Contents

Acknowledgments	
Foreword	
Avant-propos	
Prólogo	
Preface	
Préface	
Prefacio	
Executive Summary	
Résumé analytique	
Resumen	
Acronyms and Abbreviations	
Glossary	
 The Strategy for Pension Reform The Social Protection Sector Strategy The Structure of the Report 	
 The Bank's Support for Pension Reform Analytical and Advisory Activities Lending Operations in Support of Pension Reform Reviewing the Development Outcome of Pension Component Summary and Conclusions 	
 Quality at Entry for Pension Reforms When Were Only Single Pillars Considered? Were Complementary Safety Nets Considered? Is the Economy Stable? Is the Financial Sector Sound? 	

- 25 Can Implementation Be Effective?
- 26 Are Higher Saving Rates Needed to Encourage Growth?
- 27 Summary and Conclusions

30 4 The Impact of Pension Reforms

- 31 Income Security Outcomes
- 34 Fiscal Sustainability
- 35 Savings and Capital Market Development
- 38 The Formalization of Labor Markets
- 40 Development Outcomes of World Bank Assistance
- 41 Summary and Conclusions

42 5 Building Institutional Capacity

- 43 Improving the Administration of PAYG Pension Systems
- 45 Actuarial Forecasting
- 46 Improving the Regulation of Funded Pension Systems
- 47 Summary and Conclusions

48 6 World Bank Coordination

- 49 Coordination among World Bank Groups
- 51 Cooperation with Other Donors and International Organizations
- 52 Relationships with Clients
- 53 Case Study Evaluation of World Bank Performance
- 53 Summary and Conclusions

55 7 Findings and Recommendations

- 55 Findings
- 57 Recommendations

Appendixes

- 61 A: Views on Pension Reform—A Brief Literature Survey
- 65 B: Pension Systems in World Bank-Assisted Countries
- 69 C: Performance Ratings for Pension Projects
- 75 D: Multi-Pillar Pension Systems, Transition Costs, and Savings
- 77 E: Indicator Tables
- 87 F: Reference Tables
- 111 G: Selected World Bank Economic and Sector Work, by Region (Country-Specific)
- 119 H: Management Response
- 127 I: Chairman's Summary: Committee on Development Effectiveness (CODE)

131 Endnotes

139 References

Boxes

- 4 1.1 Averting the Old Age Crisis: Policies to Protect the Old and Promote Growth
- 10 2.1 Identifying Pension-Related Economic and Sector Work
- 13 2.2 How IEG Identified Pension Projects
- 45 5.1 Pension Reform Options Simulation Toolkit (PROST)

Tables 12 2.1 Europe and Central Asia and Latin America and the Caribbean Received More Support for Pension Reform Than Other Regions from Fiscal 1984 to 2005 14 2.2 Countries with Multi-Pillar Systems Received More Assistance 15 2.3 Most Development Outcomes for Pension Components Were Satisfactory 32 4.1In Latin America and the Caribbean, Only Some Funded Pension Portfolios Are Well-Diversified 33 4.2 Real Returns Have Outpaced Wage Growth for Funded Pensions in Most Countries 39 4.3 Outcome Ratings Varied Considerably, as Did the Reason for the Ratings 44 5.1 Latin America and the Caribbean Heads the Regions in Credits and Loans Supporting Institutional Capacity Building per Capita 50 6.1 Economic Policy and Social Protection Sectors Had a Greater Role in Pension Reform Activities Than Did Other Sectors 51 6.2 Many Organizations Work with the World Bank on Pension Reform 53 6.3 What Do IEG Case Studies Show about World Bank Performance? 56 7.1 Even the Best Reforms Have Continuing Challenges **Figures** 5 1.1 What Is the World Bank's Pension Strategy? 11 2.1 More Sector Work Addressed Fiscal Issues and Transition Costs, and Fewer Reports Discussed Public Administration 21 3.1 Many Countries Had High Inflation at Reform 22 3.2 Several Countries Had High Budget Deficits at the Time of Their Pension Reform 24 3.3 Poor Financial Sectors Characterize Some Europe and Central Asia Multi-Pillar Reformers 24 3.4 Europe and Central Asia Countries without Multi-Pillar Reform Are More Likely to Have Weak Financial Sectors 26 3.5 Many Reformers Had Poor Corruption Indexes at the Time of Reform 27 3.6 Corruption Ratings Are Poor among Some Potential Reformers

- 28 3.7 Some Multi-Pillar Countries Already Had High Savings Rates
- 28 3.8 Savings Rates Require Review before Deciding on Multi-Pillar Reform
- 4.1 Pension Funds Have Become More Diversified in Kazakhstan 33
- 4.2 35 Fiscal Deficits Have Grown in Many Countries with Second Pillars
- 36 4.3 Savings Rates Increased Only in Kazakhstan
- 37 4.4Market Capitalization Remains Quite Low
- 37 4.5 Post-Crisis Pension Portfolios in Argentina Fled to Government
- 38 4.6 Pension Participation Rates Have Not Changed in Latin America and the Caribbean