 period: these case studies assessed the quality of Bank country engagement on GAC issues, and identified what has worked and what has not in implementing GAC efforts. Case studies were selected from a quasi-random sample of twelve candidate countries, which

[3] Recommendations included the establishment of an Independent Advisory Board; appointment of an external member of the Sanctions Board as the chairperson; development of a confidentiality protocol; transfer of the responsibility for staff misconduct from the Integrity Vice Presidency to Bank's office of Ethics and Business Conduct ; enhancement of selected staff rights to improve fairness of internal investigations; expansion of the Preventive Services Unit; strengthening of communication between the Integrity Vice Presidency and the Regions; and refinement of Integrity Vice Presidency results metrics. See Volcker and others (2007).

[4] Four out of 11 ORAF risks relate to GAC: country risk, sector/multi-sector institutional, implementing agency governance risks, and implementing agency fraud, and corruption risks.

sought to ensure representation across geographic regions and countries that received special GAC support over the FY07-10 period. Based on IEG's desk review of GAC responsiveness, country programs with *documentary evidence of some degree of GAC-responsiveness* over the pre- and post-GAC periods were selected for case studies. Accordingly, case studies were conducted in Azerbaijan, Bangladesh, Cambodia, Guatemala, Liberia, and Moldova. Field missions to these countries were undertaken between December 2010 and February 2011. Case studies were reviews from World Bank country teams and comments were duly incorporated.

1.9 This evaluation reviewed the work by the Bank and other donors in core public sector areas and possible links with improvements in service delivery. The mission looked at the opportunities for using country systems, third-party monitoring mechanisms, enhanced donor coordination, and other processes that are part of the GAC agenda. Also examined were geographic effects and other strategic elements that might affect the willingness of the government to reform, and the leverage that the Bank and other donors might have in promoting reform. Finally, the mission assessed whether opportunistic responses to governance challenges might contribute to a future portfolio-wide approach to improving governance.

1.10 The Moldova case study is based on an extensive desk review as well as a field visit to Chisinau from January 17-21, 2011. It evaluates the relevance and effectiveness of Bank support for governance and anticorruption efforts since the launch of the Bank's Governance and Anticorruption (GAC) Strategy in 2007. It elaborates on a desk review of the GAC responsiveness of the Bank's Moldova program and reviews the following GAC entry points: core public sector reform (public financial management, procurement, and civil service); GAC in sectors (roads, primary education); investment climate; and accountability institutions. The case study also examined the extent to which the Bank's GAC Strategy has made a difference in staff attitudes toward addressing GAC issues in their operational work. The mission interviewed government, Bank, donor, and nongovernmental organization (NGO) staff in Washington and in Chisinau (see Appendix A).

1.11 The mission reviewed work by the Bank and other donors in core public sector areas, and the possible link with improvements in service delivery. The mission also examined opportunities for using country systems, third-party monitoring mechanisms, enhanced donor coordination, and other processes that are part of the GAC agenda. Finally, the mission looked at neighborhood effects and other strategic elements that might affect the willingness of the government to reform, and the Bank's and other partners' abilities to leverage GAC in promoting reform.

2. Moldova Country Context

2.1 Moldova suffered from rising poverty, territorial secession, armed conflict, and the spillover effects of a regional financial crisis following the breakup of the Soviet Union in the 1990s. A series of major economic and institutional reforms were supported by three World Bank structural adjustment loans and credits disbursed between 1994 and 2001, totaling some $200 million.[5] Most Moldovans continue to believe that life was better in the Soviet era, and unofficial estimates indicate that more than one-quarter of the labor force works abroad, despite some benefits from political and economic liberalization in the 1990s (World Bank 2005c).

2.2 Life expectancy today is shorter than it was in the Soviet era. The population size has declined, and the economy is approximately one-half of what it was in 1990. Opinion surveys by both the Gallup Organization and the European Training Foundation found that approximately 50 percent of citizens still living in Moldova were seeking to emigrate for work, with 36 percent seeking to leave the country permanently—the largest percentages recorded in all other countries in the Commonwealth of Independent States (CIS) except Armenia. Consequently, remittances account for almost 40 percent of gross domestic product (GDP)—the second highest in the world. (International Organization for Migration 2008).

2.3 In the past decade, the renewed dominance of the Moldovan Communist Party (PCRM), which won two major elections after 2001, contributed to increasing centralization of governmental authority along with a reform agenda that emphasized greater state control over the economy, fiscal support to state enterprises and collective farms, land consolidation, economic protectionism, and the tolerance of monopolies in industry and energy. At the same time, the PCRM also increased social expenditures and social protection, relying heavily on remittance revenues, import duties, and the growth in value-added tax revenues due to greater domestic consumption. The PCRM-led government also took major steps to improve the public financial management of public institutions.

2.4 The Government of Moldova has recognized the importance of the GAC agenda, but its commitment to GAC has been uneven. During the early- to mid-2000s, the government enacted new anticorruption laws, adopted an action plan, and with donor support (including from the World Bank), upgraded legal and policy instruments to combat corruption. After 2004, however, implementation slowed and anticorruption efforts suffered setbacks as key political interests pushed for fewer encumbrances to rent-seeking opportunities. Transparency International's anticorruption ranking for Moldova declined over 2006-08 from 79 to 109 (about the same level as Eritrea and Rwanda). More recently, GAC-related efforts have accelerated with the government adopting a National Development Strategy that identifies priorities such as judicial reform and preventative anticorruption efforts (World Bank 2008: 11). At the same time, progress has been made in public procurement to conform to international standards, and most observers consider Moldova's highly competitive electoral system conducive to rigorous accountability.

[5] Authors' calculations.

2.5 Some GAC-related reforms have been delayed due to political events—in particular, those relating to PFM modernization, the civil service, and public sector accountability. The government has faced a constitutional crisis since 2009. The PCRM's majority in the legislature was reduced as a result of disappointment with the party's performance in the April 2009 parliamentary elections. Allegations of fraud in vote counting led opposition activists to demand a recount, while their supporters demonstrated in the streets of the capital for several days. The opposition parties' parliamentary representatives then boycotted the presidential election leading to the dissolution of Parliament and a second election in June 2009. Constitutionally, the president is elected by Members of Parliament.

2.6 In July 2009, the PCRM failed to win the required majority because four opposition parties formed a coalition, the Alliance for European Integration. This time the PCRM boycotted the presidential election, again leading to early elections in November 2010. The November elections increased the Alliance's margin, but not enough to guarantee the victory of the coalition's presidential candidate. The government still awaits a presidential election, and the office of President is unfilled.

PUBLIC SECTOR GOVERNANCE

2.7 Public Expenditure and Financial Accountability (PEFA) assessments in 2006 and 2008 rate the Government of Moldova positively on budget credibility matters, comprehensiveness, transparency, and disclosure. Areas that continue to score poorly are external accountability and tax collection effectiveness (Republic of Moldova 2006 and 2008a). Since 2004, a priority for the government has been to establish a system of public administration consistent with principles of good governance. Initially, reforms focused on consolidating executive agencies and national offices and on restructuring the administration, raising civil service salaries, and eliminating corruption. More recently, the reform agenda has included improving methods of public finance allocation, administration, and budget management along the lines of European Union requirements and standards.

2.8 However, political turmoil, combined with the global economic crisis, has led to the postponement of some GAC-related PFM reforms. In particular, the modernization of public-sector information technology systems, the implementation of an improved tax-compliance management system, and the reform of the civil service salary system (as a part of the reform of the public sector salary system) have all been postponed. More recently, however, the new coalition government has relaunched an ambitious reform effort and made Moldova's integration with the European Union a priority. Among other things, the new government is preparing an anticorruption strategy. (Republic of Moldova 2010b; 20).

2.9 Reforming the *civil service* system remains a priority, especially in light of the country's political orientation toward European Union (EU) integration. In 2005, the government announced public administration reform as a priority for its term of office. The initial statement emphasized the need to address public administration constraints such as excessive "redundant" personnel at the central level, uncompetitive salaries, redundant institutions that perform overlapping and outdated functions, and insufficient capacity to implement government strategic objectives underpinned by the Economic Growth and

Poverty Reduction Strategy, EU-Moldova Action Plan, Moldova Village, and other important strategies.

2.10 A new civil service law was adopted in 2008, which among other things called for the training of a group of core civil servants to conduct reforms, revise the civil service remuneration system, and establish information channels about reform progress to civil society organizations, donors, and parliamentarians. However, the reform agenda proved to be more challenging than the government initially believed because of political sensitivities inherent in firing civil servants.

2.11 Additionally, the public sector wage bill in Moldova rose substantially in 2009 to what the International Monetary Fund (IMF) considers "an unaffordable level" of approximately 12 percent of GDP, driven largely by electorally driven promises, making it the second highest in Central and Eastern Europe. The average public sector wage had also grown by almost 20 percent in real terms, in sharp contrast with other countries in the region. (IMF 2010).

2.12 Regarding the development of *formal institutions of accountability*, for several years the "hybrid" mixed presidential-parliamentary character of the Moldovan governance system led to tensions between formal and informal lines of accountability, institutional uncertainty, unclear expectations, and personalized and opaque policy decisions. Moldova's parliamentary republic has many elements of a presidential system. In the Moldovan centralized system, the de facto powers of the Parliament are diminished compared to the formal powers vested in it by the Constitution. During the years in which the PCRM held a majority, the legislature had insufficient power to serve as a check on the executive, relegating the role of Parliament to rubber-stamping policy initiatives. Consequently, checks and balances are insufficiently developed between the executive and the legislature, and the judiciary remains weak. Additionally, the Moldovan bureaucracy continues to enjoy significant discretionary power. Moreover, large outward migration by the young and well-educated has diminished the voice of a natural constituency for greater accountability. With the PCRM out of power, it remains to be seen whether the formal powers vested in Parliament will be granted to it de facto by the governing Alliance for European Integration.

2.13 Two other institutions are relevant for the World Bank's GAC-related activities in Moldova: the Court of Accounts (COA), which is the country's supreme audit institution; and the anticorruption unit, the Center for Combating Economic Crimes and Corruption (CCECC). Although the COA appears to be making progress in its development and evolution toward internationally-accepted standards, the CCECC is not.

2.14 The COA, founded in 1994, is undergoing a transition from an agency whose main activity was to inspect to one that performs external audits. The COA is free to audit any public body or institution, including extra-budgetary funds. The 2006 and 2008 PEFAs indicate that the COA's emphasis is on control and compliance activities rather than on financial and performance auditing (World Bank 2006 and 2008a).

2.15 The COA has conducted a series of pilot performance audits, most notably of the State Fiscal Service and the State Customs Service. Amendments to the Law of the Court of

Accounts in 2005 introduced modern audit concepts, such as the addition of performance auditing into legislation. A Strategic Development Plan (2006-10) in April 2006 emphasized institutional strengthening, profession building, staff development, and achievement of greater impact from COA audit activities. With the support of international experts, the COA has developed a series of national audit standards based on international standards. It conducted pilot audits and developed new methodologies to evaluate internal controls, as well as ensure the accuracy and reliability of financial statements.

2.16 Although arrangements are in place for scrutiny of public finances and follow-up by the executive and Parliament, they appear to be unused. There is a general lack of parliamentary involvement in the work of the COA, in particular, the results of the COA's control activities do not tend to be discussed in Parliament or its committees. As a result, little has come from audit reports delivered, which remain largely ignored.

2.17 The CCECC, founded in 2002, is responsible for analysis, prevention, investigation, and prosecution of corruption. However, perception was widespread that CCECC investigations were politically motivated and focused on petty corruption—for example, small business owners' "unofficial" payments, or bribe-taking among low-ranking public officials, doctors, or teachers—rather than high-level or large-scale corruption (United States Agency for International Development (USAID) 2006). According to nongovernmental organization representatives interviewed during this country visit, this perception continues. The CCECC is not effectively protected from political interference, as appointments to the body tend to be based on political considerations, and individuals appointed may have clear party loyalties (Global Integrity 2008). Moreover, the CCECC has used its powers mainly for anticorruption activities in the private sector rather than in state institutions as originally intended. Finally, a significant number of companies surveyed by Transparency International's *Moldova 2009* report having been able to circumvent business sanctions through informal payments to the CCECC (Transparency International 2009).

BASIC SERVICE DELIVERY

2.18 *Primary education* (grades 1-4) is centrally administered by the Ministry of Education, Youth, and Sports. The ministry also administers the majority of preschools (for children 1-6 years old), which are run by state-owned firms. Approximately one-third of funding comes from the central government and two-thirds from local government. Education takes the largest share of the national budget (20 percent in 2006), which is up from 1999 but below the share attained previously (25 percent in 1996-97). Quality and access has improved in some respects, with preschool education up from 39 percent in 2000 to 69 percent in 2006, and the primary completion rate increasing from 94 percent in 1995 to 98 percent in 2007. Textbooks and food for poor children are also better provided, and a new curriculum has been developed.

2.19 Despite these gains, major constraints remain. Net enrollment rates have declined for primary education from 94 percent in 2000 to 88 percent in 2006. This can be explained in part by children left without proper adult supervision by migrating parents. For Roma children, primary enrollment rates are only 70 percent. Low quality is evidenced in poor performance on international exams and complaints from employers that graduates lack

relevant skills. Quality is also affected by the use of corporal punishment, scolding, belittling, and shaming by the majority of school administrators and teachers.

2.20 The reduced share of public financing from earlier years has led to greater reliance on charging fees for services, which hinders access for the poor. Unofficial payments in public education are also more common today than in 1989, and higher than average for the region. The system is inequitable and inefficient in resource allocation. Low student-teacher ratios, combined with high numbers of non-teaching staff, result in low teacher salaries relative to comparator occupations in Moldova and to international norms—despite a high proportion of the budget used for personnel expenditures and repeated salary increases. Although the number of students is declining, with nearly 27 percent fewer students in 2007-08 than in 2002-03, there has only been a minor reduction in the number of schools. The result is inefficient use of buildings, of which 41 percent require thorough repairs (World Bank and others 2009, World Bank 2008, Republic of Moldova 2004).

2.21 Moldova's 16,800-kilometer *road* network is adequate in size, with little need for expansion. However, it is in poor condition because of underinvestment in maintenance and rehabilitation. In 2006, whereas an estimated 3.6 percent of GDP was needed for road maintenance and rehabilitation, only 0.6 percent was actually spent. This has reduced the asset value of the road network to about $8.4 billion, rather than an estimated $12 billion if the network was well-maintained. It also leads to excessive vehicle operation costs and to severe affects on the mobility of goods and persons, particularly in rural and poor areas, with negative implications for growth and poverty reduction.

2.22 There are four main constraints, as defined in the government's 2007 Land Transport Infrastructure Strategy (Republic of Moldova 2008b). First, investment is inadequate, held back by the need for key sector reforms. Second, a low share of the fuel excise tax is used for road maintenance. Although the Prime Minister committed in 2007 to allocate at least 80 percent of the tax for road maintenance, only 30 percent was allocated in the 2009 budget. Third, the road maintenance system is organized around state-owned firms. The present system involves 40 state-owned district road maintenance firms controlled by the State Road Administration. These firms are not profitable and are unable to replace their old equipment. Fourth, the system of axle load controls is inadequate. Many trucks circulate with axle loads much higher than the legal limit. A legal framework and system of enforcement needs to be put in place in consultation with truckers' associations and cement and steel factories (World Bank and others 2009, World Bank 2008, Republic of Moldova 2004).

INVESTMENT CLIMATE

2.23 The government made initial attempts to reverse some privatization deals and to increase pressures on major foreign investors to stop labor shedding after extensive "first generation" post-socialist reforms (including stabilization, trade liberalization, privatization, deregulation, banking reform, capital market development, and enterprise restructuring). However, the PCRM soon abandoned these efforts in favor of implementing regulatory reforms that aimed at reducing transaction costs for businesses. These reforms changed the state's involvement in the economy. The government, for example, focused efforts on streamlining the regulatory regime through "guillotine" exercises for existing legislation,

implementing a Regulatory Impact Assessment for new legislation affecting business operations, modernizing the national system of metrology, standardization, testing, and quality, and providing fiscal incentives for the enterprise sector with support from development partners.

2.24 Surveys regarding the cost of enterprise regulation reveal gradual improvements after implementation of regulatory reform. The most significant of these includes simplified registration procedures, reduced costs to obtain authorizations, products, and manufactured goods certification, longer validity periods for sanitary licenses, and fewer inspections (although inspection duration had increased). Moldova has also made progress in improving property registration and enforcing contracts. However, early survey data cited corruption as a difficult problem for customs, taxes, and courts, and recent surveys indicate that these costs remain high (although they are falling). The most problematic issues relates to construction permits, trade across borders, payment of taxes, employment of workers, and protection of investors. Recent enterprise surveys indicate that Moldovan entrepreneurs are most concerned about the burdensome and unpredictable regulatory environment; insufficient access to long-term finance; a shortage of skilled labor; insufficient access to knowledge; inadequate infrastructure for metrology, standardization, testing, and quality; and weak transport and logistics infrastructure.

Table 2.1. Moldova—Investment Climate Constraints

	2005	***2008***	***Change***
Telecoms	72	44	-28
Access to land	52	28	-24
Electricity	67	46	-21
Transport	63	48	-15
Skills	26	21	-5
Crime	40	38	-2
Access to finance	24	28	4
Corruption	29	36	7
Tax rates	8	24	16
Tax administration	16	35	19
Courts	21	41	20
Licensing and permits	22	43	21
Customs and trade	22	45	23
Labor	20	56	36

Source: Business Environment and Enterprise Performance database. *Notes*: Figures represent percentages of firms citing the constraint as "no obstacle," with negative change signifying deterioration in the constraint. Unweighted averages.

2.25 The progress and remaining bottlenecks in the Moldovan investment climate are shown in Table 2.1, which depicts a worsening of infrastructure for business (telecommunications, electricity, and transport networks), as well as increasing problems with access to land. By contrast, many of the administrative and regulatory constraints associated with doing business in the Commonwealth of Independent States—labor, customs, licenses for start-ups and operating permits, as well as the courts system—have improved.

3. Relevance of World Bank Engagement on GAC Issues

3.1 The World Bank has maintained long-standing engagements on GAC-related issues with the Government of Moldova. The 2004 Country Assistance Strategy (CAS) established a strong focus on GAC, recognizing governance and anticorruption as central development constraints in Moldova. The CAS identified public sector governance as one of the three pillars aligned with the objectives of the Economic Growth and Poverty Reduction Strategy Paper (EGPRSP).

Country–Level Relevance

3.2 The World Bank's engagement on GAC concerns in Moldova has been defined by a strong, strategic emphasis on public sector governance since the early 2000s. Governance was a centerpiece of the 2004 CAS, as well as the more recent Country Partnership Strategy (CPS). The Bank's approach is considered substantially relevant. Political uncertainty following the contested outcome of the April 2009 Parliamentary elections has forced the World Bank Group to become more opportunistic, and in particular to adopt multiple and contingent approaches to its GAC efforts. The PCRM and the Alliance for European Integration clearly favor different approaches.

3.3 The Moldova CPS acknowledges that most GAC efforts have been concentrated on the supply side. The Country Governance and Anticorruption (CGAC) Strategy foresees a program of analytical and advocacy work to support the demand for good governance, emphasizing the importance of using remittances for productive investments, reducing the brain drain and enhancing competitiveness through improved opportunities for agribusiness and rural business development, and the role of public accountability for improved public service delivery.

3.4 Given the limited resources and capacity of Moldova's civil society, its role in GAC-related issues is currently quite weak. Civil society organizations in Moldova remain active in addressing identified social needs and represent a wide array of civic values (from good governance, social stability, consumer protection, gender and minorities, poverty and social protection, environmental standards, to other public interests). However, CSO capacity for monitoring specialized or complex reforms is perceived as low also due to skills and expertise gaps in conducting advocacy campaigns and effectively engaging the government.

3.5 The Bank has missed opportunities to strengthen a natural constituency for good governance. In particular, the Bank has avoided engagement with CSOs since the 2000s, with the bulk of CSO support (via, among others, the Civil Society Fund) being directed to small-scale (and particularly rural) players. The World Bank Institute has not offered anything to CSOs beyond a few individual opportunities to participate in training courses. CSOs remain poorly empowered to press demands for governmental transparency and anticorruption, and representatives of Moldovan CSOs complain that the Bank's support for CSOs that support good governance has been minimal.

Sector-Level Relevance

3.6 **Public Sector Governance.** A sizable portfolio of lending and analytical services aimed at implementing the two governance and institutional reform objectives set forth in the CAS, that is: (i) to strengthen the capacity of the public sector to develop and implement public policies, and; (ii) to increase the transparency and accountability of PFM. The main lending interventions and technical assistance targeted PFM reform, civil service reform, judicial reform, and engaging civil society (World Bank 2005).

3.7 The successor to the EGPRSP, the National Development Strategy, was discussed by the boards of International Development Association (IDA) and the IMF in March 2008. The strategy views enhanced public sector capacity as a prerequisite for fulfilling the medium-term objectives of enhancing adherence to the rule of law, and promoting competitiveness, social inclusion, regional integration, and development. In addition, the CGAC Strategy accompanying the Moldova CPS (FY09-FY12) emphasizes continued engagement in public sector and PFM reforms.

3.8 The World Bank, along with the Dutch government, Sweden, and the United Kingdom's Department for International Development (DfID), supported an ambitious Central Public Administration Reform (CPAR) program launched in early 2006. This PFM project aimed to improve efficiency and transparency in the management of public finances through strengthening methodologies for national public budget-planning and execution, introducing a modern integrated financial management information system, supporting the establishment of the government internal audit function, and developing sustainable training capacity in PFM-related thematic areas.

3.9 In addition, targeted programs for strengthening institutional capacity of the COA were put in place with support from the Swedish National Audit Office, the World Bank, the Dutch government, and DFID. The COA's plan set four goals encompassing a range of diverse activities across the whole of the court's work:

- Institutional strengthening—development of the COA into a strong and independent institution, in line with the EU best practices and International Organization of Supreme Audit Institutions (INTOSAI) standards, with appropriate resources to meet the set goals;
- Profession building—the development and gradual implementation of international external auditing standards, norms, and regulations in the public sector;
- Developing people—use of advanced human resource management for better recruitment, maintenance, and motivation of staff; and
- Securing greater impact—the introduction of better reporting in both external and internal communication.

3.10 A formal request for a 24-month extension was received on August 26, 2010. The restructuring of CPAR funds included extension of the grant closing date for an additional 24 months to allow for the use of the remaining funds for implementation of the civil service registry, as well as other activities considered key to successful outcomes.

3.11 *Relevance.* The Bank's engagement on public sector governance from a GAC perspective was highly relevant given the institutional fragilities in the public administration system. Two chief reasons justified the Bank's involvement: (a) strengthened PFM would create a platform for subsequent Bank operations and interventions, and; (b) an adequately funded, multiyear, multifaceted, and outcome-driven project would mobilize additional development partners. The CAS, for example, underscored Moldova's weak institutions, weak internal controls, and the lack of transparency and efficiency. The CAS suggested that improvements to the system of PFM, civil service, and accountability were prerequisites to further economic reforms and of paramount importance for implementation of the EGPRSP. Moreover, the CPAR program, given its multi-donor framework, implied that country fiduciary systems would evolve as a more reliable basis for sustained long-term budget support by donors.

3.12 Support to the COA carried significant risks, many of which were recognized at the outset. Other risks were realized shortly after the project started. Specifically, the new law on the COA was not adopted until December 2008. There were also delays in mobilizing donor support. Moreover, the World Bank was correct in not supporting the establishment of the Moldovan anticorruption unit, the CCECC, because of the weak record of such agencies in other countries.

3.13 The Joint Staff Advisory Note on the Annual Evaluation Report of the EGPRSP in 2006 noted that "the Government's reliance on international consultants will eventually need to be supplemented by the establishment of internal government structures to support reform implementation." Thus, the absence of a civil service agency and a central structure for policy coordination created an absorption risk. The World Bank attempted to mitigate this risk by emphasizing the need to build internal central government capacity, in particular, via human resources improvement and by ensuring that public wage policies would be decided on as an integral part of public administration reform.

3.14 The CPS notes the limited engagement by the Bank in demand-side approaches to GAC (World Bank 2008). Greater engagement of CSOs remains an opportunity to improve the demand for good governance. The legal environment for CSOs and civil society more generally in the Republic of Moldova has improved considerably in the past year: after the political change that followed the parliamentary elections of July 2009, the new government proved to be more open and consistent in carrying out a number of legal reforms contributing to a better enabling environment for CSOs. In particular, the new government reestablished the "National Participatory Council," which had been disbanded by the PCRM.[6]

3.15 **Basic Service Delivery.** The Bank supports GAC issues in *education* through the Quality Education in Rural Areas of Moldova Project (FY06, $10 million). The project supports improved curriculum, teaching, and assessment. It provides resources to poor rural

[6] Government Decision no.11 of January 19, 2010 on the creation of the National Participatory Council. The Council is an advisory body/liaison between the government, civil society, and the private sector consisting of thirty members representing CSOs from various fields whose primary task is i) to participate in policy-making by providing opinions on draft policies and strategic documents; and ii) to maintain a framework for consultation. See Hanna Asipovich, "Country Report: Moldova," *The International Journal of Not-for-Profit Law* 12, 4 (2010): 80—84.

schools in return for adopting a transparent system of needs identification, prioritization, and accountability for results, including new mechanisms for parental inputs and participatory monitoring. The project supports improvements in the overall system of resource allocation to schools and within schools. This includes capacity building in policy and monitoring (ministry level) and education management and administration, including data and information management in support of the national program (*raion* level).

3.16 The Social Investment Fund 2 (FY04, $20 million) also supports school construction through community-based grants, provided on a competitive basis to communities, and with prior approval from the Ministry of Education, Youth, and Sports. Selection criteria include community capacity in organizing, financial management, and project implementation. Additional criteria include the availability of community strategic development plans, at least 30 percent community contribution, and involvement of community members in preparation of grant proposals. This supports the GAC objective of demand for good governance.

2. In addition, the Bank administered the Education for All–Fast Track Initiative Catalytic Trust Fund, in partnership with the United Nations Children's Fund (UNICEF) (FY06). The Bank also delivered relevant economic and sector work, including, inter alia, World Bank (2004, 2005b, 2007a, 2007b).

3.17 The Bank supports GAC issues in *roads* through the Road Sector Support Project (FY07, $48.7 million). The project supports up to 200 kilometers of rehabilitation of main roads. It also provides institutional strengthening to the State Road Administration to better carry out road maintenance, rehabilitation, and investment in an efficient and transparent manner, thus supporting the GAC objectives of improved resource allocation and transparency. There was a strong focus on addressing institutional constraints through economic and sector work, including a Bank Strategy for Transport Sector Technical Assistance (FY08) and a Public Expenditure Review (World Bank, 2007b).

3.18 *Relevance.* The Bank's engagement on GAC issues in *primary education* is rated as highly relevant. In the education sector, Bank support addresses key constraints, including decline in primary enrollment rates, inequitable and inefficient resource allocation, and limited information on links between resource allocation and school performance.

3.19 The Bank's engagement on GAC issues in the *roads* sector is rated as substantially relevant. The Bank's work on an overall strategy for the sector helped to leverage its IDA support, which was very modest relative to other funding sources. The Bank has used the GAC strategy to set a sustainable framework for policy dialogue, investment and maintenance planning, regulation, and safety across the sector, which is set to continue.

3.20 **Private Sector Development.** The World Bank Group pursued private sector development with the government and development partners through an extensive program. The $24 million Competitiveness Enhancement Project (CEP) followed up on earlier regulatory reform. It sought to modernize the national standards and quality system. The CEP focused on continued deregulation through: (i) the introduction of and support for a Regulatory Impact Assessment; (ii) modernization of the measurement, standards, testing, and quality (MTSQ) system by providing EU-compatible services; (iii) facilitation of

enterprise access to MTSQ services through the use of a matching grant scheme; and (iv) the setting up of a regulatory framework and support for the development of expertise for better tracking of credit histories and the creation of capabilities for a credit risk-guarantee industry (World Bank 2009).

3.21 The global economic downturn in 2008 adversely affected the Moldovan economy and the CEP. The CEP had assumed that the banking sector, in combination with foreign capital inflows, would be able to provide funding needed to the enterprise sector to finance investments related to improving competitiveness. A global squeeze in liquidity meant a drastic reduction in the already limited external financing options for banks and enterprises alike in Moldova. The sensitivity of banks in Moldova to remittance-based lending and remittance-based fee income is significant, especially under conditions of capital flight. In 2009, Moldovan banks began restricting the flow of credit to the real sector to preserve liquidity and minimize the credit risks. Consequently, exporters found it difficult to raise external financing. The World Bank, therefore, requested additional financing for the CEP in September 2009 to expand the matching grant facility and to enable Moldovan export-oriented enterprises to effectively address the challenges arising from the economic crisis.

3.22 The World Bank, through the provision of technical assistance, continues to be an important reform facilitator with international best practices. On the financial sector side, the Bank provided technical assistance for improving corporate governance and financial reporting, and upgrading accounting and auditing legislation. In addition, the Bank supported the preparation of Moldova’s Country Strategy and Action Plan anchored in EU standards and regulations.

3.23 *Relevance.* World Bank engagement in private sector development is considered GAC-responsive and relevant. The CEP targeted a major source of rents in the Moldovan economy, that is, the metrology system, which businesses had long complained about in terms of inefficiency and corruption. Additionally, the Regulatory Impact Assessment approach aimed to reduce the regulatory compliance costs for businesses.

3.24 However, significant evidence exists that political interference and bureaucratic extortion in private sector activity persist despite progress in MTSQ systems and deregulation. The channels of interference are through regulatory and controlling bodies that don’t operate as independent agencies. Political interference takes the form of meddling in specific enterprises or limiting open competition through favoritism. In the past, the President ordered a tax audit of mobile phone operators and all information technology companies without specific evidence about tax violations. However, two of the four mobile companies included in the list of the top 10 taxpayers were given tax exempt status for the entire year. Similarly, there is evidence of extortion of enterprise—in particular of small and medium enterprises—by official “charities” and other vehicles that essentially constitute de facto contributions to personal or political accounts for electoral purposes.

3.25 The World Bank’s engagement in private sector development should aim to continue to protect competition and ease regulatory burdens. However, it also needs to ensure that reforms to the oversight and accountability lines of advisory and prosecutorial institutions continue. In addition it needs to seek to support prospective constituencies for good

governance in the private sector, such as multi-sectoral advisory groups, or independent bodies to administer ethical codes of conduct.

Project-Level Relevance

3.26 The 2004 CAS addressed public sector governance as one of the three pillars. Since 2007, the Bank has sought to heighten integration of anticorruption measures into sectoral projects and programs and to strengthen project design. Building on Bank-wide good practices, the focus is on four areas.

3.27 **Smart project design and fiduciary portfolio oversight over the project cycle.** Despite fiduciary risks, the Bank uses country systems for selected sectors and projects in cases where the risks can be reasonably mitigated. The following mitigation measures are stressed: policy dialogue based on deeper understanding of state-owned enterprise management, strategic investment planning, capital budgeting, improving public procurement, finding the right Project Management Unit (PMU) transition model, and strengthening controls along the project cycle. The Quality Education in Rural Areas of Moldova project is an example of applying the PMU transition model (World Bank 2008). Each component is implemented by a unit of the Ministry of Education, Youth, and Sports, with technical support from fiduciary consultants as required.

3.28 **Portfolio approach and review process.** GAC results monitoring tracks actionable GAC indicators through existing and customized portfolio reports and links this with the tracking of overall CPS policy and development results. Projects have good governance frameworks and governance action plans, starting with the road project. The Bank's GAC Committee for Moldova considers these reports and advises on any corrective actions. This committee is, in turn, guided by the evolution of Bank-wide GAC implementation through the monthly deliberations of the region-wide GAC committee.

3.29 **Enhanced public oversight, supervision, and accountability.** The Bank works to engage civic and private sector associations, and to build capacity for advocacy and collective action. It is supporting initiatives for increased public disclosure of information and greater transparency. For example, the Procurement Plan Execution System is providing public access to procurement plans with basic data on all contracts for works, goods, and services financed by Bank projects to facilitate civil society monitoring and evaluation of the portfolio.[7] It is integrating political economy mapping and analysis of key stakeholders' positions as part of a more strategic approach to communication. The Bank also works with independent accountability institutions such as the COA and the Public Procurement Agency to support GAC measures in Bank projects.

3.30 **Learning and training for operational staff and task teams.** All of the above require new skills. Bank staff are being provided with a range of opportunities and incentives to acquire these skills, and to adapt them to the unique Moldovan context.

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[7] See http://www.iniciativasepa.org/bm/sitio/moldova/index_ing.htm

4. Effectiveness of World Bank Efforts

Country-Level Effectiveness

4.1 World Bank engagement in GAC-related issues has had a moderately positive impact on country-level governance in Moldova. Moldova's governance-cluster Country Policy and Institutional Assessment (CPIA) has risen from 3.2 in 2005 to 3.5 in 2009. Progress in several aspects of PFM has brought much needed transparency to the workings of state institutions, while streamlining the regulatory environment has reduced transactions costs for businesses. The number of days and procedures required to open a business has fallen from 42 and 10 to 11 and 8, respectively, over the period 2004-10. Meanwhile, the costs of registering a business and dealing with construction permits have been cut by two-thirds and half, respectively, in per-capita income terms. In addition, the cost of registering property has also been slashed by half on a percent-of-property-value basis (World Bank 2011).

Sector-Level Effectiveness

4.2 Core **Public Sector Reform.** There have been significant improvements to the efficiency and transparency of public administration governance since the launch of the Moldovan Central Public Administration Reform effort five years ago. The CPAR resulted in an administrative reorganization (and elimination of administrative overlap), expanded policymaking capacity in the State Chancellery, and the implementation of EU best practices in human resource management.

4.3 There is still room for progress on civil service reforms. Resistance on the part of some civil servants constituted a significant obstacle in the initial phases of the CPAR, and became a politically charged issue in light of the almost continuous electioneering between 2009 and 2010. Consequently, implementation of the CPAR was sometimes uneven across administrative authorities. In addition, complaints were made by public administrators of the limited capacity to absorb donor financial resources, leading especially to delays in procurement.

4.4 In terms of developing the institutions of accountability, the COA made major progress with the support of the World Bank, despite delays in passing the COA Law. The COA has pilot tested new approaches for financial and performance audits, audited all three public budgets (Social Fund, Medical Fund, and State Budget), and significantly expanded its own capacity and openness.

4.5 The World Bank was correct to resist engagement with the main anticorruption unit, the CCECC, given the purported degree of politicization of this agency, as well as its limited ability to fulfill its original mandate of policing corruption in the public sector.

4.6 **Basic Service Delivery.** IDA support has provided textbooks, new curricula, advice on improved management practices, support for preschools, and funding for poor schools. Bank-supported PFM work has helped develop an information system, which has provided detailed, school-level data since 2005, allowing better analysis of regional variations and the link between resource flows and school performance. These data indicate that per pupil

spending in general education grew by one-third in real terms from 2005 to 2009, partly reflecting a one-third increase in the education budget in real terms, and partly reflecting a 20 percent drop in pupil numbers. Moldova's education spending is the highest in the region as a percentage of GDP, whereas performance on standardized tests is in the bottom half of regional performance in mathematics, science, and reading. However, a Bank study found that some parts of the country are better at converting resources into higher test scores and other positive outcomes than others. The study also found highly varying performance across *raions* in targeting spending to areas of greatest need. These findings are valuable inputs for supporting an evidence-based policy dialogue on education. The same tools will be used in the future to better inform the health and social protection policy dialogue, and to strengthen country systems (World Bank 2008: 70, 79).

4.7 The Land Transport Infrastructure Strategy (Republic of Moldova 2008b), prepared with Bank support and funded under a Spanish trust fund administered by the Bank, is a major step forward. It includes a 10-year Investment and Expenditure Plan covering road, rail, and urban transport infrastructure. It is now being used as the basis for investments by the government and by development partners, including the European Commission, the Millennium Challenge Corporation, the European Bank for Reconstruction and Development (EBRD), and the European Investment Bank (World Bank 2008: 67).

4.8 In addition, a number of developments have shown that the government is serious about meeting its commitments under its Transport Strategy. For example, the amount of the fuel excise tax allocated for road maintenance has increased from 20 percent (2009) to 65 percent in early 2011, and is scheduled to increase to 80 percent by the end of 2011. In another example, 10 mobile units have been deployed throughout the country to measure axle loads, and three more will be purchased this year. Video cameras are also deployed to discourage illicit transactions where truckers try to bribe operators to falsify records.

4.9 **Private Sector Development.** The centerpiece of the World Bank's private sector development support to Moldova—the Competitiveness Enhancement Project—has also yielded substantial outcomes in terms of improving governance and reducing opportunities for corruption. Some of these outcomes include: [8]

- Regulatory compliance costs for enterprises have decreased from $2,517 in 2007 to $1,920 in 2008;
- The percentage of management time spent on meeting regulatory requirements has decreased from 16 percent in 2007 to 11.2 percent in 2009;
- The number of annual inspections per firm declined from 10.3 in 2006 to 8.2 in 2009;
- The number of EU-compatible standards adopted per year reached approximately 300 by 2009;
- The total number of accredited testing facilities available to enterprises reached 138 compared to the baseline of 36;
- The total number of international quality management system certifications received by Moldovan enterprises increased to 181 compared to a baseline of 50 in 2005;

[8] Moldova Competitiveness Enhancement Project, "Project Profile."

- The percentage of businesses that view access to finance as a constraint has dropped under 50 percent based on the 2009 Business Environment and Enterprise Survey, compared to the baseline of 50 percent in 2002.[9]

Project-Level Effectiveness

4.10 Two results are notable: the graduated approach toward country systems and road sector technical audit. These elements of the Bank's GAC work starting in 2004 may have contributed to public perception of an overall decline in corruption, as measured by Transparency International's Corruption Perception Index, and the EBRD-World Bank Business Environment Enterprise Performance Survey.

[9] Authors' calculations based on data from the Business Environment and Enterprise Performance Survey.

5. Impact of the 2007 GAC Strategy Implementation

5.1 This evaluation sought to assess the impact of the 2007 GAC Strategy implementation efforts on the Moldova country program. In particular, Bank staff were interviewed about their attitudes toward and awareness of GAC issues. The evaluation also sought to determine whether support provided under the GAC Strategy has made a difference in the Bank's responsiveness to GAC issues.

5.2 The Bank's GAC engagement in Moldova began well before the launch of the 2007 GAC Strategy. This case study builds on the recent desk review undertaken by IEG, which found the Moldova country program to be relatively GAC-responsive between 2004 and 2010. Positive features include explicit assessments of political economy constraints, signaling of GAC concerns and risks through Bank portfolio processes, and selectivity of Bank country strategies and programs. The desk review found improvements in Moldova's governance and anticorruption features, including explicit choice of governance entry points, mix of financial and knowledge instruments, minimizing fiduciary risk, smart design of programs and projects, and system strengthening. Sample projects approved in recent years were less apt to use country systems in the period 2008-10.

5.3 The relevance and effectiveness of strategy implementation to staff attitudes were rated as moderate. Neither the second GAC Progress Report nor the independent GAC stocktaking report cited Moldova as a successful CGAC effort (World Bank 2009). There were still some promising efforts in Moldova for GAC reform. The GAC Committees set up at the regional and country levels were particularly useful for disseminating practices from the GAC Council and adapting them for use in Moldova. It also was a sign of management commitment in the region to the GAC agenda and provided guidance from management and peers on corrective actions to be taken. In addition, staff were proactive in using CGAC resources for useful diagnostic work. Unfortunately, three applications for Window 1 funding were not approved under the competitive process, reportedly because the sponsoring donor is looking to support "cutting edge" work, while the Moldova team proposed work aimed at incremental improvement of core governance systems.

5.4 The Bank's Country Management Unit came together to rethink its approach to GAC, despite a lack of funds, after the new, more reform-minded government took power in 2009. The result has been not to add new entry points but to deepen the ongoing engagement. The approach was to help Moldovans articulate their own vision for reform, leveraging from the Bank's small resources to help prepare procurement legislation, e-government platforms, and other innovations to promote greater efficiency, accountability, and access.

5.5 This evaluation rates the quality of operational response as moderately relevant and effective. The Bank's program is influencing mainstream government programs and those of other development partners. The Bank has a highly positive reputation among government and development partners. The Bank's reputation provides leveraging opportunities. For example, the preparation of a policy brief for the new government taking office in 2009 is a good practice example (World Bank and others 2009), and provided a platform for specific cooperation in a number of sectors. In the case of the road sector, a Bank declaration of mis-procurement led to a similar action by the EBRD. Even more significant is the impact of the

Bank's Land Transport Infrastructure strategy. The strategy is being used as the basis for support by other international partners. Although the Bank is withdrawing from the sector (selectivity), other partners with much larger allocations for roads will use the strategy as the basis for their future support.

5.6 Another indication of harmonization and alignment with development partners is in the area of public sector reform. There have been impressive results from a series of Bank-funded and administered technical assistance supporting functional reviews and the strengthening of the policy formulation and human resource management processes. The European Union is preparing a new €41 million project that builds on this work and will help the government make progress in public sector reform (EU 2010). The work envisioned would not have been possible without the Bank's support to build a strong foundation in the sector.

5.7 CGAC resources provided political economy support that produced a useful GAC annex in the 2008 CPS (World Bank 2008). However, the Bank predicted in 2008 various electoral scenarios for 2009, none of which anticipated the demonstrations and boycotts that led to the coming to power of an Alliance government. If this had been acknowledged as a possibility by the Bank in 2008, and contingency plans developed (acknowledging the sensitivity of planning for the possibility that the Bank's main client, the PCRM government, would fail to prevail in 2009), then the Bank would have been better prepared to deal with what transpired.

6. Lessons Learned

6.1 Based on this review of the Moldova program, the following lessons have been identified:

- **The Bank needs to be agile and flexible in responding to emerging reform opportunities.** The opportunities for GAC reform increased significantly in Moldova beyond what was envisaged in the 2008 CPS when a more reform-minded government took power in 2009. Although the Bank took advantage of this ably given its resource constraints, it could have done more with modest additional resources that might have been available had the application for GAC Window 1 funds been approved.

- **The Bank can leverage its resources in harmonization and alignment with other development partners.** In Moldova, the Bank has been able to assist in preparing a GAC-intensive sector strategy for public sector reform that has further given confidence to other development partners with much larger available resource envelopes.

- **The Bank can broaden its use of the hybrid PMU model for investment projects as part of a graduated approach to country systems to address this issue.** Fully applying World Bank fiduciary standards by ring-fencing fiduciary work with consultants has drawbacks. There may be little chance for knowledge and capacity transfer to the government.

- **The Bank can do more to strengthen and encourage multi-stakeholder engagement, including CSOs, to play a greater role in furthering Moldova's GAC agenda.** It could use its high reputation and leverage to open up space for CSO interaction with government, to better use civil society capabilities to bolster accountability, and to encourage other development partners to make greater use of these capabilities in their respective domains. In particular, the need to build constituencies for good governance—in which CSOs can play an important role—is critical. Engaging and building the capacity of civil society to hold government and private interests to account can be an important component of the demand side for good governance.

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Appendix A. Persons Interviewed

Name	Title/Organization
GOVERNMENT OFFICIALS	
Joseph K. Acqui	Vice Chairperson, Liberia Anticorruption Commission
Augustus Bailey	Human Resources Advisor, Ministry of Interior
Akindele George Beckley	Program Director, Infrastructure Implementation Unit (IIU)
Charles Carpenter	Deputy Minister, Ministry of Public Works
Edward K. Goba	Deputy Minister, Ministry of Transport
Sandra Howard-Kendor	Commissioner/Enforcement, Liberia Anticorruption Commission
Hon. Roosevelt Jayjay	Minister, Ministry of Lands, Mines and Energy
Cllr. Frances Johnson-Morris	Executive Chairperson, Liberia Anticorruption Commission
M. Osman Kanneh	Commissioner/Education and Prevention, Liberia Anticorruption Commission
Ramses Kumbuyah	Executive Director, Liberia Agency for Community Empowerment
Jenkins Mends-Cole	Deputy Minister, Ministry of Public Works
John Sembe Morlu, II	Auditor-General, General Auditing Commission
Winsley Nanka	Deputy Auditor General for Audit Service, General Auditing Commission
Magnus Nian Jr.	Assistant Director for Internal Audit, Ministry of Interior
MacArthur M. Pay-Bayee	Director, Land Commission
Z. Moulai Reeves	Commissioner/Administration, Liberia Anticorruption Commission
Hon. Willard Russel	Minister, Ministry of Transport
Hon. Soko Sackor	Deputy Minister, Administration, Ministry of Interior
Armos Sawyer	Commissioner, Governance Commission
Daniel B. Tipayson	Liberia Anticorruption Commission
William Towah	Advisor/Head of Aid Management Unit, Ministry of Finance
Ekema Witherspoon	Assistant Minister, Ministry of Interior
Sayon Henry Yaidoo	Head of Secretariat, Liberia Extractive Industry Transparency Initiative
DONOR OFFICIALS / INTERNATIONAL COMMUNITY	
Carolyn Bryan	Acting Mission Director, USAID
Michael Boyd	Sr. Economic Growth Officer, USAID
Amb. Attillio Pacifici	Ambassador, European Commission
Mustapha Soumare	Designated Special Representative of the Secretary-General, United Nations Mission in Liberia (UNMIL)
Francesca Varlese	Program Manager- Governance, European Commission
Paula Horyaans	Rural Development, European Commission
David Melgrove	Country Manager, UK Development for International Development
Shitau Miura	Country Manager, Japan International Cooperation Agency
CIVIL SOCIETY REPRESENTATIVES	
Hubert Charles	Country Director, CARE USA
Daniel Clarke	Secretary-General, Liberian Red Cross
Francis K. Colee	Project Coordinator, Green Advocates
Catherine Kamo	Regional Program / Policy Manager, Action Aid Liberia
Prince O. Kreplah	Executive Director, CUPPADL
Thomas Doe Nah	Executive Director, CENTAL
Lancedell Mathew	Executive Director, NADRA
Dax P. Sua	Policy Assistant, AGENDA
Laywoi P. Tokpah	Head of Finance, Action Aid Liberia

APPENDIX A

OTHER

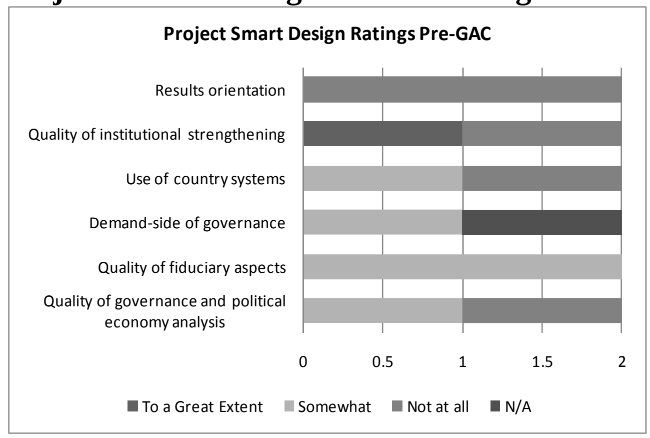
Prof. Geegbae A. Geegbae	Chairman Economics Department, Dean of the Business School, University of Liberia
Prof. Harold Monger	Director General, Liberia Institute of Public Administration
Liu Shanliang	Manager, CHICO, (Chinese Road Construction Company)
Mr. Fu	Manager, CHICO, (Chinese Road Construction Company)

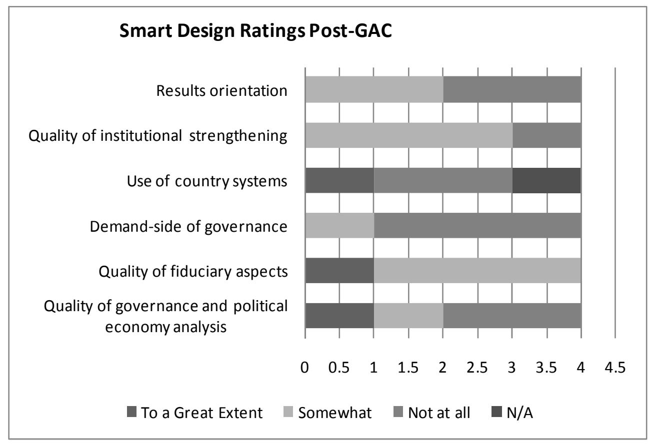
Appendix B. Moldova Country Data Sheet, IEG Ratings of GAC Responsiveness, 2004-2010

CAS Desk Review Results

Selectivity	Pre-GAC (04-07)	Post-GAC (08-10)
Explicit assessments of governance and political economy constraints	Highly Incorporates	Highly Incorporates
Explicit choice of governance entry points	Somewhat Incorporates	Somewhat Incorporates
Mix of financial and knowledge instruments	Highly Incorporates	Somewhat Incorporates
Identification of results measures	Somewhat Incorporates	Somewhat Incorporates
Overall rating of country strengthening		
	Pre-GAC (04-07)	Post-GAC (08-10)
Core public sector institutions	To a great extent	To a great extent
Sectoral state institutions	Somewhat	Somewhat
Domestic accty	To a great extent	Not at all
Civil society and the demand side	To a great extent	Not at all
The investment climate	Somewhat	Somewhat
Overall rating of signaling of GAC concerns and risks through Bank portfolio processes		
	Pre-GAC (04-07)	Post-GAC (08-10)
Portfolio risks regularly monitored by the Bank	Somewhat	Somewhat
Portfolio processes track the progress of governance reforms at sector and project levels	Somewhat	Not at all
Portfolio reviews and results monitoring are regularly disclosed	Somewhat	Somewhat
Overall rating on results		
	Pre-GAC (04-07)	Post-GAC (08-10)
Quality of indicators	Unsatisfactory	Moderate
Collection of data	Unsatisfactory	N/A
Disclosure of data collected	Unsatisfactory	N/A
Overall rating of GAC responsiveness in the CAS		
	Pre-GAC (04-07)	Post-GAC (08-10)
Minimized fiduciary risk	Somewhat	Somewhat
Selectivity of Bank country strategies and programs	Somewhat	Somewhat
Signaling of GAC concerns and risks through Bank portfolio processes	To a great extent	To a great extent
Smart design of programs and projects by countries	Not at all	Not at all
System strengthening	Somewhat	Somewhat

Projects: Smart Design Overall Rating





2009 Country Policy and Institutional Assessment Ratings for Liberia and Comparative

Country	Cape Verde	Kenya	Liberia	Madagascar	Sierra Leone
Property rights and rule-based government	4.0	2.5	2.5	3.5	2.5
Quality of budget and financial management	4.0	3.5	2.5	3.0	3.5
Efficiency of revenue mobilization	3.5	4.0	3.5	4.0	2.5
Quality of public administration	4.0	3.5	2.5	3.5	3.0
Transparency, accountability, and corruption in public sector	4.5	3.0	3.0	2.5	3.0
Cluster average	4.0	3.3	2.8	3.3	2.9
Overall rating	4.2	3.7	2.8	3.5	3.2

Appendix C. Statistical Tables

ICR & IEG Project Ratings for Liberia FY2004-10

Country	CAE period of evaluation	Date of review (FY)	CAE rating
Liberia	N/A	N/A	N/A
Country	CAS period	CASCR review period	IEG CASCR-R rating
Liberia	N/A	N/A	N/A

Exit FY	Project ID	Project name	Total evaluated (US$M)	Lending instrument	ICR outcome rating	ICR risk to out rating	ICR sustainability rating	ICR overall Bank perf. rating	ICR overall borrower perf. rating	IEG outcome rating	IEG sustainability rating	IEG overall Bank perf. rating	IEG overall borrower perf. rating
FY08	P102915	Re-eng. and Reform Support	405.2	DPL	S	S	#	S	S	S	#	S	S

Note: DPL = development policy loan
Ratings: S= satisfactory.
Source: World Bank data as of 11.23.10

IEG Project Ratings for Liberia and comparators, FY2004-10

Region	Total evaluated (US$M)	Total evaluated (number)	Outcome % satisfactory ($)	Outcome % satisfactory (number)	Risk to development outcome % moderate or lower ($) *	Risk to development outcome % moderate or lower (number) *
Liberia	405.2	1.00	100.0	100.00	-	-
Cape Verde	331.6	7.00	93.7	71.43	36.12	40.00
Kenya	565.6	11.00	45.0	45.45	74.33	75.00
Madagascar	783.2	12.00	52.9	50.00	47.50	50.00
Sierra Leone	135.3	7.00	60.7	71.43	100.00	100.00
World Bank	96,831.8	1,507.00	85.2	77.79	73.66	63.72

Source: World Bank data as of 11.23.10.
* With IEG new methodology for evaluating projects, institutional development impact, and sustainability are no longer rated separately.

APPENDIX C

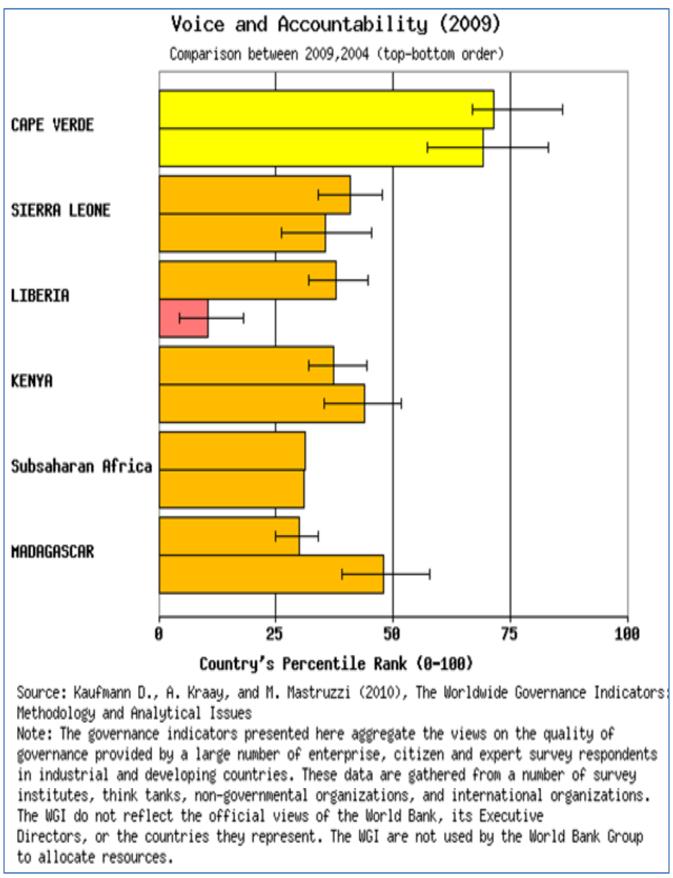
Portfolio Status for Liberia & Comparators, FY04-10							
Fiscal year	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Liberia							
# Proj		1	1	6	10	12	11
Net Comm Amt		25.0	30.0	76.5	130.8	203.0	221.8
# Prob Proj		0	0	0	0	1	0
# Proj At Risk		0	0	1	1	2	1
% At Risk		-	-	16.7	10.0	16.7	9.1
Comm At Risk		-	-	46.5	46.5	13.5	5.0
% Commit at Risk		-	-	60.8	35.6	6.7	2.3
Cape Verde							
# Proj	5	4	5	4	3	2	2
Net Comm Amt	71.8	57.7	67.7	55.2	53.2	34.5	24.5
# Prob Proj	2	1	1	0	0	0	0
# Proj At Risk	2	1	1	0	0	0	0
% At Risk	40.0	25.0	20.0	-	-	-	-
Comm At Risk	31.2	22.2	22.2	-	4.7	-	-
% Commit at Risk	43.5	38.5	32.8	-	8.8	-	-
Kenya							
# Proj	11	13	13	16	15	16	19
Net Comm Amt	641.2	635.3	598.8	905.9	1,003.8	1,428.8	2,020.2
# Prob Proj	3	1	4	3	2	1	2
# Proj At Risk	5	2	4	3	2	4	3
% At Risk	45.5	15.4	30.8	18.8	13.3	25.0	15.8
Comm At Risk	301.5	101.5	92.7	59.2	90.5	145.0	234.5
% Commit at Risk	47.0	16.0	15.5	6.5	9.0	10.1	11.6
Madagascar							
# Proj	17	14	13	17	17	13	13
Net Comm Amt	906.2	856.9	881.9	1,016.0	1,068.0	843.6	816.9
# Prob Proj	1	4	1	2	1	6	7
# Proj At Risk	1	4	1	2	1	6	9
% At Risk	5.9	28.6	7.7	11.8	5.9	46.2	69.2
Comm At Risk	16.4	341.0	89.1	79.0	47.6	416.4	614.4
% Commit at Risk	1.8	39.8	10.1	7.8	4.5	49.4	75.2
Sierra Leone							
# Proj	7	9	8	9	8	8	9
Net Comm Amt	180.1	216.8	202.4	244.6	240.6	219.5	185.5
# Prob Proj	1	1	3	2	2	4	0
# Proj At Risk	4	2	3	3	4	4	2
% At Risk	57.1	22.2	37.5	33.3	50.0	50.0	22.2
Comm At Risk	115.0	54.2	35.0	72.6	105.5	132.5	47.5
% Commit at Risk	63.8	25.0	17.3	29.7	43.8	60.4	25.6
AFRICA							
# Proj	334	334	351	364	388	400	418
Net Comm Amt	16,387.7	16,364.8	18,310.4	20,737.7	22,896.6	27,703.8	33,745.8
# Prob Proj	50	70	55	46	42	69	60
# Proj At Risk	76	97	77	77	87	118	125
% At Risk	22.8	29.0	21.9	21.2	22.4	29.5	29.9
Comm At Risk	3,174.5	4,300.9	3,241.0	3,881.6	5,827.3	6,823.4	9,358.4
% Commit at Risk	19.4	26.3	17.7	18.7	25.5	24.6	27.7

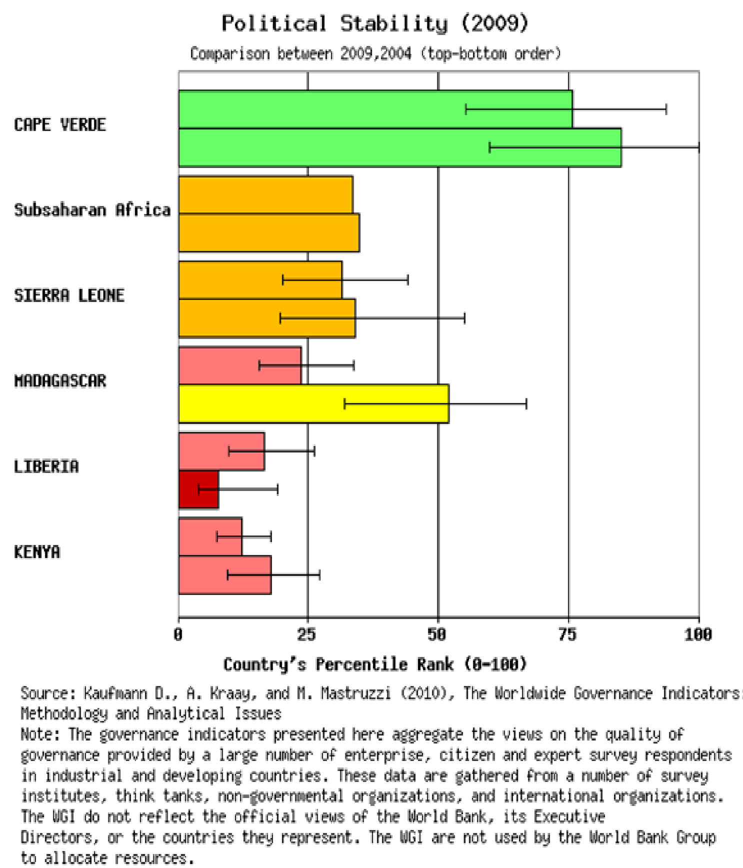
Source: World Bank data as of 11/24/2010.

IBRD/IDA Net Disbursements and Charges Summary Report for Liberia (in US$ Mil)

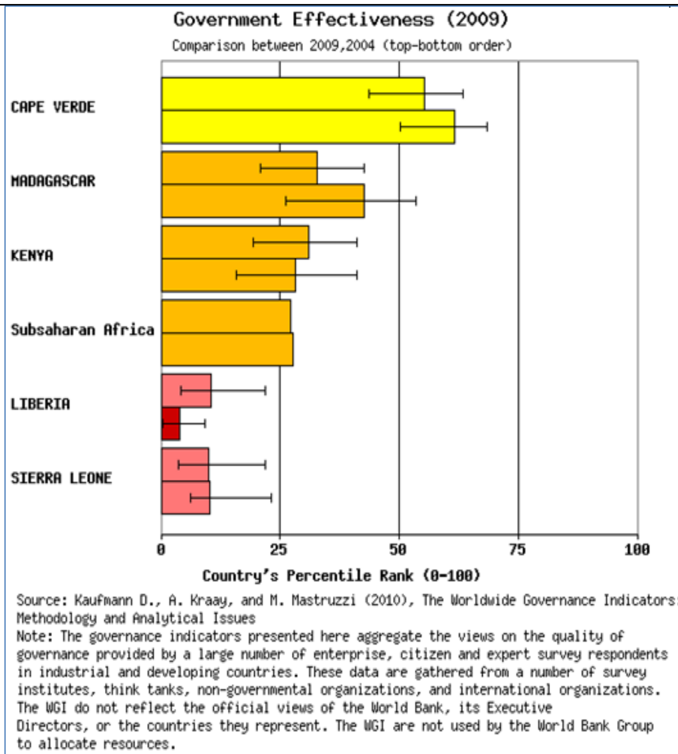
FY	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
2005	1.13	0.00	1.13	0.00	0.00	1.13
2006	7.20	0.00	7.20	0.00	0.00	7.20
2007	0.47	0.00	0.47	0.00	0.00	0.47
2008	432.62	200.40	232.22	309.53	1.17	-78.49
2009	35.94	3.32	32.62	0.00	0.53	32.09
2010	30.95	3.01	27.94	0.00	0.49	27.45
Total (2004-10)	**508.3**	**206.7**	**301.6**	**309.5**	**2.2**	**-10.1**

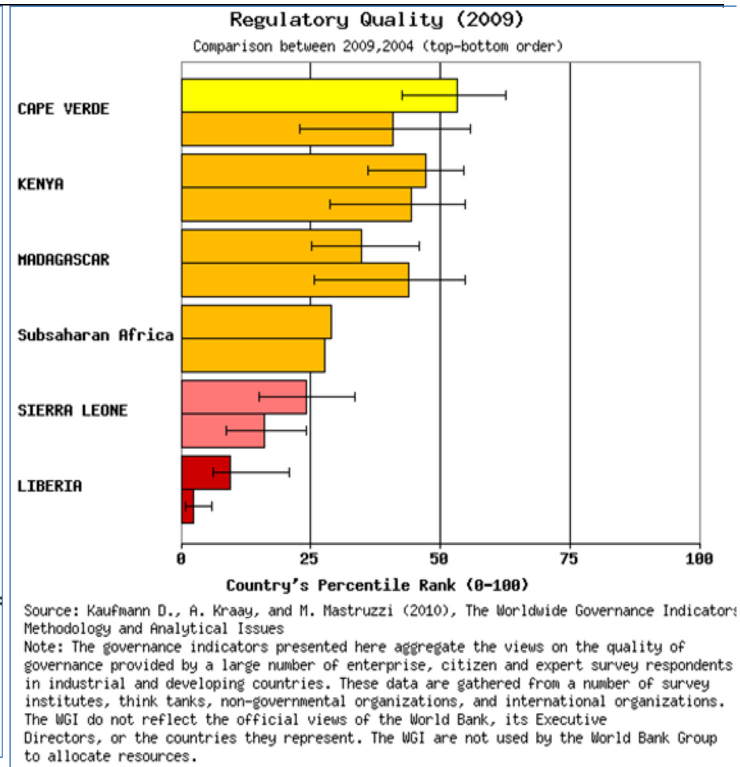
Source: WB Loan Kiosk, Net Disbursement and Charges Report as of 12/15/10.

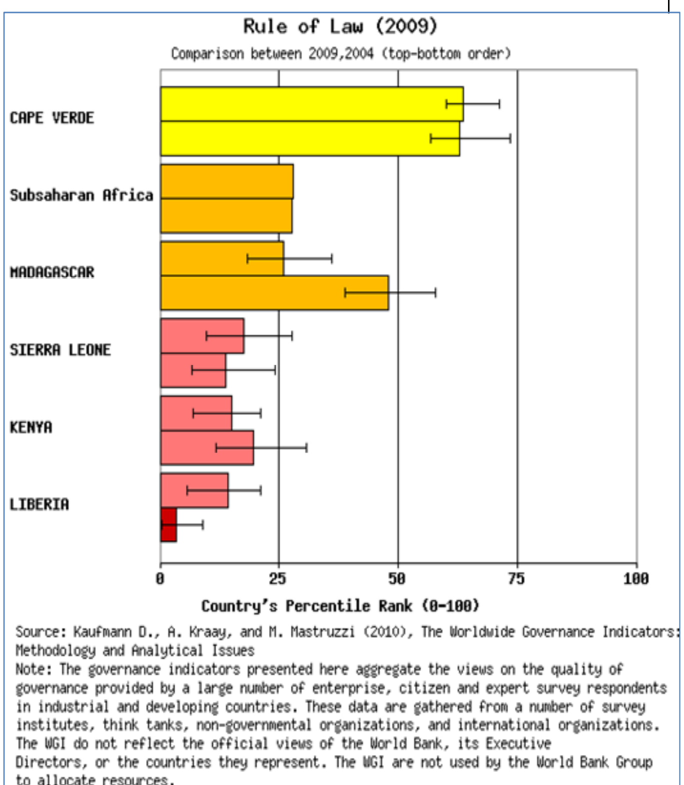


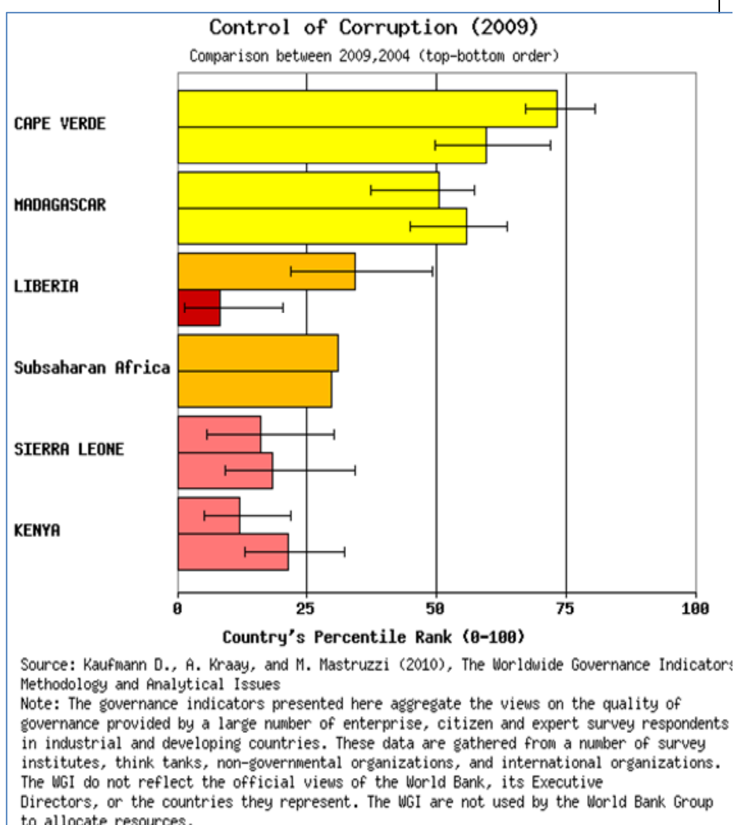


Appendix C


Government Effectiveness (2009)
Comparison between 2009,2004 (top-bottom order)
CAPE VERDE
MADAGASCAR
KENYA
Subsaharan Africa
LIBERIA
SIERRA LEONE
0
25
50
75
100
Country's Percentile Rank (0-100)
Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), The Worldwide Governance Indicators:
Methodology and Analytical Issues
Note: The governance indicators presented here aggregate the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, and international organizations. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.


Regulatory Quality (2009)
Comparison between 2009,2004 (top-bottom order)
CAPE VERDE
KENYA
MADAGASCAR
Subsaharan Africa
SIERRA LEONE
LIBERIA
0
25
50
75
100
Country's Percentile Rank (0-100)
Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), The Worldwide Governance Indicators
Methodology and Analytical Issues
Note: The governance indicators presented here aggregate the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, and international organizations. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.


Rule of Law (2009)
Comparison between 2009,2004 (top-bottom order)
CAPE VERDE
Subsaharan Africa
MADAGASCAR
SIERRA LEONE
KENYA
LIBERIA
0
25
50
75
100
Country's Percentile Rank (0-100)
Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), The Worldwide Governance Indicators:
Methodology and Analytical Issues
Note: The governance indicators presented here aggregate the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, and international organizations. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.


Control of Corruption (2009)
Comparison between 2009,2004 (top-bottom order)
CAPE VERDE
MADAGASCAR
LIBERIA
Subsaharan Africa
SIERRA LEONE
KENYA
0
25
50
75
100
Country's Percentile Rank (0-100)
Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), The Worldwide Governance Indicators
Methodology and Analytical Issues
Note: The governance indicators presented here aggregate the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, and international organizations. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.

ODA Disbursement Amount type	Current Prices (USD millions)					
Year	2004	2005	2006	2007	2008	2009
Donor						
All Donors, Total	213.24	222.44	260.4	700.79	1249.46	505.04
DAC Countries, Total	162.95	143.94	187.43	229.08	819.22	340.8
Multilateral Agencies, Total	50.15	78.39	72.53	471.07	403.25	163.29
Non-DAC Countries, Total	0.14	0.11	0.44	0.64	26.99	0.95
G7, Total	119.7	98.71	133.66	141.63	668.57	251.02
DAC EU Members, Total	44.51	44.26	65.12	71.98	475.9	205.77
Australia	..	..	..	..	..	0.01
Austria	0.73	0.33	..	..	..	..
Belgium	..	0.51	1.23	0.29	..	0.01
Canada	1.04	2.93	1.59	2.91	1.95	2.2
Denmark	0.09	3.81	5.67	6.45	12.3	8.81
Finland	2.76	1.71	1.34	2.05	3.08	2.12
France	0.82	0.55	2.05	1.13	26.84	0.3
Germany	-3.08	1.32	8.96	10.03	316.6	28.07
Greece	0.16	0.03	0.07	..	0.09	0.03
Ireland	2.74	4.34	7.27	13.24	12.94	9.81
Italy	1.95	0.02	..	0.01	0.81	75.41
Japan	..	..	17.4	12.46	13.98	14.71
Korea	..	..	0.01	0.2	10.33	0.01
Luxembourg	0.65	..	0.11	..	0.08	0.08
Netherlands	8.62	7.2	6.53	2.85	19.99	..
New Zealand	0.05	0.09	..	..	..	..
Norway	11.64	7.14	8.94	28.17	33.84	15.37
Portugal	0.08	0.58	0.18	0.24	0.21	..
Spain	..	1.53	1.26	3.55	24.29	5.75
Sweden	12.53	14.79	15.18	19.78	26.27	41.98
Switzerland	3.2	3.17	5.98	10.63	7.23	5.8
United Kingdom	16.46	7.54	15.27	12.36	32.4	33.4
United States	102.51	86.35	88.39	102.73	275.99	96.93
EU Institutions	30.36	52.99	44.24	39.46	48.59	59.54
Chinese Taipei	..	..	..	..	..	..
Czech Republic	0.13	0.11	0.28	0.41	0.38	0.56
Iceland	..	..	..	0.1	0.53	0.21
Israel	0.01	..	..	0.01	0.04	0.05
Poland	..	..	0.01	..	0.01	..
Slovak Republic	..	..	..	..	25.07	..
Slovenia	..	..	..	..	0.01	0.01
Turkey	..	..	0.15	0.12	0.6	0.08
United Arab Emirates	..	..	..	..	..	0.04
Other Donor Countries, Total	0.01	..	..	0.01	0.4	0.06
AfDF (African Dev. Fund)	..	..	..	-6.11	-26.21	4.02
Arab Agencies	..	..	0.14	0.03	..	..
GEF	0.22	1	..	..	0.83	2.64
GAVI	..	..	..	2.74	3.04	2.42
Global Fund	5.06	9.16	10.11	4.44	15.66	..
IDA	..	..	1.13	407.05	4.6	42.45
IMF (SAF,ESAF,PRGF)	..	..	..	..	319.99	27.82
UNAIDS	..	..	0.01	0.18	..	0.04
UNDP	5.34	4.13	4.17	5.37	7.19	7.59
UNFPA	0.86	0.78	2.25	3.66	3.69	2.59
UNHCR	0.19	4.16	1.78	3.78	6.33	2.19
UNICEF	3.17	3.78	4.05	6.11	5.57	5.73
UNTA	1.88	2.39	1.59	2.06	0.44	0.44
WFP	3.07	..	3.06	2.3	13.53	5.82
IDA as a share of ODA	na	na	0.4%	58.1%	0.4%	8.4%

Data extracted on 16 Dec 2010 15:48 UTC (GMT) from OECD.Stat

Note: DAC= Development Assistance Committee (OECD); ESAF=Enhanced Structural Adjustment Facility; EU= European Union; GAVI= Global Alliance for Vaccines and Immunization; GEF=Global Environmental Facility; IDA= International Development Association; IDB= Inter-American Development Bank; IFAD= International Fund for Agricultural Development; IMF= International Monetary Fund; PRGF=Poverty Reduction and Growth Facility; SAF= Structural Adjustment Facility; ODA= official development assistance; UNAIDS= United Nations Programme on HIV/AIDS; UNDP= United Nations Development Programme; UNFPA= United Nations Population Fund; UNHCR= United Nations High Commissioner on Refugees; UNICEF= United Nations Children's Fund; UNTA= United Nations Technical Assistance Programme; WFP= World Food Program.