

## PUBLIC SECTOR GROUP

### *Application for Thematic Group Funding*

1. *Activity Title:*

Revisiting sequencing of administrative reform

2. *Task Manager:*

Navin Girishankar, AFR12 (x80026)

Nick Manning, PRMPS (x31202)

3. *Description of activity:*

The importance of appropriately sequencing administrative reforms to ensure sustainability is widely acknowledged. However, concrete lessons and clear methodologies for integrating these concerns into the design of reform programs are still wanting. As they move towards programmatic and longer term approaches to supporting public sector reform, the Bank and other donors will soon require a more informed perspective on 'what works, and what doesn't' in reform sequencing.

This activity poses three sets of questions as a basis for developing applied knowledge that can improve the design of public sector reform programs in client countries:

1. What constitutes a 'good fit' between institutional reforms and a given institutional context, and how does this affect the likelihood of success (and/or sustainability)?
2. How do specific reform success affect longer term changes in country institutional endowment?
3. Do certain reform sequences constitute 'better practice' in terms helping countries along a critical path to higher levels of institutional development? Conversely, are certain approaches to sequencing likely to deplete country institutional endowment, or at least perpetuate dysfunctional equilibria?

This activity will:

- ☞ Review sample donor-assisted operations using a simple criteria to select reform programs; and rely on OED and other donor ratings of outcomes;
- ☞ Use the typology based on the sequencing discussion on the new Bank Administrative and Civil Service Reform website (<http://www1.worldbank.org/publicsector/civilservice/strategies.htm>) to categorize countries according to positive criteria, which can be substantiated using existing cross-country data;
- ☞ For question 1, review evaluations for distinctive features of successful operations given countries' level of institutional endowment;
- ☞ For question 2, identify patterns in reform sequences that can explain the longer term trends in institutional development across countries (for example, lower incidence of corruption due to prior efforts to improve fiduciary transparency);
- ☞ For question 3, track institutional development trends over long periods of time (15-25 years) to determine the degree to which certain reform sequences are stable or unstable.

The outputs will be in the form of (1) a methodology paper, providing guidance on how to identify appropriate points of entry and appropriate reforms that are most likely to lead to successful reform strategies and (2) a PREM note.

This activity is directly relevant to governments' efforts to implement and lock-in reforms over the medium- to long-term. It should also support the design of longer terms programmatic lending and AAA by the Bank in client countries across regions. Findings will also help develop specific, verifiable performance monitoring indicators for IBRD/IDA civil service/public administration operations. Work will be carried out by Ranjana Mukherjee under the supervision of Navin Girishankar and Nick Manning.

4. *Breakdown of costs:*

<u>Item</u>	<u>Breakdown</u>	<u>Total \$</u>
Consultant time	3.5 weeks @ \$2,500	\$8,750
Quality control	0.3 weeks @ \$3,900	\$1,170

**TOTAL**

**\$9,920**

---

5. *Timeline:*

Analytical work and consultations	March-April 2001
Methodology paper	May 2001
PREM note	May 2001

---

6. *Description of expected contributions to current operations on the ground (with identification of specific operations):*

Specific operations whose design will benefit from this work include operations in ECA (Macedonia, Romania, and Russia) and Africa (Ethiopia, Malawi and Lesotho)

---

7. *Explanation of the public good aspect of this activity, i.e. the generalizable lessons and benefits that this activity is expected to provide:*

This exercise will provide practical guidance for Bank staff and other donors in operational design. It will also provide a practical linkage to the growing volume of work on governance indicators and empirical measures of institutional strength.

The activity will use and where necessary improve the methodology defined on the Bank's new civil service website (see: <http://www1.worldbank.org/publicsector/civilservice/strategies.htm>)

---

8. *Form(s) of knowledge output(s) that this activity will generate (e.g., PREM Note, paper, workshop, seminar):*

- (a) PREM note
- (b) methodology paper