DEVELOPMENT COMMITTEE
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On the
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ACCELERATING DEVELOPMENT OUTCOMES IN AFRICA PROGRESS AND CHANGE IN THE AFRICA ACTION PLAN

Attached for the April 15, 2007, Development Committee Meeting is a paper entitled "Accelerating Development Outcomes in Africa – Progress and Change in the Africa Action Plan", prepared by the staff of the World Bank. This item will be considered under Item II of the Provisional Agenda.

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Accelerating Development Outcomes in Africa
Progress and Change in the Africa Action Plan

AFRICA REGION
THE WORLD BANK

ABBREVIATIONS AND ACRONYMS

AAP	Africa Action Plan
ADI	Africa Development Indicators
AAA	Analytic and Advisory Services
AERC	African Economic Research Consortium
ACT	Artemesinin-based combination therapy
AfDB	African Development Bank
AFR	Africa Region
AIDS	Acquired Immune Deficiency Syndrome
AGOA	Africa Growth and Opportunity Act
AMC	Advance Market Commitments
APRM	Africa Peer Review Mechanism
ARV	Anti-retroviral
AU	African Union
CAADP	Comprehensive African Agricultural Development Program
CAS	Country Assistance Strategy
CCC	Collaborative Country Clusters
CDMAP	Capacity Development Management Action Plan
CEIF	Clean Energy Investment Framework
CFAA	Country Financial Accountability Assessment
CG	Consultative Group
CGIAR	Consultative Group on International Agricultural Research
CPIA	Country Policy and Institutional Assessment
CMU	Country Management Units
DAC	Development Assistance Committee
DBA	Doing Business Assessment
DFID	United Kingdom Department for International Development
DTIS	Diagnostic Trade Integration Studies
EBA	Everything But Arms
ECA	Economic Commission for Africa
EFA	Education for All
EITI	Extractive Industries Transparency Initiative
GEF	Global Environmental Facility
GEM	Gender, Entrepreneurship, Markets Program
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GTZ	German Agency for Technical Cooperation
LLIN	Long-lasting Insecticide-treated Nets
MDB	Multilateral development bank
MAP	Multi-Country AIDS Project for Africa
MDG	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiative
M&E	Monitoring and Evaluation
MIC	Middle Income Countries
MSMEs	Micro, Small and Medium Enterprises
MFIs	Micro Finance Institutions
MIGA	Multilateral Investment Guarantee Agency
NEPAD	New Partnership for Africa's Development
NORAD	Norwegian Agency for Development Cooperation
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OPCS	Operations Policy & Country Services
PBA	Performance-Based Allocation
PEFA	Public Expenditure Management and Financial Accountability
PEP	Private Enterprise Partnership
PER	Public Expenditure Review
PEPFAR	President's Emergency Plan for AIDS Relief
PETS	Public Expenditure Tracking Surveys
PFM	Public Financial Management
PMI	The United States President's Malaria Initiative
PPI	Private Participation in Infrastructure
PRI	Political Risk Insurance
PRSC	Poverty Reduction Support Credit
PRS	Poverty Reduction Strategy
PSD	Private Sector Development
REC	Regional Economic Community
R&R	Resources and Results Processes
RBCAS	Results-Based Country Assistance Strategy
RIAS	Regional Integration Assistance Strategy
SSA	Sub-Saharan Africa
USAID	United States Agency for International Development

Accelerating Development Outcomes in Africa: Progress and Change in the Africa Action Plan

Contents

List of Tables

List of Boxes

Annexes

Accelerating Development Outcomes in Africa: Progress and Change in the Africa Action Plan

OVERVIEW AND ISSUES FOR DISCUSSION

1. ***Africa is a priority for the development community and the World Bank***. Despite accelerated growth since 1995, the region is not growing fast enough to reach the poverty Millennium Development Goal (MDG). It is also not likely to reach all of the human development goals of the other MDGs.

2. ***In April 2005 the Board of Executive Directors requested an Africa Action Plan (AAP) to show how the Bank Group would work in partnership with others to help every African country achieve as many of the MDGs as possible.*** The AAP presented an outcome-oriented framework to guide the Region's work in four pillars – accelerating shared growth, building capable states, sharpening the focus on results, and strengthening the development partnership.[1] It embodied 14 thematic areas and 25 priority actions drawn from over 100 supporting actions.

3. ***In launching the AAP, Management indicated that it would be assessed regularly and modified in light of experience during implementation.*** This paper reviews the first 18 months of experience in implementing the AAP and presents some changes arising from that experience.[2]

4. ***Economic and social trends in Africa have been positive***. Despite an unanticipated oil shock, growth has remained good. Average growth was 5.5 percent in 2005 and 5.3 percent in 2006. Today more than a third of Africans live in 17 countries that have grown at more than 4 percent per year for ten years. Progress toward the MDGs is picking up. In 1990 47 percent of Africans were living in poverty. Poverty incidence had fallen to 41 percent in 2004, and on present trends will fall to 37 percent by 2015. Gross primary school enrollment rates rose from 72 percent in 1991 to 96 percent in 2004. Health outcomes are more varied, but are also improving in many countries. For example, 33 of 44 countries reporting data have decreased maternal mortality rates, since 2000. Between 1990 and 2004, under-five mortality fell from 161 to 149 per thousand live births, and today only 16 percent of Africans live in countries with under five mortality rates above 200 per thousand.

5. ***But trends in aid and trade have been less encouraging, and the aid landscape is changing***. At the Gleneagles summit, G-8 heads of state committed to double development assistance to Africa– from $25 billion in 2004 to $50 billion in 2010– and the Multilateral Debt Relief Initiative (MDRI) was launched. Except for debt relief, which has been a major achievement, promises of scaled up aid have not yet been delivered. Despite a recent revival of interest, the Doha round of trade talks has been a disappointment in terms of increasing market access for Africa. Non-OECD/DAC development partners, including new bilaterals, foundations and the private sector, are changing development finance in Africa.

6. ***These developments offer opportunities for the World Bank Group to strengthen its role in the partnership with Africa in three areas:***

- S*upporting more rapid, shared economic growth.* Helping break the constraints to growth is essential for all countries, as is making growth more pro-poor.
- *Increasing support for good governance and capacity development in resource-rich and slow-growing countries.* About two-thirds of Africans live in mineral rich or slowly growing

[1] *Meeting the Challenge of Africa's Development: A World Bank Group Action Plan* (SecM2005-0445), August 17, 2005.

[2] The review is drawn from a comprehensive assessment of the AAP, *The World Bank Group's Africa Action Plan: Progress in Implementation* (SecM2007-0112), March, 2007.

economies. A key challenge will be to increase support for institutional development in these countries.

- *Helping match country plans and strategies to appropriate financing.* Convening power and capacity development will be needed to help governments to match national strategies with appropriate financing, deal with new development partners, and adapt vertical programs to country-specific circumstances.

7. ***Implementation of the AAP in FY06 and FY07 has been broadly satisfactory.*** Based on an assessment of: (i) country-led programs and policies leading to development outcomes, (ii) development partner efforts to provide and coordinate the resources needed to assist countries, and (iii) a review of AAP actions and supporting operational and analytic work, progress has been achieved in all four pillars. Four outcome areas (private sector development, infrastructure, HIV/AIDS, and malaria) are progressing faster than expected. IFC and MIGA have made important contributions to results in Africa, especially in private sector development and infrastructure. Progress is on track in regional integration, primary education, and establishing the conditions for export growth. Two areas (agricultural productivity and gender- especially the economic empowerment of women) have lagged expectations. Progress by African governments to build capable and transparent states is on track. Countries are improving transparency and accountability, and raising the effectiveness of public services. Progress would have accelerated with an earlier launch of the World Bank's Capacity Development Action Plan (CDMAP).[3] Countries have taken the lead in developing baselines and action plans for the Paris Declaration to strengthen development partnerships, and development partners are taking important steps to adhere to its principles, both at the country and policy level. Table 1 highlights some of the recent results achieved by African countries with the support of their development partners, including the Bank Group during implementation.

8. ***The Bank Group is committed to working with others to achieve shared growth and the MDGs***. The AAP's objectives remain to support all African countries to accelerate growth, to increase the participation of poor people and women in growth, and to achieve the MDGs. (Annex A.) Guided by the Paris Declaration, the AAP will seek to strengthen the effectiveness of the development partnership for Africa. It will "leave no country behind".

9. ***Four key lessons from implementation suggest both continuity and some changes to the AAP are needed:*** (i) the country based model works and should be strengthened; (ii) the original AAP lacked sufficient focus to be an effective management tool; (iii) emerging demand from countries should guide selectivity and management attention; and (iv) stronger accountability for monitoring and delivering results in areas of emerging demand will increase the development impact of Bank programs.

10. ***Countries and their nationally owned poverty reduction and growth strategies (PRSs) are at the center of the AAP***. Because success in delivering shared growth and the MDGs requires good governance, better management of the environment, and an effective development partnership, attention to these issues will be heightened.

11. ***Experience points to some needed changes to the AAP to increase selectivity and sharpen the focus on results.*** These changes are based on a review of each of the 14 focus areas of the AAP with respect to: relevance, results, Bank Group core competencies, and global priorities. While the AAP has been broadly successful as a framework for Bank Group engagement in Africa it has not been an effective tool for management: it attempted to do too many things, and did not distinguish adequately between development outcomes and internal Bank processes.

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[3] *Capacity Development in Africa: Management Action Plan.* (SecM2006-00323) July 14, 2006.

Table 1: Examples of Progress

Selected indicators of progress in Africa	*Selected results of Bank supported country programs*	*Selected expected results of Bank supported country programs*
Private Sector Development		
• According to Doing Business Assessment (DBA), Africa is 3rd fastest region in pace of reform, up from last • Tanzania and Ghana rank among the top 10 reformers in the world	• IFC reached 15,000 beneficiaries in MSME programs in three countries and trained 4000 managers between 2005 - 2006 • Eleven African countries introduced reforms to reduce the time and cost needed to start a business in 2006	• Will increase the percent of private credit to GDP from 25.8% to 34% in Kenya, and 20% to 24.8% in Ethiopia and 3.9% to 10% in Tanzania by 2010 • IFC will support 20-28 institutions to expand micro-finance in 21 countries by 2010
Infrastructure		
• Average penetration rates for communications services doubled between 2004 and 2006 • Upward trend in private provision of infrastructure to $6bn in 2006 • Financial commitments by 6 nations to West Africa Power Pool	• Provided 1.7 million people with access to water, delivered 7,200 water points (projects completed 2002-2006) • Built systems to irrigate 15,524 hectares of land in 4 countries (projects completed 2004-2006)	• Will construct or rehabilitate 29,000 km of roads by 2013 • Will deliver generation capacity of 1,384 MW in 7 countries by 2012 • Will supply an additional 2.5 million people with access to clean water by 2011
Human Development		
• Five fold increase in number of people receiving anti-retroviral drugs between 2001 and 2005 • Evidence of behavior change in several east and central African countries (eg. condom use, number of partners) • Primary school enrollments increased to 96% in 2004	• Provided 1.5 million pregnant HIV positive women with treatment to reduce risk of Mother to Child Transmission (MAP projects 2000-2005) • Reached 173 million people with HIV prevention messages (MAP projects 2000-2005) • Trained 86,116 teachers; built or rehabilitated 46,058 classrooms (projects completed 2002-2006)	• Will deliver 14,800,000 insecticide-treated bed-nets primarily to children and pregnant women by 2009 • Will deliver 42,000,000 doses of Artemesinin-based combination therapy by 2011 • Will train 95,000 teachers and rehabilitate or construct 31,522 classrooms in 9 countries by 2012
Capable States		
• Africa Peer Review Mechanism completed in 2 countries	• 14 countries endorsed Extractive Industries Transparency Initiative (EITI)	• Four new countries will endorse EITI principles, and 8 other countries show progress in implementation of EITI

Source: The Africa Action Plan: Progress in Implementation, March 2007. *Note:* The Table summarizes results achieved by African governments, development partners, and the World Bank Group during implementation.

12. ***Eight "Flagship" operational areas respond to emerging demand from countries.*** The flagships are anchored in the Bank's overall program in Africa. These are areas where there is increasing demand from national strategies, for instance energy, water, or private sector development, and where the Bank Group can add value to the international partnership by using and strengthening its core competencies, including through ensuring that managers and staff maintain appropriate expertise and skills. The flagships aim to: (i) strengthen the African private sector; (ii) increase the economic empowerment of women; (iii) build skills for competitiveness in a global economy; (iv) raise agricultural productivity; (v) improve access to and the reliability of clean energy; (vi) expand and upgrade road networks and transit corridors; (vii) increase access to safe water and sanitation; and (viii) strengthen national health care systems and combat malaria and HIV/AIDS. Progress will be assessed regularly, guided by an explicit implementation framework and monitoring system. (Annex B)

13. ***The AAPs country classification has been modified to reflect emerging issues and opportunities.*** The original country classification, based on economic performance and capacity to make demonstrable progress with increased aid, has been refined to give more attention to Africa's growing number of resource rich economies and the region's sustained-growers, while continuing to serve the

needs of slowly growing economies and conflict-affected countries. The country typology is designed to help forecast demand for analytic and operational support at the country level, clarify the Bank's role among development partners, and shape the country dialogue. It will not guide resource allocation for IDA, which will continue to be set under the performance-based allocation (PBA) framework. Regional integration will continue to feature prominently through a demand driven process.

14. ***The Bank will adapt its approach to scaling up to the changing aid landscape in Africa***. The Bank will help countries put together a menu of financing options to attract additional private and public resources and support accelerated progress toward results. It will also work with existing and new development partners to implement the Paris agenda on harmonization and alignment.

15. ***A more focused, outcome-oriented African Action Plan offers the potential to strengthen the World Bank Group's role in the development partnership with Africa and its contribution to development results.***

16. ***Issues for Discussion.*** The Development Committee may wish to discuss:

- Do the changes proposed to the AAP respond adequately to the experience of implementation of the AAP since its inception?
- Are the eight Flagships appropriate means to address key constraints to accelerating shared growth and progress toward the MDGs in Africa?
- How can the World Bank Group work more effectively with nontraditional development partners and bring them more fully into the country based model?
- How can the Bank Group better mobilize support to break growth constraints and accelerate progress toward the MDGs?
- What more are can be done by the international community to strengthen the effectiveness of the development partnership with Africa?

Accelerating Development Outcomes in Africa: Progress and Change in the Africa Action Plan

I. Introduction

1. In April 2005, the Board of Executive Directors asked the Africa Region to show how the Bank Group would work in partnership with others to help every African country achieve as many of the Millennium Development Goals (MDGs) as possible. The Africa Action Plan (AAP), discussed by the Development Committee on September 25, 2005, responded to this request. Using an outcome-oriented framework the AAP was designed to make progress on four pillars: accelerating shared growth, building capable states, sharpening the focus on results, and strengthening the development partnership.

2. In launching the AAP, Management indicated that it would be reviewed regularly and modified in light of progress in implementation. This report assesses the first 18 months of experience in implementing the AAP. It examines changes in the development picture in Africa, results achieved during implementation, and the World Bank Group's evolving role among Africa's development partners. It concludes that while the AAP must retain its vision of fostering shared growth and more rapid progress toward the MDGs within a country-based model, changes are needed to increase selectivity, strengthen accountability, and achieve better development outcomes.

II. Economic, Social, and Partnership Trends in Africa

3. *African Development Indicators 2006*: *From Promises to Results* offers a mixed – but increasingly positive – picture of Africa's development outcomes. In the past 18 months, economic and social progress has continued to be strong. These trends are broadly consistent with the assumptions that underpinned the AAP. In contrast, except for debt relief, promises of rapidly scaled up aid have not yet been realized for the majority of African nations, and international trade talks have stalled.

A. Economic and Social Trends

4. The AAP was formulated in 2005 on the assumption that Africa was at a turning point in reversing a two decade decline in economic and social progress. Economic developments (and in some cases new information on historical trends) during the past two years indicate that this premise was largely correct:

- *Despite an unanticipated oil shock, average growth has been sustained over the past two years.* Average incomes in sub-Saharan Africa have been rising in tandem with those in other regions since the mid 1990s. This trend continued in 2005; average growth was 5.5 percent. It is estimated at 5.3 percent in 2006 and projected to be 5.3 percent in 2007.
- *Differences in economic performance across low income countries are becoming more pronounced*. In 2005, country growth rates varied from -6.5 percent to 18.7 percent. Nine countries were near or above the 7 percent threshold needed for sustained poverty reduction. Along this continuum of growth performance, three groups of countries are emerging: oil exporters, which include 29 percent of Africa's population; diversified, sustained-growth countries, which have grown at more than 4 percent per annum for 10 years; (36 percent of SSA's population); and slow-growing economies (35 percent), many of which are conflict affected or fragile states. (Table 2)
- *Rising oil and other minerals prices and new discoveries have increased the significance of natural resources as a driver of growth.* Natural resources (including oil) constitute 24 percent

of total wealth in SSA. Exports from the oil-producing countries jumped from 40 percent of GDP in 2002 to 65 percent in 2005 and to 69 percent in 2006. Growth has accelerated, and some exporters have increased their savings and their capital budgets.

Table 2: Africa GDP Growth Rates, 1996 – 2005
(Compound annual average)

Countries growing at less than four percent (36% of population)		***Countries Growing at more than four percent*** (36% of population)		***Oil exporters*** (29% of population)	
Zambia	3.6	Mozambique	8.4	Equatorial Guinea *	20.9
Guinea	3.6	Rwanda	7.5	Angola *	7.9
Niger	3.5	Cape Verde *	6.5	Chad	7.8
Togo	3.3	Uganda	6.1	Sudan	6.4
Madagascar	3.3	Mali	5.7	Nigeria	4.0
Malawi	3.2	Botswana *	5.7	Congo, Rep. *	3.5
South Africa *	3.1	Ethiopia	5.5	Gabon *	1.7
Sao Tome and Principe	3.1	Tanzania	5.4		
Swaziland *	2.8	Mauritius *	4.9		
Kenya	2.8	Mauritania	4.9		
Lesotho	2.7	Benin	4.8		
Eritrea	2.2	Ghana	4.7		
Comoros	2.0	Senegal	4.6		
Seychelles *	2.0	Burkina Faso	4.6		
Cote d'Ivoire	1.5	Gambia, The	4.5		
Burundi	1.2	Cameroon	4.5		
Sierra Leone	1.1	Namibia	4.0		
Central African Republic	0.9				
Guinea-Bissau	0.6				
Congo, Dem. Rep.	0.0				
Zimbabwe	-2.4				
Unweighted average	**2.1**		**5.5**		**7.4**
Median	**2.7**		**5.1**		**6.4**

Source: Africa Development Indicators 2006 Note: Middle Income Countries identified by an asterisk *(*).*

5. Good economic growth and sustained efforts by governments and their development partners have contributed to better progress on the MDGs. (Annex A) Poverty, education and health outcomes are improving. In 1990, 47 percent of Sub-Saharan Africans were living in poverty. This had fallen to 41 percent in 2004, and on present trends, will fall to 37 percent by 2015.[4] Region-wide, gross primary school enrollment rates rose from 72 percent in 1991 to 96 percent in 2004. The ratio of girls to boys in primary and secondary school increased from 78 percent in 1991 to 87 percent in 2004. For example between 1990 and 2004, under-five mortality fell from 161 to 149 per thousand live births. Today only 16 percent of Africans live in countries with under five mortality rates above 200 per thousand. Since 2000, 33 of 44 countries reporting data have had decreases in maternal mortality rates. Nevertheless, progress will need to accelerate substantially to meet the MDGs.

6. While sub-Saharan Africa is one of two regions (the other is South Asia) that are not expected to reach most of the MDGs by 2015, there is substantial variation among countries, both with respect to the level of attainment of the MDGs and with respect to the pace of progress. Mauritius has met four goals, Botswana has met three and will likely meet one more, and South Africa has met three. Among other countries, on current trends nine will meet two MDGs, 13 will meet only one, and 23 will not meet any.[5]

[4] World Bank: DECRG Poverty Group preliminary estimates, March 2007.
[5] World Bank, *Global Monitoring Report 2007.* (SecM2007-0094) Washington, DC: World Bank, 2007.

7. Africa's leaders have undertaken major policy reforms over the past 10 years. The Bank's Country Policy and Institutional Assessment (CPIA) ratings for Africa have improved substantially over the last decade and moved closer to global averages. In 2005, the best CPIA ratings were in macroeconomic management and trade policy, both of which help to underpin improved growth performance. Recent data provide some evidence of governance improvements.[6] Measures of bureaucratic capabilities or the quality of "checks and balances institutions" improved in six African countries (Gambia, Ghana, Kenya, Madagascar, Senegal, and Tanzania). Three of the seven countries worldwide that improved governance in a balanced manner over the last decade were in Africa. However, four countries suffered large declines in governance indicators (Central African Republic, Cote d'Ivoire, Eritrea, and Zimbabwe). Conflicts have decreased. In 2007 there are five civil wars, substantially fewer than the 16 that existed in the late 1990s.

B. The Evolving Development Partnership

8. The AAP was developed during a renewed effort by the international community to increase aid and trade for Africa. At the Gleneagles summit in July 2005, G-8 heads of state promised to double development assistance to Africa, from $25 billion in 2004 to $50 billion by 2010, and the Multilateral Debt Relief Initiative (MDRI) was launched. A successful conclusion of the Doha round of trade talks was anticipated. In response, the AAP laid out actions to help countries manage increases in development finance more effectively, and its trade related initiatives focused on helping countries seize the opportunities that would be offered by increased market access. During the past year and a half:

- *Multilateral debt relief has been an important achievement.* Beginning in July 2006, 16 countries benefited from the MDRI.[7] Another 17 will become eligible when they reach their HIPC completion points. MDRI countries will face important challenges in using the space created to contract new debt prudently and from a shift in the share of aid linked to projects and programs toward unrestricted budget support in the form of debt service reductions.[8]
- *Excluding debt relief and emergency food aid, assistance to Africa has stalled.* Debt relief and humanitarian aid account for all of the increase in aid since 2002. Between 2004 and 2005 non special purpose aid declined by 2.1 percent in real terms. The OECD/DAC and the Strategic Partnership with Africa project that for 2006-2008 most of the growth in aid will continue to come from debt relief and special purpose grants (such as disaster relief).[9] As a result, a typical "well performing" African country has seen little or no increase in the resources available to support development projects and programs.
- *While progress on increasing aid has been slower than expected, there is good momentum behind the aid effectiveness agenda.* Across the region, the Paris Declaration (March 2005) is promoting a greater focus on aid coordination, harmonization, and alignment.
- *Progress has been disappointing in the Doha round of trade talks.* The multilateral talks have been recently revived, but no firm negotiating agenda has been set. There have been positive developments in market access under the US's African Growth and Opportunities Act (AGOA) and potential gains under the European Union's "Everything but Arms" (EBA) initiative.

9. An unanticipated major change in the aid architecture has been the emergence of a number of important "non-traditional" development partners in Africa. Led by China, which has proposed a

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6 *Global Monitoring Report 2007.* (SecM2007-0094)

7 Countries that benefitted from MDRI: Benin, Burkina Faso, Cameroon, Ethiopia, Ghana, Madagascar, Malawi Mali, Mauritania, Mozambique, Niger, Rwanda, Senegal, Tanzania, Uganda and Zambia

8 When fully implemented the MDRI will provide a modest increase in development assistance through reflows.

9 Development Cooperation Directorate, OECD, *Final ODA Data for 2005*, Paris: OECD, December 6, 2006.

doubling of aid to Africa, emerging Asia is increasingly important both as a rapidly growing market for Africa's exports and as a source of development finance.[10] Philanthropies, such as the Gates Foundation, and the corporate social responsibility programs of private corporations have also emerged as significant actors, particularly in areas such as health care.

C. Implications for the Africa Action Plan

10. Economic and social trends in Africa have been consistent with the underlying premises of the AAP, but increases in the volume of aid and the pace of progress in multilateral trade talks have tended to be slower than anticipated. These regional and international trends imply three important opportunities for the World Bank Group to strengthen its role in the development partnership with Africa.

Targeting opportunities for more rapid, shared economic growth

11. Although there are encouraging signs of increased economic growth, the region still is not growing fast enough to win the fight against poverty, and many countries are at risk of being left behind. More rapid growth is also essential for achieving and sustaining the MDGs. Creating opportunities for growth is equally important for all countries, but the challenges differ. In the more rapid growers they are to identify and break the key constraints to further growth. In slowly growing economies they are likely to be building the institutional and physical infrastructure needed to establish a basis for growth. Helping poor people and excluded groups to participate in and benefit from growth remains a central element of making growth pro-poor in all countries. The World Bank Group (IDA, IFC and MIGA) is well positioned to help mobilize private and public development finance to break growth constraints and to help governments improve policies and transform the institutions needed to attract private investment. It can also partner with others to make growth more broadly shared through investments in education, health and the rural economy.

Increasing support for good governance and capacity development in resource-rich and slow-growing countries

12. For resource-rich and slow-growing countries, governance is a priority. Resource-rich countries face major challenges in improving transparency, using the revenues from minerals to achieve sustainable growth and human development, and ensuring that non-renewable resources benefit future generations. The Bank Group's role in the Extractive Industries Transparency Initiative (EITI) and its expertise in public financial management are relevant to these challenges. In the slow growers— especially conflict affected and other fragile states— there is a need to build basic institutions at both the national and community level to use resources and deliver services effectively.[11] The Bank Group working together with development partners as set out in its Capacity Development Action Plan (CDMAP), can play a key role in supporting institutional development in these countries.[12]

Matching viable country plans and strategies to appropriate financing

13. Nationally owned poverty reduction and growth strategies (PRSs) will continue to guide World Bank Group resource mobilization efforts under the AAP. Because many new bilateral donors and private foundations are primarily interested in sector specific initiatives in such areas as education, infrastructure, and health, the Bank should use its convening power and human resources to assist

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[10] Recently, China's president promised $3 billion in soft loans and credits for Africa and spoke of doubling Chinese aid to the continent by 2009. Chinese companies also pledged to invest $1.9 billion in a range of projects covering infrastructure, raw materials and finance.

[11] Benno Ndulu et.al., *Challenges of African Growth*. Washington, DC: The World Bank, 2006.

[12] *Capacity Development in Africa: Management Action Plan.* (SecM2006-00323) July 14, 2006.

governments in matching viable country plans and strategies with appropriate financing. It can help develop systems to adapt vertical programs to country-specific circumstances and play a leadership role in bringing non OECD/DAC development partners into country-led donor partnerships.

III. PROGRESS AND CHANGE: A MORE FOCUSED AFRICA ACTION PLAN

14. This section summarizes the assessment of progress in implementing the AAP.[13] On the basis of the assessment, it proposes revisions to the AAP that respond to recent economic, social, and partnership trends and the lessons of implementation.

A. Summary of Progress and Lessons Learned

15. The AAP was designed to make progress toward outcomes in four pillars–shared growth, capable states, focus on results, and partnerships–through initiatives in 14 thematic areas, incorporating 25 priority actions. Progress in each of the 14 areas supporting the pillars was assessed by reviewing: (i) evidence of the extent to which country-led programs and policies are leading to better development outcomes; (ii) evidence of development partner efforts to provide and coordinate the resources needed to assist countries in each area; and (iii) the status of World Bank Group priority actions, operations, and analytic work.[14] Progress in each of the four pillars is summarized below.

Accelerating shared economic growth

16. The shared growth pillar contained two distinct themes. The first, *supporting the drivers of growth*, sought to increase the rate of growth in as many countries as possible. The second, *participating in growth,* sought to improve the abilities of poor people, women, and other excluded groups to participate in and benefit from growth. Human development objectives are contained in this theme.

Box 1: IFC and MIGA Actively Supported the AAP

Much of the progress in the shared growth pillar is due to the joint efforts of IDA, IFC and MIGA in private sector development, infrastructure, and skills development.

IFC. IFC began its Strategic Initiative for Africa three years ago based on three objectives: bettering investment climates; improving support for SMEs; and supporting project development for potential IFC projects. IFC has introduced new services and products including the SME Solution Centers, local currency lending, trade finance, and the Post-Conflict and IFC Against AIDS Initiatives. During the Strategic Initiative's first three years, IFC's commitments in Africa grew by 400 percent. Four sectors drove this growth: financial markets; oil, gas, mining and chemicals; information and communications technology; and telecommunications. IFC reached 15,000 beneficiaries in MSME programs in three countries and trained 4000 managers (2005-2006). It has strengthened its partnerships throughout the region, and the Private Enterprise Partnership for Africa (PEP) was oversubscribed.

MIGA. In FY06 and 07, Sub-Saharan Africa has been MIGA's most important regional priority. MIGA issued 28 guarantees for 17 new projects resulting in additional gross exposure of $245 million. Guarantees covered projects in ten countries: Angola, Burkina Faso, Cameroon, Ghana, Kenya, Madagascar, Mozambique, Nigeria, Sierra Leone and Uganda. Priorities were regional integration, conflict-affected countries, and infrastructure. MIGA also built its outreach program and cooperated closely with the African Development Bank (AfDB) and other institutions to identify and facilitate infrastructure projects. Increasingly, MIGA works upstream with IFC and the Bank to improve national legal frameworks for FDI, and with investors to structure transactions and improve development impacts.

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[13] *The Africa Action Plan: Progress in Implementation*. (SecM2007--0112), March, 2007.

[14] The state of data on economic and social development indicators, including intermediate outcomes and project/program outputs in Africa is such that the assessment of progress is neither as comprehensive, nor as current as would be desirable.

17. Progress has been best in the shared growth pillar. The AAP is on track to meet the expected outcomes in all but two (agricultural productivity and gender) of the pillar's nine thematic areas. It is ahead of projected progress in four: private sector development (PSD), closing the infrastructure gap, HIV/AIDS, and malaria. IDA, IFC and MIGA have all made major contributions to progress in supporting shared growth. (Box 1) For example with Bank Group support, Madagascar moved up eight places in global rankings in the ease of starting a business, and the time to start one was cut in half, from 38 to 19 days. Public-private partnerships are changing the face of infrastructure in Africa. (Box 2) HIV/AIDS programs have reached 173 million people with HIV prevention messages and have supported efforts to prevent mother to child transmission of HIV for 1.5 million women. In Nigeria, the malaria program is using private vendors to increase access to treatment. Similar approaches are possible in other countries with the scaling up of Bank support through the Malaria Booster Program.

Box 2: A Successful Public-Private Partnership - Kenya and Uganda Railways

Support from the World Bank Group for the creation of a public private partnership for the Kenya and Uganda Railways included a unique opportunity to enhance the social value of a privatization. IFC's Advisory Services led a transparent, and competitive bidding process. RVR, the concessionaire led by Sheltam Rail Company (Pty) Limited of South Africa, will pay an annual concession fee of 11.1 percent of gross revenues to each country and an additional $1 million per year to Kenya for the passenger services concession. In Kenya anticipated payments amount to about $9.5 million per year, reversing a current government subsidy that was $13 million last year.

The contract obliges RVR to implement a turnaround and development program for the two railway systems. It is expected to double freight traffic volumes in five years. This will take thousands of trucks off the roads and provide better and cheaper service to shippers in Kenya, Uganda, and other countries in the interior. RVR is expected to invest around $450 million over the 25-year term of the concession, of which more than $100 million is anticipated to be made within the first five years. IFC is lending $32 million to the concessionaire. IDA is committed to fund up to $70 million to finance retrenchment for Kenya Railways staff, to set up a pension fund for former employees, and to implement a relocation action plan (designed with IFC funding) in the Nairobi slums. A donor-funded SME linkages program was designed by IFC as an integral part of the concession. It will maximize services provided to the railways domestically. A program to improve support and care for workers affected by HIV/AIDS is firmly on the new company's agenda.

Source: IFC Strategic Initiative for Africa: Progress Report (FY04-06), and FY07-FY09 Priorities

18. There has been good progress in establishing the preconditions for an export push, in regional integration, and in primary education, including addressing gender discrimination in education. For example, customs clearance times have dropped in Ghana, where there is now a single window clearance process, from seven to three days for imports and four to two days for exports. The West Africa gas pipeline and the East Africa submarine telecommunications cable are landmarks in regional approaches to relieve infrastructure bottlenecks. Progress is on track in supporting skills development. In Mauritania a sector wide approach has enrolled 1800 employees in vocational training and 1,056 tertiary students in science and technology, and recruited 900 teachers for secondary education. IFC has played a leading role in African business education through its global network of business schools. Accelerated progress will be needed to increase agricultural productivity and to connect poor people to markets. There are pockets of success in agriculture; for instance in Ghana reductions in market share and export earnings from pineapples has resulted in conversion to a new variety and rehabilitation of cold storage facilities to meet industry targets of 300,000 tons of pineapples by 2010. However, more progress is needed across Africa to underpin shared growth. Rural connectivity remains limited, with only 35 percent of Africans with access to an all season road. Despite a promising beginning─including bringing gender into PRSs in the Democratic Republic of the Congo, Liberia, Malawi, Niger Senegal, and Uganda─more work is needed to increase the economic empowerment of women.

Building capable states

19. This pillar supported African governments to improve transparency, accountability, and efficiency in the provision of public services. Overall, progress has been mixed. Countries have made progress in strengthening the institutions needed to implement policies and programs.[15] The Africa Peer Review Mechanism (APRM) successfully completed peer reviews in Ghana and Rwanda, and both governments are implementing the APRM recommendations. Fourteen countries have endorsed the Extractive Industries Transparency Initiative (EITI), and Nigeria has led the way in developing fiscal rules for saving oil windfalls. Compared to the average for all developing countries, about a third of African countries have made more rapid strides in decreasing corruption, improving voice and accountability, and boosting government effectiveness since 2000. The remaining two-thirds, however, are not keeping pace.

20. The Africa Region's Capacity Development Management Action Plan (CDMAP) was identified as the Bank Group's primary instrument to support countries in building more capable states. (Box 3) Designing the CDMAP took longer than anticipated, and more progress could have been made if it had been launched earlier.[16] There has been good progress in improving public financial management (PFM). Poverty Reduction Support Credits (PRSCs) are, for example, supporting tax and customs reforms in Madagascar and Tanzania. In Uganda a local government development program has resulted in 35 percent of local governments increasing revenues by more than 20 percent.

Box 3: Developing Capacity - Improving Accountability and Governance

The Africa Region's action plan to support capacity development– the CDMAP– was launched in July 2006. It was based on extensive consultations with African governments, civil society, and the private sector. CDMAP emphasizes delivering results by creating space for learning by doing, supporting domestic accountability mechanisms, and avoiding supply-driven initiatives. It embodies 20 actions focused on five goals and outcomes: (i) more reliable and accountable public financial management systems, (ii) improved capacity for effective delivery of public services, (iii) better and more appropriate skills to support growth and competitiveness, (iv) capacity to deliver essential services in post-conflict countries, and (v) improved capacity for country leadership through more effective management and monitoring for results.

CDMAP covers 43 countries and a wide range of sectors. The Bank will scale up its support for capacity development from 22 percent of its portfolio at the end of FY05 to 38 percent by the end of FY08. IDA expects to allocate $3.2 billion to capacity development over FY06 to FY08. Actions will be undertaken selectively where they can get the best results. There are a handful of countries (for example, Burkina Faso and Tanzania) where strong government ownership and good donor coordination support significant broad-based progress in capacity development. In some areas, such as public financial management, mutual accountability between governments and their development partners is beginning to result in more effective (sequenced, coordinated, country-specific) capacity development plans. CDMAP seeks to replicate these examples more broadly.

Source: *"Capacity Development in Africa: Management Action Plan,"* (CDMAP) (SecM2006-0323) July 14, 2006

Strengthening outcome based national strategies and the Bank's focus on results

21. The main objectives of this pillar were to assist countries in developing operational strategies to deliver development outcomes and to manage towards results. The pillar also focused on internal efforts to improve the monitoring and evaluation (M&E) of Bank operations. There has been good progress on the results framework, and the AAP is on track to deliver the expected outcomes. Sixty-six percent of African countries, such as Burkina Faso, Ghana, Mozambique and Tanzania, undertook major efforts to

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[15] United Nations Economic Commission for Africa, *African Governance Report 2005.* Addis Ababa: UNECA, 2005.

[16] A progress report on early implementation of the CDMAP is currently being prepared.

clarify their development goals and targets, based on a medium- to long-term vision, and to link these to public actions. They also developed action plans to improve M&E.[17] Implementation of the statistical capacity building and accelerated data programs has picked up pace; however, statistical capacity remains low, and the rate of improvement lags behind other regions. Progress on the Bank's results agenda has been sufficient to mainstream it into the day to day management of the AAP.

Strengthening the global development partnership for Africa

22. The AAP aimed to leverage IDA14 for greater impact by translating commitments made in the Paris Declaration on harmonization and alignment into country-level actions and by developing new mechanisms to scale up aid in partnership with IDA. There has been considerable progress in the partnership pillar. Countries have taken the lead with development partners in setting out baselines and action plans for the Paris Declaration. Progress by development partners at the policy level, through the working groups of the OECD/DAC, has been encouraging.[18] The World Bank Group has undertaken a number of important steps in advocating and adhering to the Paris principles, both at the policy and country level. In FY06 good progress was registered on two key Paris indictors: 29 percent of analytic work on Africa was prepared jointly with others (compared to a Bank-wide average of 12 percent), and 63 percent of technical cooperation has been coordinated with other donors (compared to a Bank-wide average of 49 percent).[19] Progress also includes work on selective scaling up of aid for Africa, the launch of resources and results (R&R) processes, and improved alignment with development partners to the new generation of PRSs. The Africa Catalytic Growth Fund (ACGF) received initial funding and has launched five operations (in Ghana, Mozambique, Rwanda, Sierra Leone, and the Horn of Africa region) designed to crowd in substantial donor support. FY07 and FY08 funds are fully committed. Several additional opportunities have been identified.

Lessons from implementation

23. The AAP has succeeded as a framework for Bank Group engagement in Africa. Its original goals–to accelerate shared growth and achieve as many of the MDGs as possible–were validated by the review of implementation. While there is evidence of more rapid progress toward these goals, it still is not sufficient. The assessment of progress underlined both achievements in and the need for continuing to support capable and transparent states and strong development partnerships. However, the evidence also indicated that more focus and greater selectivity can accelerate progress toward results as the AAP enters its third year. Four key lessons from implementation suggest both continuity and some changes to the AAP are needed:

- *The country based model works and should be strengthened.* Positive regional trends in a number of outcome areas show that progress has been made by improving the alignment of development partners to country-owned strategies and shaping programs to country specific circumstances. New donors and vertical programs make supporting country-centered development strategies increasingly important.
- *The original AAP was too comprehensive to be an effective management tool.* It also did not distinguish adequately between achieving results in countries and internal Bank processes.
- *Emerging demand from countries should guide selectivity and management attention.* Countries are increasingly aware of the constraints that could stall the progress made over the past few years

[17] World Bank *Enabling Country Capacity to Achieve Results:* 2005 CDF *Progress Report.* Washington, D.C., 2005.
[18] The forthcoming (March 2007) progress report on the Paris Declaration and the recent Board paper *Harmonization and Alignment for Greater Aid Effectiveness,* provide a fuller description of progress made by the international community.
[19] Preliminary estimates from the forthcoming OECD progress report.

and are looking for support in a number of critical sectors, such as energy, the business environment, and agricultural productivity. There are also areas that will be needed for shared growth–for example skills and the economic empowerment of women. These demands must be anticipated now to increase the chances of achieving and sustaining longer term growth and human development.

- *Management accountabilities need to be better balanced.* The results based CAS provides an important management tool for the country-based business model. A similar tool is needed to increase accountability for results at the sector level (region-wide) and to guide management attention to critical issues across Africa, such as energy access or post-primary education.

B. Strengthening the Country-Based Model

24. The country-based model is central to development effectiveness in Africa. Because African countries vary, sometimes dramatically, with respect to their growth opportunities and constraints, levels of social well-being, and institutional contexts, country-specific approaches are critical to achieving shared growth and faster progress toward the MDGs.[20] The country-based model empowers governments to set results-oriented development priorities and build capable, accountable states. As articulated in the Paris Declaration, the model calls on donors to respect partner country leadership and to deliver aid in ways that increase its effectiveness and enhance, rather than undermine, domestic accountability and institutions. It emphasizes the mutual accountability of countries and donor partners for achieving development results. Bank Group support will continue to be guided by nationally owned PRSs. The Region will further strengthen the results based CAS to provide appropriate services to countries, tailored to their needs and the Bank Group's comparative advantage at the country level. The CAS defines Management's accountability for results at the country level.[21]

25. The review of implementation of the AAP indicated that, looking across Africa, success in delivering better country-centered development outcomes requires supporting good governance and public sector capacity, increasing attention to environmental management, and building an effective development partnership. This section summarizes how the AAP will selectively increase support to these important areas. The implementation framework that sets out goals, anticipated outcomes and management targets in each area is contained in Annex B.

Governance and effectiveness of the public sector

26. Good governance is an integral part of achieving shared growth and the MDGs. Where transparency and accountability mechanisms are weak or lacking, poor people are often marginalized and development outcomes suffer. African citizens are increasingly demanding more accountable and transparent governments, and Africa's leaders are responding. The number of Peer Reviews, under the African Peer Review Mechanism (APRM) is increasing. The 2006 review of aid effectiveness found that 20 of 31 countries made acceptable progress in developing PRSs and on 16 actions needed to strengthen monitoring and evaluation.[22] As countries such as Burkina Faso, Ghana, Madagascar, Malawi, Mozambique, and Tanzania implement their PRSs, they have aligned them with goals and targets.

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[20] See World Bank, *Economic Growth in the 1990s–Learning from a Decade of Reform*, Washington, D.C.: World Bank, 2005, for an assessment of the need to adapt broad economic principles intended to spur growth and improve the delivery of services to the poor to individual country circumstances.

[21] The results based CAS provides a results framework, progress report and completion report. The CAS sets out clear links between national strategies, outcomes the Bank's program directly influences and the Bank Group's lending and non lending program. It was mainstreamed in 2005. Over time the results frameworks can provide a more aggregate picture of Bank support to countries and the results.

[22] The Aid Effectiveness Review is part of the OECD/DAC survey of the Paris Declaration. These figures are based on an early assessment of the review, and the sample includes 69 countries overall.

Governments are also strengthening the tools to increase transparency and use resources well. Public financial management systems have been making progress. For example, of the HIPC countries that were assessed against 15 benchmarks in both 2002 and 2004, five (Cameroon, Ghana, Mali, Senegal and Tanzania) showed significant (20 percent or more) improvements in performance. These efforts notwithstanding, in 2006 only two countries improved their CPIA rating for transparency, accountability and corruption in the public service.

27. Increasingly in many countries, public sector governance reforms are supported by concerted efforts of the donor community. The Bank can play a significant role in greater harmonization of donor efforts to provide strategic support for capacity development. The Africa Region is working with the AfDB, DFID, the EU, French Cooperation, Germany's GTZ, the IMF, Norway, and USAID on capacity building. The Public Expenditure and Financial Accountability (PEFA) program is beginning to show results and is an example of good practice in aligning and harmonizing diagnostic support and technical assistance to national priorities.

28. The AAP will help African governments to identify their own priorities for improving governance and to articulate and implement programs responding to those priorities. The scope, sequencing, and speed of governance reforms will be tailored to the country context.[23] The Region will accelerate implementation of CDMAP, its primary instrument to support countries as they build capable states.[24] The Region expects to commit over $2 billion to develop capacity under IDA 14. CDMAP is designed to increase the effectiveness of this spending by working with other partners to achieve better results. Support for poverty monitoring and statistical capacity will be integrated into governance reforms. The anticipated outcome of Bank and partner efforts is to improve the CPIA ratings of the quality of public administration and budget and financial management.

29. Under the AAP the region has been actively supporting transparency and accountability in natural resource revenue management, primarily through the Extractive Industries Transparency Initiative (EITI). To date, 14 African countries have endorsed the EITI principles and are at various stages of implementation. In many of these countries, EITI programs directly involve local civil society groups in oversight of natural resource revenues for the first time. Management will increase support for resource-rich countries to adopt and implement EITI principles. Beyond the EITI, support for capacity development in resource rich countries will primarily focus on fiscal policy and public expenditure management. In resource rich countries, the anticipated outcome of Bank and partner efforts is to improve the CPIA scores for transparency, accountability and corruption.

Better management of the environment

30. African countries need to have the capacity to manage their natural resources and to adapt to the threat of climate change. The success of a number of important elements of shared growth− agricultural productivity, clean energy, and access to water and sanitation services− depends on water resources management at the country and regional levels. In addition, gains in health and poverty reduction could be reversed if countries do not adapt to climate change. The Bank Group's goals in support of environmental management are to reduce the cost of environmental degradation and improve the use of natural resources, including the management of non-renewable resources.

31. The Bank has a flexible and varied set of instruments that governments can use to protect their resource base. These include trust funds and global programs (such as the Global Environmental Facility

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[23] This approach is consistent with the strategy in *Strengthening World Bank Group Engagement on Governance and Anticorruption*, (SecM2007-0036/2), March 2007.

[24] The CDMAP (*Capacity Development in Africa: Management Action Plan.* (SecM2006-00323) July 14, 2006) has a monitoring framework against which it will report progress.

(GEF) and the Carbon Fund), expertise in institutional capacity building, a large portfolio in environmental management, and many multi-sector operations (in agriculture, water management, energy, and governance) through which environmental concerns can be addressed. IDA has committed $1.3 billion to environmental management programs. In addition, the Bank has valuable international knowledge on environmental matters, coupled with recent experience in building country systems for environmental safeguards. Using these resources it can help countries to develop strategies to adapt to climate change and assist them in developing action plans for sustainable environment practices in key productive sectors. These will be underpinned by integrating environmental management throughout the Bank portfolio. Over the medium term, the Bank will help countries to undertake reforms in natural resources management policies (e.g., concessions, tourism, fisheries) and improve enforcement capacity related to natural resource management. The anticipated outcome of Bank and partner efforts is to improve medium term management of natural resources, while protecting the environment.

A more effective development partnership

32. In Africa the Bank has been a leader in the international work on harmonization, alignment, and managing for development results. It has also supported harmonization efforts by other multilateral institutions (AfDB, UNDP), bilateral donors, and country partners. Donor coordination mechanisms are being revamped in a number of countries, and in some cases they are better linked to domestic processes and timetables. For example, in Mozambique, donor coordination takes place through joint reviews aligned with the government's planning and budget cycles. Ghana held the first resources and results roundtable based on a results framework, a resource matrix, and a mutual accountability agreement.[25] The Bank has completed 13 collaborative CASs with development partners.

33. The AAP will continue to focus on improving the effectiveness of aid under the Paris Declaration. During the last year, harmonization and alignment principles have been mainstreamed into all aspects of the Bank's work. Monitoring of the Paris Declaration indicators will continue. Management will assist more countries to build R&R processes that embody: a strategy that identifies funding gaps and demonstrates how additional resources will deliver results, a mix of financing options, considering debt sustainability; and complementary roles for development partners, including the private sector. Work will be undertaken to involve non-OECD/DAC members–such as China, foundations, and the private sector–into financing national strategies.

C. Achieving Greater Selectivity and Accountability: From Themes to Flagships

34. The implementation review showed that with four pillars, 14 thematic areas, and 108 actions–of which 25 are priority actions–the AAP has not been an effective tool for management. It has two principal defects: it is too comprehensive, and it does not distinguish adequately between development outcomes and internal Bank processes. Greater impact can be gained by focusing more selectively on a smaller number of initiatives and by strengthening the accountability for results within each remaining area. *The World Bank Group's Africa Action Plan: Progress in Implementation* provides a detailed assessment of implementation of the AAP. Each of the14 thematic areas was assessed with respect to:

- the continued *relevance* of the area to country needs, development outcomes, and the MDGs in Africa;
- the contribution the Bank Group has made and can expect to make toward better *results*;

[25] The forthcoming progress report on the Paris Declaration (March 2007) and the recent Board Report, *Harmonization and alignment for greater aid effectiveness*, (R2006-0193) provide a fuller description of progress made by the international community.

- the Bank Group's *core competencies* and how these can best complement other development partners and the private sector; and
- the Bank Group's role in addressing *global priorities* needing collective action.

The evaluation, summarized below, provided the basis for reducing the number of areas requiring increased management attention from 14 to eight "Flagship" business lines. The Flagships draw a sharper distinction between (i) African development goals and anticipated outcomes, which are the product not only of Bank Group interventions but also of actions by the private sector, African governments, and development partners; (ii) Management targets that are closely related to the implementation of the flagships; and (iii) Bank initiatives and instruments (lending and non-lending) that deliver financial and intellectual resources. They also provide a stronger accountability framework to monitor the Bank's overall engagement in these critical areas.

35. Four of the original objective areas have been incorporated into the Region's work program: (i) *identifying the drivers of growth* through growth diagnostics has been mainstreamed into AAA work; (ii) the diagnostic work for c*reating an export push* has been implemented through the Diagnostic Trade Integration Studies (DTIS), allowing operational work to be incorporated into the PSD, infrastructure and skills flagships; (iii) creation of the *regional integration* department has fostered coordination between country and regional programs and demonstrated the success of a demand driven approach to regional issues; and (iv) the broad based success of the global partnership for *primary education* has allowed the Bank to shift its incremental focus toward post-primary education.

36. Two successful areas in human development – *malaria and HIV/AIDS* – are closely related, and both depend on improved health care systems. They have therefore been combined into a single flagship. In contrast, the success of the Region in addressing the *infrastructure gap*, and different evolving roles for the Bank in the development partnership, led to making energy, transport, and water separate flagships, reflecting the Bank Group's comparative advantage.

37. Four of the original objective areas pertained to capacity development: *helping countries develop outcome-driven national strategies; measuring and reporting on progress in shared growth and service delivery; strengthening capacity for public expenditure management;* and *building capacity in post-conflict states to deliver essential services.* With the advent of the CDMAP these objectives have been incorporated into the Region's overall program for capacity development and appear as elements of a single cross cutting theme. Similarly, strengthening the development partnership has been made a cross cutting theme.

38. Two areas judged to have shown insufficient progress – *connecting the poor to markets* and *promoting gender equality* – were redesigned. The objective of connecting poor people to markets will be addressed through the transport, private sector development, and agriculture flagships. In the case of gender, a new flagship focusing on women's economic empowerment has been developed. Insufficient progress has also taken place in increasing *agricultural productivity*, which has been retained as a flagship, but redesigned with new management targets and initiatives.

D. The Flagships

39. This section describes each of the eight flagships. It summaries the relevant development challenges and recent results in Africa. Development partner efforts are described in order to define core competencies of the Bank. Each flagship then sets out specific goals, future actions and anticipated outcomes that will be supported through Bank Group and development partner efforts.

40. The flagship operational areas lines are a subset of the Bank's total program in Africa, which will continue to be guided by country level demand through the CAS. The Flagships represent areas where there is client demand and where the Bank Group can add value to the international partnership by exploiting and strengthening its core competencies, including through ensuring that managers and staff maintain appropriate expertise and skills levels.

41. The flagships are used to focus management attention to priority needs arising from countries' national strategies, for instance in energy, water, and PSD, and possible future constraints, such as skill development and science and technology. In some cases− for example the economic empowerment of women− they also provide the basis for identifying new analytic and advocacy work to raise the profile of the issue with countries. They aim to: (i) strengthen the African private sector; (ii) increase the economic empowerment of women; (iii) build skills for competitiveness in a global economy; (iv) raise agricultural productivity; (v) improve access to and the reliability of clean energy; (vi) expand and upgrade road networks and transit corridors; (vii) increase access to safe water and sanitation; and (viii) strengthen national health care systems and combat malaria and HIV/AIDS.

42. Progress will be assessed regularly against delivery of results. Baseline data were established for social and economic development outcomes based on regional SSA averages and an assessment of the number of countries that are showing progress against country specific baselines and targets. (See Annex C.) A more detailed implementation framework sets out the goals, anticipated outcomes, and management targets that will be monitored for the Flagships. (See Annex B.) The AAP monitoring system will provide information on progress against these indicators and provides additional detail. The full impact of the Bank's operations at the country level will continue to be assessed by monitoring the CAS.

Strengthen the African private sector

43. *Development challenge and recent results in Africa.* Africa is widely recognized as a high-cost, high-risk place to do business. Six of the 10 countries judged as having the most difficult environment for starting a business are in Africa. African financial systems remain shallow, and only a low share of deposits is intermediated into credit to the private sector. Africa-owned firms face different business obstacles than foreign owned firms. Micro, small, and medium enterprises (MSME) dominate the African owned private sector, but they are constrained by limited access to finance, a restrictive business environment with strong incentives for informality, and poor management and technical capacity. Progress in building sustainable micro-finance institutions (MFIs) has been uneven. Most African microfinance institutions (MFIs) are unprofitable and fare poorly compared to those in other regions.[26]

44. Before 2005, African countries were slow to reform, but the pace has picked up in the last two years. High-level Presidential investor's councils or similar bodies are active in seven countries, such as Mozambique, Rwanda and Tanzania. Benchmarking─ via the Bank's *Doing Business* and Investment Climate assessments─ has proven useful in focusing high level attention on the business environment. Africa has moved up from the slowest region to the third fastest in the pace of business reforms. Two-thirds of African countries have made one or more business environment reforms in the past year, and Ghana and Tanzania rank among the top 10 reformers in the world. Although financial depth remains low, signs of recovery are encouraging. Real private sector credit as a share of GDP has turned the corner, reaching almost 13 percent in 2005, about a third higher than at its low point in 1996.

45. *Development partners.* The major development partners in private sector development (AfDB, DFID, AFD, and USAID) are strengthening collaboration for private and financial sector development

[26] Microfinance Information eXchange, Inc. *Benchmarking African Micro-finance,* Washington, D.C: November 2006.

within the framework of the Paris Declaration. Japan and AfDB have increased their roles. In Ghana, Kenya and Tanzania, components of IDA projects are being pooled with donor funds to improve the business environment and deepen the financial sector. MIGA has established a political risk guarantee facility in post conflict countries to which 17 donors have contributed. The IFC Private Enterprise Partnership (PEP) has raised $31 million of donor funding, beating its $22 million goal, funding 17 programs covering 20 countries.

46. *Core competencies.* The Bank Group's strength lies in its ability to combine analysis and international knowledge with financial resources from across the organization, including IFC and MIGA, to support policy reform and finance private enterprise. Bank Group diagnostic tools–including Investment Climate Assessments (ICA), Doing Business Assessments (DBA), reports on standards and codes (ROSCs), Foreign Investment Advisory Service (FIAS), administrative barrier studies, and value chain analyses–are being used across Africa to provide data to underpin reforms. For example, in Mali, the Presidential Investor Council used both an ICA and DBA to help eliminate business registration fees and to improve property registration. As a result, Mali's overall DBA ranking improved by ten places between 2005 and 2006.

47. In supporting MSME development the Bank is able to address financial sector issues at the country level, while also supporting micro and small enterprises directly. Under the IDA-IFC Micro, Small and Medium Enterprise (MSME) Program, IDA support increased to $320 million in 2006.[27] Although still in the early stages of implementation, IDA projects under the MSME program have trained 4000 firms in management, accounting, and sector-specific skills. MSME programs in three countries have already reached approximately 15,000 beneficiaries. IFC's Africa microfinance program aims to reach 20-28 new institutions in the next 3-4 years, expanding access to microfinance in 21 countries.

48. *Goals, actions and anticipated outcomes.* The goals of this flagship are: to increase domestic and foreign private investment and to strengthen the African-owned private sector.[28] Management attention will focus on two areas: improving the investment climate and addressing the specific needs of African entrepreneurs.

- Improving the investment climate. Management will target scaled up support to reduce the costs of doing business and to develop a minimum platform of trade logistics to decrease the time and cost required to export. The substantial recent increase in analytic and project support for private sector reform (28 projects totaling $1.3 billion) will be coupled with IFC and MIGA direct investments and risk guarantees for private sector firms, support for public private partnerships, and technical support for business development. Trade-related institutional development to support an export push will be integrated into PSD operations. Working together with the IMF, IDA will help countries convert financial sector diagnostic work into action plans for financial sector reform. Bank and partner efforts are expected to increase the number of countries that show improvements in the investment climate relative to 2005 and to reduce the time to export, from a SSA average of 40 days in 2006.[29]

- Addressing the needs of African enterprises. Management will accelerate and scale up implementation of IDA and IFC programs to increase access to finance through private financial intermediaries and improve MSME skills. The IFC will increase equity investments through the creation of a focused equity team within its Africa department, provide equity capital to SMEs

[27] In post conflict countries, MIGA has established a guarantee facility to provide political risk guarantees to investors in post-conflict countries in Africa. A pilot is being established with the IFC and MIGA to offer clients a fully coordinated set of WBG products and services.

[28] In 2005 gross fixed capital formation was 18.1% of GDP and foreign direct investment was 6.8% (see Annex B)

[29] *Doing Business, 2007*, has a full listing of the scores for countries where the survey has been undertaken.

through special funds and facilities, and invest in early stage development equity, primarily in infrastructure and extractive industries. The anticipated outcome of Bank and partner efforts is to increase investment, productivity and employment of SMEs, relative to 2004.

Increase the economic empowerment of women

49. *Development challenge and recent results in Africa.* Women-owned businesses account for a significant portion of Africa's micro and small firms, but they face even more difficult obstacles to growth and expansion than those faced by men. Across the continent, data on progress in women's access to economic opportunities and productive assets are very limited. Women's labor force participation rates have remained virtually constant at 45 percent since 1995. Gender and growth assessments in Uganda and Kenya have indicated that women-owned enterprises face greater obstacles to obtaining credit, more difficulty is securing property rights and have shallower networks of customers and suppliers than male-owned firms. In the area of women's right under the law 31 countries have increased the number of women parliamentarians since 2000, and there has been recent progress in legal reform.

50. *Development partners.* The 1995 gender summit in Beijing increased attention and institutional commitments to gender equality. The commitments made at Beijing and CEDAW are monitored by sub regional bodies, such as SADC.[30] In 2006, a regional consultation on Aid Effectiveness and Gender Equality in Africa was held with participation from NGOs, Government, OECD/DAC partners, and UN agencies. At the country level development partners participate in gender thematic groups for national PRSs and support gender focal points in line ministries. Major development partners include Norway, Sweden, Demark, the Netherlands, DFID, CIDA, AfDB, and UN Agencies. UNDP and UNIFEM have provided significant leadership in making progress toward the gender MDG.

51. *Core competencies. The World Bank Group Gender Action Plan: Gender Equality as Smart Economics* sets out a strategy to increase women's role in the economy. The Bank Group can integrate the economic empowerment of women into analytical work on the productive sectors (through for example, AAA, DBAs, and ICAs) and support policy reforms with private sector development operations and justice projects. IDA and IFC operations can directly assist women-owned MSMEs.[31]

52. *Goals, actions and anticipated outcomes.* The goals of this flagship are to increase women's formal economic role and improve their legal status in order to promote shared growth and accelerate implementation of MDG3. The successful IDA and IFC initiatives aimed at reducing the barriers to women's economic empowerment will be scaled up.[32] These will provide lines of credit for women entrepreneurs (IFC-GEM) and address constraints to women's participation in business and employment (IDA components in PSD and justice projects). Gender and Growth Assessments will provide information for training women entrepreneurs and for addressing women's productivity issues in PSD operations. The Region's gender and law program will support gender-responsive law reform. Bank and partner efforts are expected to increase in the number of registered women-owned businesses in SSA and to improve property rights, as measured by an increase in the number of land titles held by women. Progress in addressing women's issues in the social sectors will be monitored through gender disaggregated data in the relevant flagships (such as education, health systems, HIV/AIDS).

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[30] Convention for the Elimination of all forms of Discrimination Against Women.

[31] *Gender Equality as Smart Economics: A World Bank Group Gender Action Plan.* (SecM2006-0370), August 2006.

[32] These included: identifying legal and regulatory obstacles (Ghana, Kenya, Tanzania, Uganda); carrying out country gender assessments (Cote d'Ivoire, Mali, Mauritania, Mozambique, Niger, Senegal, Tanzania); turning recommendations from gender strategies into action (Ghana and Zambia).

Build skills for competitiveness in the global economy

53. *Development challenge and recent results in Africa.* Africa needs more and better-trained workers to compete in the global economy and to build government capacity. African entrepreneurs need to access information, innovate, and create viable businesses in the knowledge economy. However the education system, including vocational training, is not producing students with these skills. In addition, the success in raising primary school enrollments is increasing pressure on the post primary system. Although the secondary gross enrollment rate rose from a regional average of 19 percent in 1990/91 to 34 percent in 2004, only 30 percent of each age cohort completes junior secondary school, and 12 percent completes senior secondary. Over the past two years, African policy makers and development partners have placed greater emphasis on post-primary education and primary school completion. National policies are being reoriented toward better tertiary education in Botswana, Gambia, Kenya, Nigeria, Rwanda, Tanzania, and Uganda. Private secondary education and training is expanding, and public-private partnerships are emerging. Previously neglected issues such as labor market linkages of curricula, science and technology capacities, and research performance are emerging in public discussions.

54. *Development partners*. The Commission for Africa Report and the G8 Gleneagles meeting of 2005 brought increased attention to post-primary education as a development priority. This international focus, however, has not translated into substantially scaled-up resources for secondary or tertiary education at the country level. ODA for secondary and higher education declined between 2003 and 2005. In 2005 ODA to secondary education received only 5 percent of the total ODA for education in SSA, down from 11 percent in 1999.[33]

55. *Core competencies.* As outlined in the *Education Sector Strategy Update*, the World Bank has an important role to play in strengthening education for the knowledge economy and helping countries to integrate post-primary education into their policy and institutional context.[34] IDA has been active in secondary and tertiary education, supporting an increase in access and improvements in quality. For example, Mozambique's 10 year higher education program, supported by $60 million from IDA, resulted in an expansion of tertiary education from 9 to 23 institutions and increased tertiary enrollment from 13,592 to almost 30,000 (of which 33 percent are women). By increasing the quality of entering students, IDA's efforts to improve quality in primary education also contribute to success in post-primary schooling. PSD operations provide an additional entry point for dialogue with the private sector in defining skill needs and providing private education options, including for vocational training.

56. *Goals, actions and anticipated outcomes.* The goal of this flagship is to increase the number of Africans with the skills needed to innovate, develop SMEs, and meet the needs of the private sector for a trained work force. The Bank has 42 projects/programs in 23 countries that support post-primary education and research institutes, with commitments totaling $590 million. The Bank Group will model its strategy on the successes achieved in supporting primary education. It will work with governments, the private sector, and development partners to create financially sustainable programs for policy reform, institutional strengthening, and expanded access. Expected results are achieving of national targets for the number of qualified secondary teachers and the availability of classrooms and textbooks in core subjects (e.g. math and science). Operations also target the use of competitive funding mechanisms to improve teaching and research in Science and Technology. The anticipated outcomes of Bank and partner efforts are to increase secondary enrollment above the SSA average of 34% in 2004 and to increase the share of undergraduates enrolled in science and technology.

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[33] OECD / DAC review of education expenditures. The review also lists 31 percent of ODA in education that is unspecified, some of which may have gone to secondary education.

[34] *Education Sector Strategy Update*, CODE2005-0045/1, July 2005.

Raise agricultural productivity

57. *Development challenge and recent results in Africa.* As long as most Africans live in rural communities and depend on agriculture, improvements in land and labor productivity in agriculture are key components of any shared growth strategy. Although productivity growth has been a high priority of African leaders, there has not been sufficient progress. There has been progress in 38 of 46 countries in raising land productivity since 2000, but only six countries have a rate of increase of 5 percent or better. Improvements in the management of soil fertility and the adoption of better seeds have been slow, as have activities to expand irrigation. According to the most recent data, only 4 percent of potential crop land is under irrigation, although recently there has been an increase in the use of water management techniques (e.g., water harvesting, reduced tillage).

58. *Development partners.* Development assistance for agriculture has held steady at approximately $1 billion per year since 1996. The Global Donor Platform for Rural Development plays a significant role in harmonizing donor activities in rural development and is currently piloting harmonization efforts in Burkina Faso and Tanzania. Spending for agricultural research and technology remains low, although it is starting to increase.

59. *Core Competencies.* The World Bank Group has a wide range of skills and programs from which it can draw to support agricultural productivity. The Bank is well positioned to work with African leaders to identify multi-sector approaches to agriculture, to bring in development partners to finance funding gaps, and to support agri-business, together with IFC and MIGA. The Bank Group can also play a leading role in policy analysis, identifying the costs and consequences of existing distortions in agriculture and the problems caused by limited international market access. IDA commitments for agriculture have increased from $104 million in 2000 to $278 million in 2005, and $654 million in 2006. The rural development portfolio to support agriculture is larger, with over $2 billion in commitments.

60. *Goals, Actions and Anticipated Outcomes.* The goal of this flagship is to accelerate growth in land and labor productivity in agriculture. The Bank Group will concentrate on assisting governments to design, cost and mobilize the resources needed to implement comprehensive programs of agricultural development. The Bank will work with NEPAD and development partners to scale up coordinated support to address the following areas: (i) improved agricultural technology (research, extension, and adoption of new techniques); (ii) investment in rural infrastructure through local government and community initiatives; (iii) irrigation and management of water; (iv) sustainable land management; (v) stronger value chains and access to markets, including input markets; (vi) rural finance and risk management; and (vii) stronger safety nets. IDA will also work with partners–such as CGIAR–and regional organizations to support shared research initiatives. The anticipated outcomes of Bank and partner efforts are to increase the percentage of cropland under irrigation from the current level of 4 percent and to increase investments in agricultural technology.

Improve access to and the reliability of clean energy

61. *Development challenge and recent results in Africa.* The energy crisis is now affecting many countries in Africa, and investment climate surveys show irregular power supply is constraining competitiveness and growth. Africa has the lowest access to electricity – 23 percent of the population – of any region. In addition, there are frequent, unpredictable disruptions in power supply. Supported by the Infrastructure Consortium for Africa, governments are increasing the share of national budgets dedicated to installation and maintenance of power supplies and opening up space for the private sector. Significant investments were made in generation capacity by independent power producers (Nigeria and Uganda) and concessions for the operation of existing plant and equipment (Cameroon and Uganda). In

2006, binding financial commitments by member governments for a West Africa regional power pool were concluded.

62. *Development partners.* The Infrastructure Consortium for Africa estimates that the resources available for energy have increased from $642 million in 2004 to $700 million in 2005 and will reach $1.2 billion in 2006. Substantial funding has come from the private sector, especially in 2005.

63. *Core competencies.* The Bank Group can advise on sector reforms, strengthen government capacity for PPI programs and transactions, and play a coordinating role among nontraditional donors, OECD/DAC partners, and the private sector. It can also combine risk mitigation instruments, support for utility reforms, and local currency financing to help make African countries more attractive to private investors. Under the AAP, IDA lending to the energy sector has increased within the new Clean Energy Investment Framework (CEIF).[35] IDA energy commitments are $1.9 billion, and both IFC and MIGA have been active in the sector.

64. *Goals, Actions and Anticipated Outcomes.* The goal of this flagship is to increase reliable access to clean energy for enterprises and households. Management will concentrate on mobilizing finance for sector wide approaches for energy, including raising donor and private financing through sector syndications in pilot countries by FY10.[36] Energy reforms will target reductions in power outages, an improved energy business climate, and reductions in wholesale power supply costs through regional power grids (such as the West Africa Power Pool). Initiatives related to clean cooking fuel will incorporated into the flagship. Innovative financing instruments and continued collaboration among all members of the Bank Group will be needed to support this effort. These efforts will increase generation capacity by 20 percent or more in at least 30 countries by 2012, reduce the technical and non-technical losses of utilities in 20 countries, and increase LPG and kerosene use by households.[37] The anticipated outcomes are: to increase access to electricity from 23 to 35 percent of the population region-wide by 2015; to decrease in the number of power outages suffered by enterprises in a typical month in 20 countries; and to reduce indoor air pollution through use of LPG and kerosene by households.

Expand and upgrade road networks and transit corridors

65. *Development challenge and recent results in Africa.* Transport costs in Africa are the highest in the world, because of the lack and substandard quality of transport infrastructure. An inefficient transportation industry, constrained by market structure, price distortions, and excessive and inconsistent regulation adds to costs. Recently, there has been some progress in transport. Several countries have adopted new transport strategies with the support of the Sub-Saharan Africa Transport Program. Regional projects are achieving decreases in traffic congestion on major international corridors (Kenya-Uganda-Rwanda).

66. *Development partners.* The Infrastructure Consortium for Africa estimates that total resources available for transport (excluding South Africa) have increased from $1.9 billion in 2004 to $2.2 billion in 2006. Most of these investments are for facilities (primarily roads). The bulk of financing is provided by three multilateral agencies, the EC, IDA, and the AfDB. Regional and cross-border activity has increased with all three multilateral agencies taking leadership roles in different cases. Japan is also increasing its

[35] *Clean Energy for Development Investment Framework: The World Bank Group Action Plan*. SecM (2007-0098), March 2007.

[36] This syndication will include a mix of flexible development finance – concessionary, commercial, grant, public revenues, and private sector. Donors, private sector and other financiers will be able to make choices on what they can finance and over what time period. Generation capacity targets include investments from other development partners.

[37] This represents generation capacity to which the Bank program will contribute. –not solely financed by Bank investments.

support for transport infrastructure. Private finance has been quite limited and linked entirely to port and railway concessions in a few countries.

67. *Core Competencies.* The World Bank has a core competency in analytic work and institutional reform to help key development partners, such as Japan and the EU, scale up investments in transport and to help countries boost private investments.

68. *Goals, Actions and Anticipated Outcomes.* Decreasing the cost and time to reach key international markets and improving access to markets via all season roads are the goals of this flagship. The Bank Group will focus on the institutional framework for urban and rural transport in six countries and launch initiatives to support three major regional transit corridors by FY08. There are 28 projects in the IDA portfolio and another 34 non-transport sector operations, such as poverty reduction support credits (PRSCs), that address transport issues. About 20 percent of investments are for rural roads. The portfolio is increasingly addressing urban issues such as congestion and mass transit. Trade corridor financing operations that connect land locked countries to the sea (two in West Africa and one in East Africa) target decreased time and cost to reach trade entry points through a combination of customs reforms, transit traffic enforcement, road rehabilitation, and port clearance improvements. These efforts will be complemented by a redirection of Bank sector programs toward maintenance of transport infrastructure and support for urban transport. The program will increase the resources allocated to road rehabilitation and maintenance by 25 percent and deliver 30,000 km of roads (including 14,000 km or rural roads) by 2013.[38] The anticipated outcomes of Bank and partner efforts are to increase the share of improved roads─ currently 45 percent for the seven countries with data in 2005─and to increase the percentage of the rural population within two km of an all-season road from 35 percent for the 10 countries with data in 2003.

Increase access to safe water and sanitation

69. *Development challenge and recent results in Africa.* There has been considerable progress in delivering clean water in the past decade. Between the 1990s and the 2000s the share of households with access to an improved water supply has risen from 55 to 65 percent. Twenty of the largest countries in Africa have established a reform agenda for water and sanitation or are doing so. However, challenges remain in the low coverage of villages and towns, limited implementation of proven reforms, and inadequate capacity of community-managed rural and utility-managed town and urban water supplies.

70. *Development partners.* The Infrastructure Consortium for Africa estimates that resources available for water have increased from $787 million in 2003 to $1.34 billion in 2006. As in the transport sector, the multilateral organizations play a dominant role, reflecting in part the successful and continuing initiative of the EU Water Facility and the close cooperation that has developed between the AfDB, EU and the World Bank in planning and coordinating activities to maximize results. The AfDB and the World Bank have prepared joint water MDG assessments in 12 of the 19 focus countries, leading to the development of joint investment programs with shared supervision visits and reporting requirements.

71. *Core competencies.* The Bank Group can advise on sector reforms, strengthen government capacity for PPI programs and transactions, and play a coordinating role among nontraditional donors, OECD/DAC partners, and the private sector. IDA programs in individual countries can complement those of other donors to ensure that investments in rural communities, towns and urban centers are balanced, and capacity building is addressed. During the last five years IDA's share of donor financing in water increased from 7 to 21 percent, making it the largest donor in the water sector in Africa.

[38] Including non-transport unit managed operations, such as PRSCs.

72. *Goals, actions and anticipated outcomes.* The goal of this flagship is to help achieve the MDG for water supply and sanitation in 17 of the largest countries (representing 75 percent of the population) in Africa. The Bank will continue its strong water partnership with the AfDB and other multilateral and bilateral partners. The Region will scale up collective donor support to water supply and sanitation programs in 17 countries committed to their water reform agenda.[39] Investments in water supply have increased from $500 million in IDA13, to $750 million in IDA14, to potentially $1,050 million in IDA15. These initiatives will connect 50,000 households and construct or rehabilitate 4,500 community water points annually. The program will result in 75 percent of urban water utilities covering their current costs. The anticipated outcome of Bank and partner efforts is to increase the number of people with access to water by 2.5 million annually (IDA 14), and potentially 3.5 million annually(IDA 15).

Strengthen national health systems and combat malaria and HIV/AIDS

73. In line with the Bank's proposed strategy *Healthy Development: The World Bank Strategy for Health, Nutrition, and Population,* the Region will focus on health systems as a key vehicle to improve health outcomes and protect populations from the impoverishing impact of illness. [40] A number of systemic issues weaken health systems: inadequate numbers and poor distribution of health care professionals; weak logistical systems, especially for pharmaceuticals; fragmented health care financing; and limited accountability mechanisms. In addition, even when basic services are available, people's use of them is still relatively low. The goal of supporting health systems is to ensure that national and local health systems deliver quality treatment and prevention with sustainable financing, to achieve several health MDGs, especially child mortality (MDG4); HIV/AIDS (MDG6), maternal mortality (MDG5).

74. The Africa Region will work with development partners to identify financing gaps and to address systemic constraints to delivering high-impact health investments. The intent is to match the growth in resources by private and public donors with attention to public health administration, improved health care delivery infrastructure, and effective public health sector management. This will include regional programs, undertaken in conjunction with the Gates Foundation and the Government of Norway, to address the low number and inequitable distribution of health workers. Governance of health systems will be targeted to help develop better policies, programs, and initiatives that enhance accountability and the effectiveness of health investments. This is expected to increase beneficiary control over service delivery. Total Bank commitments to health, including non-health sector projects such as Poverty Reduction Strategy Credits are over $470 million in 42 countries. Bank and partner efforts are expected to increase retention of front-line services providers (measured by the number of nurses per 1000 population) and contribute to improved service delivery. The Bank will monitor improvements in the capacity of health systems, especially in the critical area of health care professionals, through the CDMAP.

Malaria.

75. *Development challenge and recent results.* Malaria remains the leading killer of children in Africa. Since 2005, Africa has made significant strides against malaria, especially in treatment. Almost all countries have more effective treatment programs based on Artemesinin-based combination therapy (ACT) and have increased the use of long-lasting insecticide-treated nets (LLINs). Because ACT and LLINs are more readily available, prices are decreasing due to competition.

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[39] There are currently 15 countries, representing two-thirds of the population of Africa, where these conditions are present.

[40] *Healthy Development: The World Bank Strategy for Health, Nutrition, and Population Results.* CODE2007-00016

76. *Development partners.* Donors have significantly increased funds for malaria control. Total donor commitments in FY06-FY07 are $920 million and for FY08-FY10 will be $1,269 million.[41] The largest financers are the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), the US President's Malaria Initiative (PMI), and the World Bank. Begun in 2006, the PMI is intended to provide $1.2 billion for malaria control in 15 African countries between 2006 and 2011. In some countries important roles are played by bilateral donors, such as DFID; foundations, particularly the Gates Foundation; and the private sector (Marathon Oil, Exxon-Mobil).

77. *Core competencies.* The Bank began its booster program for malaria control in September 2005 to support country-level efforts to deliver concrete and measurable results in partnership with other donors.[42] The Bank's strength is in using multisectoral teams, analytic work, and policy dialogue to develop and implement fiscally sustainable solutions for malaria integrated into country health systems.

78. *Goals, actions and anticipated outcomes.* The goal is to achieve the health MDGs related to malaria, especially child mortality (MDG4). The World Bank will use multi-sector approaches, policy dialogue, and analytic work to help governments develop and implement fiscally sustainable malaria control programs within country health systems. It will mobilize other development partners, including vertical anti-malaria funds, in support of national malaria control programs and health care systems. The Bank will forge three new collaborations with traditional and non traditional (ExxonMobil, Russian Federation, Gates Foundation, private sector) development partners to fund malaria control and strengthen health systems by the end of 2008. The first phase of the MAP (2005-2008) will commit $500 million of IDA resources in about 20 countries. By mid-December 2006, eleven projects totaling $357 million had been approved, funding malaria control projects in ten countries and a sub-regional multi-sector project in the Senegal River Basin. The program is expected to deliver at least 14.8 million LLINs and 15.1 million ACTs in Booster countries by the end of 2008; fully costed malaria control programs, which development partners, the private sector and foundations can support by end 2007, and have fully-funded malaria control programs in at least three countries by end 2008. The anticipated outcomes of Bank and partner efforts are to achieve faster progress toward the internationally agreed Abuja targets─such as 60 percent of children under five using insecticide-treated bed nets (ITNs) and 80 percent of households owning at least one ITN─in the 20 booster countries and, ultimately, to control of the disease.

HIV/AIDS.

79. *Development challenge and recent results in Africa.* Africa continues to bear the brunt of the global AIDS epidemic; 63 percent of all adults and children with HIV/AIDS live in SSA. There are important signs of progress in HIV/AIDS prevention, treatment and support services. Surveys in several East and Central African countries point to reductions in the number of sexual partners, delay in sexual debut, and increased use of condoms. In much of Africa, increasing numbers of people are seeking HIV/AIDS testing and are receiving counseling. The number of sites providing anti-retroviral therapy (ART) has grown to over 3000 sites in 26 countries, and over 500 thousand people are receiving g treatment. With drug prices dropping dramatically, the number of people on ARV therapy has increased fivefold between 2001 and 2006.

80. *Development partners.* The global response to HIV and AIDS has been unparalleled. Funding from all sources has grown fourfold, from $1.6 billion in 2001 to $8.3 billion in 2005. Significant new funding has come principally from four sources: domestic resources, The Global Fund to Fight AIDS,

[41] WB Malaria Booster Program, AFRVP, 6/28/2006

[42] The program is demand driven, and financing comes from within country IDA envelopes. An initial set of countries were approached based on burden of disease, readiness, and willingness to scale-up malaria control efforts. Current commitments under the program stand at $357 million, with an additional $60 million expected by the end of FY08.

TB, and Malaria (created in 2002), the US President's Emergency Plan for AIDS Relief (PEPFAR, established in 2003), and the Gates Foundation.

81. *Core competencies.* The Bank Group adds value to the international effort against HIV/AIDS in two unique ways. IDA provides a sustainable and predictable source of financial support that can bridge shortfalls from bilaterals or vertical funds, and the Bank's recognized expertise in economic and fiscal policy and its breath of sector coverage provide skills to bring various forms of financing together in a coherent approach. Of the portfolio, 41 percent is devoted to systems strengthening, 34 percent to HIV prevention, 15 percent to HIV care and treatment, 6 percent to impact mitigation and 4 percent to M&E. [43] The Bank is helping 31 countries to develop programs and budgets and identify funding gaps.

82. *Goals, actions and anticipated outcomes.* The goal is to improve the quality of life of those living with HIV/AIDS, and reduce the number of new HIV/AIDS cases, especially in young women 15-24 years of age (MDG6). The Bank's Multi-Country AIDS Project for Africa (MAP) has committed $1.3 billion to 29 countries and four regional operations since 2000. Results include prevention of mother-to-child transmission (PMTCT) for more than 1.5 million women. MAP is also helping to provide 1.3 billion male condoms and four million female condoms. MAP programs help to mitigate the negative impacts of HIV/AIDS for more than half a million adults and 1.8 million children by supporting education and income generating activities through over 38,000 grassroots initiatives. The Bank made new commitments of $120 million during the last 18 months. Management will strengthen efforts to integrate vertical programs, the private sector, and development partners' programs into well phased, fiscally sustainable national strategies. Bank Group programs will increase the number of persons aged 15 and older who receive HIV counseling and testing and their test results in MAP countries by 2011, increase the number of pregnant women living with HIV who receive a complete course of anti retroviral prophylaxis to reduce mother to child transmission, and increase the share of countries that have achieved the "Three Ones" (from 56 percent of MAP funded countries) by 2009.[44] The anticipated outcomes of Bank and partner efforts are to help more countries increase the percentage of men and women aged 15-29 reporting use of a condom during last sex and reduce the percentage of men and women aged 15 to 24 who have had sex with more than one partner in the last 12 months by 2012.

E. Some Implementation Risks

83. The revised structure of the AAP presents challenges for Management in the way it approaches implementation. The region is aware of these challenges and has put actions in place to mitigate them.

- As in the original AAP, where nine of the 14 thematic areas were along sector lines, there is a risk that the sector focus of the flagships may diminish the centrality of the country-based model and create incentives to provide supply driven solutions to country issues. To address this risk, Management has reinforced country management units and strengthened attention to the results-based CAS. Country directors remain fully accountable for the design and implementation of country programs and for progress in achieving country level results.
- A sector focus may miss opportunities to identify and implement multi-sector approaches, especially to reach the MDGs. Management will build on the positive momentum achieved in decreasing the fragmentation of tasks and improving incentives for multi-sector work. It will also recognize the importance of integrator skills in the professional development of staff.

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[43] World Bank, *The African Multi-Country AIDS Program 2000-2006: Results of the World Bank response to a development crisis.* Washington, DC: World Bank, 2007.

[44] Development partners have agreed to the principle of the "Three Ones"─ one national AIDS framework, one national AIDS authority and one system for monitoring and evaluation─ as guiding principles for improving the country-level response.

- Weak statistical capacity in Africa poses the risk of not having the right measure against which to manage for results. Management has addressed this in three ways: (i) statistical capacity building has been strengthened and integrated into the CDMAP; (ii) targets and baselines to monitor implementation, based on existing country practice, have been established, allowing measurement of progress while reinforcing national accountability and ownership, and (iii) a monitoring system has been developed to report on broader development outcomes.

84. There are also risks to development outcomes that arise from country circumstances, for example, conflict, poor management of mineral revenues, or limited capacity to implement development programs. Accelerated progress in most of flagships also depends on increases in resources from development partners. Approaches to managing these risks are discussed in Section IV.

IV. SUPPORTING COUNTRY STRATEGIES AND OUTCOMES

85. The AAP was designed to reinforce the country-based model of development assistance embodied in the Paris Declaration. It also supported regional integration by the creation of a "country-type" department for regional programs. It proposed actions to help countries to manage additional resources through country systems. It also proposed a four way classification of countries according to the speed and sequence with which they could demonstrate progress in using additional resources. This section proposes a revised country classification based on implementation experience and some changes to the AAPs approach to scaling up resources at the country level. The AAP will continue to emphasize regional initiatives in investment, policy reform, and institutional development based on demand.

A. A Revised Country Classification

86. The AAP identified four categories of countries— conflict-affected countries, fragile states, poor performing economies, and better performing economies— defined by their economic performance and capacity to make demonstrable progress with increased aid. It proposed adapting country assistance strategies to the circumstances of each country type. Experience has shown that a typology of countries is useful as a guide for internal Bank Group thinking about the opportunities, needs and constraints in each category. Two important new trends— the increasing diversity in economic performance among countries and the significant increase in natural resource prices and discoveries— point to a need to adapt the AAP's original country classification to changing circumstances.

Emerging issues and opportunities in IDA countries

87. The revised country classification set out below represents a refinement in structuring the Region's thinking with respect to emerging issues faced by and opportunities to work with countries in each group. It will be used to assist Regional management, country directors and country teams in forecasting demand for Bank Group analytic and operational support at the country level and to shape the Bank-country dialogue. The country typology will not guide resource allocation for IDA, which will continue to be set under the performance-based allocation (PBA) framework. It is intended to help Management identify and offer the appropriate range of analytic and operational products to countries with different needs in order to "leave no country behind".[45]

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[45] This is particularly important for understanding the typology's relationship to other country classifications such as "fragile states". As set out in the World Bank and OECD/DAC *Good Practice in Country Assistance Strategies in Fragile States,* the fragile states classification is an operational category intended to guide resource allocation and donor behavior. In Africa fragile states occur in three of the four types of countries. The additional differentiation of mineral rich fragile states or conflict affected fragile states will complement - not substitute for – the Bank's operational approach.

88. *Mineral-rich countries.* With rising mineral prices and new discoveries the number of mineral-rich economies is increasing. In the next several years these countries and their development partners will face a significant challenge in managing revenues from natural resources well and investing them to sustain prosperity. The Bank Group's core competency in mineral-rich countries is often in providing analytical and advisory services for governance and in supporting capacity development in natural resource and public expenditure management. Working with partners it can also address diversification of the economy— a strategic priority for many resource rich countries— through support for private sector development and help governments include poor people and women in the benefits of growth. The EITI has shown that the Bank Group can play a highly relevant role with private and public partners in ensuring the transparency of revenue flows. Governments are increasingly turning to the Bank Group to learn from international good practice in structuring agreements with extractive industries.

89. *Conflict and recent post-conflict countries.* Conflict and the threat of conflict remain obstacles to development in Africa. The costs of conflict are borne not only by those directly involved, but also by conflict affected countries' neighbors. The early post-conflict period, however, is also an opportunity for rapid policy and institutional reform. For countries just emerging from conflict, it is critical to deliver early success in providing services and establishing a viable state. The Bank's core competency in these types of countries is frequently in capacity development and support for basic services at all levels of government to help cement the transition out of conflict. An emerging lesson of experience in countries such as Liberia and Sudan is that the Bank needs to innovate to develop sound, but flexible and fast, project design and implementation processes and to quickly amass a substantial field presence that can engage effectively with other development agencies and the government to deliver rapid results.

90. *Slow-growing countries.* More than a third of Africans still live in countries that are not growing rapidly enough to reduce poverty. In these countries national strategies often lack priorities, aid agencies lead the development effort, and implementation capacity is weak. They face challenges that include strengthening state capacity, fostering ownership, effectively implementing existing programs, and strengthening data and monitoring systems. A key objective for the development partnership in slow-growers is to enable them to make the policy and institutional reforms and the investments needed to put them on the path to more rapid, sustained growth while at the same time accelerating progress toward the MDGs. Often, the Bank's most effective role in these types of countries is in capacity development of core government functions and in donor coordination. The most immediate impact of Bank Group operations is likely to be felt in human development— improving education and health systems— and in basic infrastructure such as water and roads. Anticipating and addressing future constraints to shared growth, such as energy access or strengthening the private sector, in the first instance needs to be addressed through analytic work and dialogue with government and other development partners.

91. *Sustained-growth countries.* These countries have achieved good growth, and many have also improved service delivery, and reduced poverty. Their remaining challenges are to break constraints to future growth and to ensure that benefits of growth continue to reach poor people and women. Africa's economic history and international evidence suggest that even ten years of successful growth may not serve as a good guide to equally rapid growth in the following decade. The Bank can assist sustained growers through conducting growth diagnostics and leveraging IDA to attract additional private and public resources to break the binding constraints to growth. These countries often have effective country-based donor partnerships. Likely priorities for development community support would be help in removing the remaining bottlenecks to private sector development— especially for African owned firms— and pushing export growth. Closing the infrastructure gap, particularly in those areas that constrain growth such as energy supply; and building skills for competitiveness are likely to emerge as government priorities. Analytic work and investments in the rural economy and in the economic empowerment of women can help countries ensure that the benefits of growth are broadly shared. Understanding how

these countries have succeeded in sustaining growth can provide important demonstration effects for other countries. (Box 4)

Middle-income countries

92. Africa's middle-income countries (MICs) are important to its future, both as models of change and as markets for their neighbors. Recent research for example has indicated how strong growth in South Africa has significant "locomotive" effects for its regional neighbors. The region will continue to address the special needs of its non-IDA member countries along the lines of the Bank's emerging strategy for IBRD partner countries. The African MICs have large pockets of poverty, and they confront significant development challenges in: (i) HIV/AIDS and malaria, (ii) inequality and poverty, (iii) unemployment, (iv) the poor quality of education and lack of vocational skills, and (v) public service delivery. For African MICs, external development finance is less of a problem than knowledge and capacity development. IFC and MIGA work with MIC private investors, but MIC governments have been reluctant to take on IBRD financing, effectively limiting the Bank's instruments in these countries to analytical and advisory services. These can be coupled with grants from other development partners to boost capacity development and, as in the case of HIV/AIDS, expand service delivery.

Box 4: Learning from Growth Leaders

The persistence of 4-5 percent growth among many African countries suggests that some may be poised to achieve and sustain more rapid growth rates. This prospect raises the question of whether the Bank Group, and the international development community more broadly, can play a role in assisting such countries to become growth leaders in Africa. The continent would be a very different place if a handful of economies sustained annual growth rates in excess of 7 percent. Over time, this growth would benefit both the rapid growers and neighboring countries, through spillovers, demonstration and neighborhood effects. Other countries would want to learn from and emulate their success.

Analytic work on the growth challenge in Africa shows that to move from good (4-5 percent) to high speed (more than 7 percent) growth will require significantly increasing the pace of economic and institutional reforms and boosting investment to break the physical constraints— such as poor energy supply and transport— to private investment in export oriented industries and services.[46] Better ideas and more investments will both be needed to help growth leaders emerge.

To address these needs the Bank is exploring an approach that uses its global knowledge and skills to support and learn from growth leaders. Countries that appear poised for growth accelerations could request increased Bank Group analytic support— using staff with broad international experience— to help identify the constraints to future growth. New ideas from this work, in the shape of policy and institutional changes, can boost growth in those countries, create spillovers, and provide valuable lessons for all of Africa. The results could also help guide efforts to mobilize new finance. Rather than focusing on individual countries, resource mobilization initiatives could concentrate on areas— such as energy or transport— that were identified as physical constraints to more rapid growth. IDA allocations to countries would not be affected and would continue to be determined by its PBA system. New resources raised to relieve growth constraints would be available to fast and slow growers alike.

B. Regional Integration

93. Regional integration is one of the main components of the Africa Action Plan (AAP). Regional approaches are important means to deliver better development outcomes in such areas as energy, transport, environmental management, and health. Especially in Africa, where 40 percent of the population lives in countries without effective access to the sea, regional infrastructure and institutions are also critical to broad based export success.

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[46] Ndulu, et.al., *Challenges of African Growth*.

94. Under the AAP, the Region established a Regional Integration Department to work with Bank staff and clients to incorporate regional approaches into country programs and to support regional bodies. The department operates as an additional "country department", working directly with the region's sector departments to carry out operational and analytical work on regional integration issues. At the same time the consolidation of country departments into larger units has meant that country directors have an increasingly large stake in pursuing regional solutions to problems of their country clients. This demand driven approach has proved highly successful in identifying and financing such regional initiatives as the West Africa Gas Pipeline and the Southern Africa Power Pool. It has also worked effectively in river basin management for example with the Nile Basin Initiative, and is moving successfully into trans-border health issues with the Horn of Africa HIV/AIDS program, supported by the ACGF.

95. Based on extensive consultations with stakeholders and on analytical work by the Bank and development partners, the region is developing an outcome focused Regional Integration Assistance Strategy (RIAS), the regional counterpart to the CAS. The RIAS will focus on areas where regional approaches can deliver additional impact at the country level. It will also identify activities to support donor harmonization in regional projects and programs. Baselines and targets are identified in the RAIS. The strategy will further shape the regions demand driven approach to regional integration.

C. Financing Packages to Accelerate Results

96. The Bank will adapt its approach to scaling up, based on two emerging trends. First, the growing demand for large scale infrastructure investments to spur economic growth requires a mix of sequenced, coordinated development finance products— private and public— to achieve and sustain results. This is equally important in social sectors, where the needs are outpacing the supply of aid. Second, new "non traditional" partners such as emerging bilateral donors (Brazil, China, and India), foundations, and the private sector are becoming more prominent, but often are not fully integrated into national strategies and sector programs.[47]

97. The Bank Group's analytic skills, operational experience, and country knowledge can be used to identify opportunities where resources from multiple sources can fill funding gaps and achieve sector wide development targets. In sectors such as energy, roads, or water supply, where governments have clearly defined sector strategies focused on a range of outcomes and a sound regulatory framework, sector wide programs or "syndications" can be developed to scale up development financing. Syndications will be prepared by the Government and supported by a lead partner, normally a multilateral or bilateral donor.

98. In countries with well-developed national strategies and clearly defined financing needs, the Bank Group will continue to use R&R processes to provide more comprehensive coverage of development financing needs. In all cases, the Bank Group will support countries in ensuring that debt sustainability. IDA and the Africa Catalytic Growth Fund (ACGF) will be the principal means by which the Bank Group seeks to crowd in other donor support.

99. The ACGF, a multi-donor trust fund, has been a central feature of discussions with OECD countries on how to make the "scaling up" of aid to Africa operational. The ACGF received its initial contribution from the United Kingdom in October, 2006. The first two years of funding are fully committed in four countries, Ghana, Mozambique, Sierra Leone, Rwanda, and in the Horn of Africa through a regional operation. To date, all ACGF proposals have been associated with additional development partner funding (estimated at between \$300 to \$500 million) and strengthened cooperative approaches (such as with UNICEF, UNHCR, and the private sector).

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[47] These include private donors such as the Gates Foundation.

V. Conclusion

100. In the past two years Africa has shown that it can sustain shared economic growth. It is poised to accelerate progress toward more rapid growth and has demonstrated that it can speed up progress toward the MDGs. The World Bank Group and its international development partners have played an important role, supporting Africa's leaders and its people in these efforts.

101. The AAP has been largely successful, but a more focused, outcome oriented African Action Plan offers the potential to strengthen the World Bank Group's contribution to development results in Africa. To accelerate progress, the Africa Region will focus on three key strategic elements over the next three years.

- First, the country based model will remain at the center of our efforts to boost development outcomes in Africa. Success in delivering shared growth and the MDGs requires good governance, better management of the environment, and an effective development partnership. Attention to these issues will be heightened. A revised country classification, based on economic and social performance and institutional capacity, will guide our dialogue with governments and our internal thinking about country strategies.

- Second, we will concentrate on areas that respond to emerging demand from countries and reflect the Bank's evolving role in the development partnership. Management attention will focus on eight flagship business lines. In each flagship, the Bank will commit to specific, time-bound targets to achieve results. The full impact of the Bank's operations at the country level will continue to be assessed by monitoring the CAS.

- Third, we will adapt our strategy for scaling up resources to new realities. The Bank Group's analytic, operational and country knowledge will be used to identify opportunities where an infusion of sequenced and predictable financing can support results-oriented national programs. We will continue to play a leading role in implementing the Paris harmonization and alignment agenda and will work with new partners, such as emerging bilateral donors, foundations, and the private sector, to bring them more fully into the country-based model.

Annex A: Baselines and Targets for Growth and the MDGs

	Baseline Data / Year	Latest Available Data / Year	Goal / Year
Growth			
GDP Growth (%)	2.8 (1990)	5.5 (2005)	7 (2010)
Millennium Development Goals (subset of indicators)			
Goal 1. Eradicate Poverty			
▪ Population below the poverty line (%)	44 (1990)	46.4 (2001)	38 (2015)
Goal 2. Achieve Universal Primary Education			
▪ Primary completion rate (% of relevant age group)	43 (1990)	58 (2004)	100 (2015)
Goal 3. Promote Gender Equality			
▪ Ratio of girls to boys in primary and secondary school	78.4 (1991)	86.5 (2004)	100 (2015)
▪ Women in Parliament (%)	9 (1990)	15 (2005)	--
Goal 4. Reduce Child Mortality			
▪ Under Five Mortality Rate (# per 1000)	161 (1990)	149 (2004)	54 (2015)
Goal 5. Improve Maternal Health			
▪ Maternal Mortality Rate (# per 100,000)	870 (1990)	826 (2005)	218 (2015)
Goal 6. Halt and begin to reverse the incidence of HIV/AIDS and malaria			
▪ HIV prevalence among adults age 15-49 (%)	0.5 (1990)	6 (2005)	--
▪ Annual Malaria Mortality (out of 100,000)	--	199 (2000)	--
Goal 7. Ensure Environmental Sustainability			
▪ Forested land area (% of total land area)	6.9 (1990)	6.3 (2005)	--
▪ Proportion of people with access to safe water (%)	53 (1990)	65 (2004)	76 (2015)
▪ Proportion of people with access to sanitation (%)	29.8 (1990)	37 (2004)	66 (2015)
Goal 8. Develop a Global Partnership for Development			
▪ Debt service (% of exports)	13.5 (1990)	7.9 (2004)	--

Data source: World Bank WDI database and UN Millennium Development Goals Report, 2006

ANNEX B: IMPLEMENTATION FRAMEWORK

*For baselines and targets on goals, anticipated outcomes and management targets, please refer to the **AAP Monitoring System.***

The Flagships

Tracking Development Outcomes Across the Region			World Bank Group Support
Goals	**Anticipated Outcomes**	**Management Targets**	**Management Initiatives and Instruments**
I. Strengthen the African Private Sector			
▪ Increase domestic and foreign private investment as measured by -- Increase private investment (percent of GDP) -- Increase annual growth of exports	▪ Increase the number of countries showing improvements in the investment climate, as measured by Doing Business Indicators and other assessments of business climate, by 2011 ▪ Increase the number of countries that reduce the time to export by 2012	▪ Nine countries show improvements in DBA indicators – specifically the cost and time to establish a business by 2009 ▪ Four pilot countries decrease the time to export and the cost to export by 2009	▪ Scale up WBG support to reduce the costs of doing business as measured by the ten DBA indicators and develop a minimum platform of trade logistics in four pilot countries **Portfolio**: $1.3 billion PSD operations in the portfolio. 72% of PSD operations have components on regulatory issues (PSD Unit Report). **IFC**: IFC PEP with $31M funding, 17 programs covering 20 countries; Investment Climate Facility, public private partnership prospective advisory services[48] **MIGA:** Political risk guarantee, commitments of $873M **AAA**: ICA Global Roll Out
▪ Strengthen the African owned private sector as measured by -- Increase in MSME employment as a percent of total employment	▪ Increase investment, employment and productivity of beneficiary SMEs in seven countries by 2011	▪ Increase loan volume made to MSMEs by private financial intermediaries in seven pilots by 2009 ▪ Improve skills for MSMEs in seven pilot by 2009	▪ Accelerate and scale up implementation of the IDA and IFC programs for MSME development in seven pilot countries **Portfolio**: IDA SME Programs, Joint IDA/IFC ($320M) **IFC**: AMSME, Micro-finance initiative for SSA, Global micro-finance initiative, Local currency initiative, SME solution center, Focused equity team, special purpose funds for SME equity capital
II. Increase the Economic Empowerment of Women			
▪ Increase women's participation in the economy and improve their legal status as measured by -- labor force surveys[49]	▪ Increase number of registered women-owned businesses in SSA by ten percent by 2009 ▪ Improve property rights for women in SSA (increase in the number of land titles held by ten percent)	▪ Commercial banks in four countries receive lines of credit for on-lending to women entrepreneurs by 2009 ▪ 25 countries ratify the Women's Rights Protocol by 2008 from 15	▪ Scale up IFC GEM program and build components into IDA PSD projects and justice projects to address constraints to women's participation in business and employment. **Portfolio**: Regional Legal Program and components of PSD operations **IFC**: Gender Entrepreneurship Market Program (GEM)

[48] IFC commitment targets are: $670-$710 in '07, $720-$800 in '08, and $825-$900 in '09. The three key sectors include financial markets (50 percent), infrastructure (23 percent), and oil, gas, mining, and chemicals (13 percent). Intends to strengthen program in agribusiness. From IFC Strategy Document.

Tracking Development Outcomes Across the Region			World Bank Group Support
Goals	**Anticipated Outcomes**	**Management Targets**	**Management Initiatives and Instruments**
III. Build Skills for Competitiveness in a Global Economy			
▪ Increase skills of Africans to innovate, develop small and medium size enterprises, and meet the needs of private sector for a trained work force -- Proxy indicators measure learning outcomes and perception (surveys)	▪ Eight countries increase secondary education enrollment by 1% per year by 2009 ▪ Eight countries increase the share of undergraduate enrolled in science and technology	▪ Eight countries meet their own targets for number of qualified secondary teachers and availability of classrooms and textbooks in core subjects (math, science) by 2009 ▪ Three countries use competitive funding mechanisms to improve teaching and research in science & technology by 2009	▪ Increase engagement with government, private sector & development partners in developing financially sustainable programs for policy reform, institutional strengthening and financing of post primary education **Portfolio**: CDMAP Targets: 8 countries for sec. education, 10 countries for tertiary, 8 countries for S&T, 7 African Business Schools, S&T TA in 4 countries. 28 projects are managed by the education sector unit. Total post-primary commitments of $590M **IFC:** Expand Global Bus. School Network **AAA**: 26 ESW including regional assessments by FY09, Africa Knowledge Innovation Fund
IV. Raise Agricultural Productivity			
▪ Accelerate growth in agricultural productivity as measured by -- Number of countries achieving growth in agriculture value added of 5% annually -- Number of countries achieving growth in value added per hectare of 5% annually -- Number of countries achieving growth in value added per worker of 3% annually[50]	▪ Increase in irrigated land (percent of crop land) by 2011 ▪ Increase investment in agricultural technology by 2011	▪ Five countries have costed, comprehensive programs of public investment to support agricultural growth by 2009 ▪ Three regional economic communities complete regional strategies for cooperation in agricultural technology development by 2009	▪ Assist governments to design and cost comprehensive programs of agriculture development and mobilize resources in five countries by 2009 **Portfolio:** 48 projects are in the agricultural sector unit. There are an additional 23 projects that have components in agriculture, but are not in the managing unit, for a combined commitment of active projects of $1.2 billion.[51] There are also regional approached to agricultural research in West Africa **IFC**: Agribusiness industry support

[49] Data is not available to set an indicator at the present time. The best proxy is the registration of women-owned businesses.
[50] Number of countries already achieving the targets -- 10, 6, and 10 countries respectively
[51] Rural development portfolio is much larger, and the multi-sector issues are necessary to move to agricultural productivity. More direct subset is used here as opposed to the larger body of investments. If rural development coding were used, this would be over $2billion in commitments.

Tracking Development Outcomes Across the Region			World Bank Group Support
Goals	**Anticipated Outcomes**	**Management Targets**	**Management Initiatives and Instruments**
V. Improve Access to and Reliability of Clean Energy			
▪ Reliable access to energy for enterprises and households as measured by -- Household electrification rate -- Electricity consumption per capita	▪ Region-wide increase in household access to electricity to 35% by 2015 ▪ In 20 countries, the number of power outages suffered by an enterprise in a typical month decreases by 2015 ▪ Reduce indoor air pollution in more than five countries	▪ At least 30 countries increase generation capacity by 20 percent or more between FY07 and FY11 (including investments by other development partners) ▪ Utilities in 20 countries reduce their losses (technical and non-technical) by ten percent or better by 2011 ▪ Increase LPG and kerosene use by households in five or more countries	▪ Mobilize a sector wide approach for electricity in a few pilot countries, including donor and private financing through sector syndications by FY10. **Portfolio**: 26 projects in the energy unit plus additional non energy sector projects contribution plan for a total commitment of $1.9 billion, excluding mining. $400m regional power pools. Sector wide approach in few pilot countries. **IFC**: Light Up Africa Program, 3 PEP projects to infrastructure; support to public private partnerships **MIGA:** MIGA Guarantee Facility for public private partnerships **AAA**: Advise governments on fuel pricing for faster transition to LPG and kerosene use (from biomass use) by households and initiatives for sustainable land management including forestry. Several regional analytical and advisory services.
VI. Expand and Upgrade Road Networks and Transit Corridors			
▪ Decrease the time to reach key international markets as measured by -- Total time from moment of ship readiness to unload to final destination for an imported container (days)	▪ Improve road networks against the country's 2007 baseline in eight countries' by 2012 ▪ Increase the percent of rural population within 2km of an all-season road by 2012 in five countries ▪ Reduce the tons of CO_2 equivalent in Accra, Lagos, Dar es Salaam	▪ 25 percent increase in resources allocated for road maintenance and rehabilitation (from all sources) in eight countries by 2010 ▪ 30,000km of roads constructed or rehabilitated by 2013, including 14,000 km of rural roads. ▪ Decrease in share of household spending on transport in three urban areas by 2011	▪ Strengthen the institutional framework to facilitate urban and rural transport in six countries and launch three major regional transit corridors by FY08 **Portfolio:** 28 roads projects managed by the unit (also including port projects). Another 34 projects have transport activities, but are managed by other units (through PRSCs or CDD projects). The total commitments are $2.2bn. 2 regional transit corridor projects, 2 IDF grants for regional transport facilitation and custom union support. 8 proposed regional integration projects in pipeline **AAA**: 6 country specific strategies/costing; factors behind high transport costs in Africa, SADC Joint Analytic work on Regional Transport
VII. Increase Access to Safe Water and Sanitation			
▪ Meet the water and sanitation MDG in 17 of the largest countries -- percent of population with access to water and sanitation	▪ In 17 countries, an additional 2.5 million people per year, have access to clean water supply and sanitation by 2012	▪ 50,000 households connected and 4500 community water points are constructed/rehabilitated annually, beginning in 2007 – to 2010 ▪ In the 17 countries, 85 percent of rural water supplies are operational and 75 percent of urban water utilities cover their current costs	▪ Scale up collective donor support to water supply and sanitation programs in 17 countries committed to their reform agendas and two post conflict countries **Portfolio**: 21 Projects in the sector unit. Together with components of other operations (such as PRSC) total commitments for water related operations are $1.8 billion; Regional integration focused on shared water resources and reversing water degradation **AAA**: Ten country specific strategies/ costings

Tracking Development Outcomes Across the Region			World Bank Group Support
Goals	**Anticipated Outcomes**	**Management Targets**	**Management Initiatives and Instruments**
VIII. Strengthen National Health Systems and Combat Malaria and HIV/AIDS			
Health Systems			
▪ The goals include health related MDGs: Maternal mortality, under five mortality, HIV/AIDS		▪ Increase the retention of front line service providers as measured by -- Number of nurses per 1000 population	▪ See sections on malaria and HIV/AIDS ▪ Over $400 million in health sector support programs
MALARIA			
▪ Decrease deaths due to malaria, especially child mortality as measured by mortality rates	Proportion of Booster countries that meet the Abuja targets for intervention coverage by 2010: ▪ 60% of children under five use insecticide treated nets (ITN) ▪ 60% of children under five with fever access effective anti-malarial within 24 hours ▪ 60% of pregnant women receive two or more doses of intermittent preventive treatment ▪ 80% of households own at least one ITN	▪ At least 14.8 million long-lasting insecticide-treated nets (LLINs) and 15.1 million Artemesinin-based combination therapy (ACTs) distributed in Booster countries by end FY08 ▪ Five Booster countries have fully costed operational plans in place to which development partners, private sector and foundations can align support by end of FY07 ▪ Increased proportion of countries with fully-funded malaria control programs up from zero in 2006	▪ Forge at least three new collaborations with traditional and non traditional development partners (ExxonMobil, Russian Federation, Bill & Melinda Gates Foundation, private sector) to fund malaria control and country health systems. **Portfolio**: 11 Booster Program projects with $355m in active IDA commitments (Malaria Report) **AAA:** Public expenditure tracking, Gap analysis and partner mapping work, Malaria Impact Evaluation Program; Establish inter-sectoral collaboration for malaria control (urban, education, regional) and link malaria control to health sector support ; Focus on financial management, procurement supply chain and M&E
HIV/AIDS			
▪ Reduce the number of newly infected people and improve the quality of life of those living with HIV/AIDS as measured by -- percentage of countries where the HIV prevalence among women aged 15 to 24 decreases	▪ Increase in the percent of men and women, age 15-29 reporting use of a condom during last sex with a non regular partner from baseline by 2011 ▪ 40% of countries report decrease in the percentage of men and women aged 15 to 24 who have had sex with more than one partner in the last 12 months from their baseline by 2011	▪ Increase the number of persons aged 15 and older who received HIV counseling and testing and their test results by 2011 ▪ Increase in number of pregnant women living with HIV who receive a complete course of antiretroviral prophylaxis to reduce the risk of MTCT in MAP countries by 2011 ▪ Increase the number of countries that have achieved the Three Ones[52] (up from 56 percent of MAP countries) by 2009	▪ Escalate efforts to bring vertical programs, private sector and development partners into costed, well phased, fiscally sustainable national strategies in 30 countries by 2008 **Portfolio**: Committed $1.3 billion in 29 countries (HIV/AIDS report) and 4 four regional subprojects **AAA**: Technical assistance for strategies in 30 countries & for M&E in 40 countries, 5 Regional analytical work on HIV/AIDS In ten countries embed appropriate HIV/AIDS in country specific development agendas (annually), five countries receive financial gap analysis

[52]Development partners have agreed to the principle of the "Three Ones" - one national AIDS framework, one national AIDS authority and one system for monitoring and evaluation—as guiding principles for improving the country-level response.

Strengthening the Country Based Model

Tracking Development Outcomes Across the Region			World Bank Group Support
Goals	**Anticipated Outcomes**	**Management Targets**	**Management Initiatives and Instruments**
I. Governance and Effectiveness of the Public Sector			
▪ Improve the effectiveness, responsiveness, and transparency of the public sector at the national and local levels of governments	▪ Across ten countries the average CPIA score for quality of public administration improves by 2010 ▪ Across 15 countries the average CPIA score for quality of budgetary and financial management improves by 2010	▪ 15 countries improve the quality of public administration for doing business measured by: (i) cost of enforcing a contract and (ii) time taken to prepare, file, and pay taxes (no. of days per year), by 2009 ▪ Improvement in one or more public financial management performance indicators (measured by PEFA and HIPC assessments) in 12 countries by 2009	▪ Accelerate implementation of the CDMAP **Portfolio:** Net commitments of $924 million for public sector governance (23 projects). Total commitments in public sector governance, including the rule of law, - $2,224 million. **AAA**: Increase governance in CASs; Assist countries with governance diagnostics, including citizen's scorecards in collaboration with WBI; Assist 20 countries strengthen core elements of their Public Expenditure Management and Financial Accountability Frameworks
	▪ Ten natural resource-rich countries increase the average CPIA score for transparency, accountability, and corruption by 2010	▪ Four countries endorse the EITI principles ▪ Eight other countries show progress in implementing its principles by 2008	▪ Increase support for resource rich countries in managing their natural resources for sustained improvement in non-mineral growth and human development **Portfolio:** Extractive Industry Transparency Initiatives (EITI) and public financing management instruments and technical assistance. Gas Flaring Reduction Initiative (GGFR)
II. Better Management of the Environment			
▪ Reduce the cost of environmental degradation and improve the use of natural resources, including the management of non-renewable resources	▪ Ten countries have improved their medium term revenues from natural resources by 2012	▪ Ten countries have analyzed how to maximize natural resource revenues over the medium term and have undertaken reform in related NRM policy (e.g. concession policy; tourism policy; fishing policy) by 2009 ▪ Ten countries have invested in their enforcement capacity related to natural resource management by 2009	▪ Develop action plans on sustainable environmental practices for key productive sectors in 10 countries **Portfolio:** $1.3 billion. Water resource management ($222 million), Pollution control ($302 million), Biodiversity ($147 million), Climate change ($153 million)
III. A More Effective Development Partnership			
▪ Improve the effectiveness of aid	▪ Increased resources for development programs in at least ten countries	▪ Ten countries where R&R processes lead to funding for a prioritized, targeted, and sequenced government programs	▪ Sponsor resources and results processes, bringing a well defined national strategy together with development finance

Annex C: Statistical Summary

PILLAR ONE: SHARED GROWTH							
THEME ONE : DRIVERS OF GROWTH							
	Year	**SSA Average (#countries)**	**LIC SSA Average (#countries)**	**MIC SSA Average (# countries)**	**% SSA LICs doing better than LIC average**	**All SSA Avg. annual change between 1995 and current year (%)**	**Trends (# of countries with at least two data points, # of countries with positive growth rate)**
Export Competitiveness							
Macro and administrative data							
Trade (% of GDP)	2005	89.4 (42)	78.2 (30)	117 (12)	NA	1.7	46 countries with 31 showing progress
Extent of export diversification (traditional exports and crude petroleum as % of exports)[i]	2005	37 (47)	38 (34)	36 (13)	NA	1.5	43 countries with 21 showing progress
Export tariffs[ii]	2005	14.5 (46)	14.4 (33)	14.5 (13)	15.5	-3.5	22 countries with 19 showing progress
Survey data							
Weighted average total transport cost between unloading from the ship to final destination city (US$, standard 20-foot TEU)[iii]	2004	963 (10)	869.7 (7)	1180 (3)	NA	NA	NA
Time For Export (Days)[iv]	2006	40 (44)	43.4 (31)	31.7 (13)	55	-2.7	36 countries with 10 showing progress
Time For Import (Days)[v]	2006	51.5 (45)	56.4 (32)	39.4 (13)	57	-1.5	37 countries with 6 showing progress
Private Sector Development							
Macro and administrative data							
Foreign Direct Investment Net Inflows (% of GDP)	2004	6.8 (42)	6.5 (31)	7.6 (11)	22.6	2.6	42 countries with 22 showing progress
GFCF private sector (% of GDP)	2005	13.1 (41)	12.4 (29)	14.7 (12)	38	0.9	46 countries with 26 showing progress
Domestic credit to private sector (% of GDP)	2005	18.1 (41)	12.8 (29)	31 (12)	34.5	1.6	46 countries with 34 showing progress
Interest rate spread (lending rate minus deposit rate)	2005	15.4 (28)	20.1 (16)	9.1 (12)	25	4.1	33 countries with 21 showing progress

Methodology: All aggregates (SSA Average, SSA LIC Average, and SSA MIC Average) are calculated as simple averages using the most recent year of data with the largest number of observations. Trends are estimated by calculating a compound rate of change for the range of observations available for each country**.** All countries showing improvements in the selected indicator. (positive or negative rates of change as appropriate) are reported as 'showing progress' in the last column.

Data Sources: All data are from the World Development Indicators 2006 (unless otherwise mentioned in footnotes)

PILLAR ONE: SHARED GROWTH							
THEME ONE : DRIVERS OF GROWTH							
	Year	**SSA Average (#countries)**	**LIC SSA Average (#countries)**	**MIC SSA Average (# countries)**	**% SSA LICs doing better than LIC average**	**All SSA Avg. annual change between 1995 and current year (%)**	**Trends** **(# of countries with at least two data points, # of countries with positive growth rate)**
Private Sector Development (cont.)							
Macro and administrative data (cont.)							
Time required to start a business (days)[vi]	2006	61.8 (45)	57.6 (32)	72 (13)	72	-3.0	37 countries with 18 showing progress
Ease of Doing Business Ranking (#)[vii]	2006	130 (45)	142 (32)	100 (13)	25	0.6	37 countries with 20 showing progress
Cost of business starting up procedures (% of GNI per capita)[viii]	2006	162 (45)	188 (32)	100 (13)	54	-10.4	37 countries with 32 showing progress
Taxes on Exports (% of Tax Revenue)	2002	4.5 (6)	6.7 (4)	.. (2)	NA	-1.5	7 countries with 4 showing progress
Survey data							
Credit information index[ix]	2006	1.3 (45)	0.7 (32)	2.7 (13)	56.2	-2.2	23 countries with 0 showing progress
# of MSME's (Per 1 000 People)[x]	2005	31.4 (8)	31.5 (5)	31.3 (3)	NA	NA	NA
Branching penetration (per 100 000 people)[xi]	2004	2.9 (13)	1.3 (9)	6.5 (4)	NA	NA	NA
MSME employment (% of total employment)[xii]	2005	54 (4)	39 (1)	59.4 (3)	NA	NA	NA
Informal Economy Estimate (% GNP)[xiii]	2005	42.2 (20)	44.1 (17)	31.5 (3)	NA	NA	NA
Infrastructure							
Macro and administrative data							
Electric power consumption (kWh per capita)	2003	504 (20)	211 (14)	1186 (6)	14.3	3.0	20 countries with 14 showing progress
Electricity production (Bn kWh)	2003	14 (20)	45 (14)	35 (6)	0	5.5	20 countries with 19 showing progress
Electric power transmission and distribution losses (% of output)	2003	16.1 (18)	15.9 (13)	16.9 (5)	NA	0.9	20 countries with 9 showing progress
Survey data							
Estimated annual road investments (Mil US$)[xiv]	2005	262 (15)	109 (12)	875 (3)	NA	19.2	15 countries with 14 showing progress

PILLAR ONE: SHARED GROWTH							
THEME ONE : DRIVERS OF GROWTH							
	Year	**SSA Average (#countries)**	**LIC SSA Average (#countries)**	**MIC SSA Average (# countries)**	**% SSA LICs doing better than LIC average**	**All SSA Avg. annual change between 1995 and current year (%)**	**Trends (# of countries with at least two data points, # of countries with positive growth rate)**
Infrastructure (cont.)							
Survey data (cont.)							
Percentage of The Network In Good And Fair Condition[xv]	2005	45.3 (7)	49.4 (5)	20.8 (2)	NA	NA	NA
Percentage of Paved Road Carrying Less Traffic Than 250 Vpd[xvi]	2004	20 (10)	18 (8)	27 (2)	NA	NA	NA
Trading Across Borders - Cost To Export (US$ Per Container)[xvii]	2006	1562 (44)	1619 (31)	1422 (13)	58	NA	NA
Value lost due to electrical outages (% of sales)[xviii]	2006	6.1 (6)	NA	NA	NA	NA	NA
Number of Electrical Outages (Days)[xix]	2006	90.9 (6)	NA	NA	NA	NA	NA
Duration of Electrical Outages (Hours)[xx]	2006	3.4 (8)	4.8 (3)	2.5 (5)	NA	NA	NA
Number of Water Supply Failures (Days)[xxi]	2006	10.7 (7)	9.2 (3)	11.8 (4)	NA	NA	NA
Duration Of Insufficient Water Supplies (Hours)[xxii]	2006	16.7 (7)	7.1 (3)	24 (4)	NA	NA	NA
Fixed And Mobile Phone Subscribers (Per 1000 People)	2004	140 (29)	46 (19)	318 (10)	NA	28.6	47 countries with 47 showing progress
Survey data							
Improved Water Source (% of Total Population With Access)[xxiii]	2004	65 (47)	60.8 (34)	76 (13)	38.2	1.5	36 countries with 31 showing progress
-Rural (% of Rural Population With Access)	2004	54.4 (47)	51 (34)	63.2 (13)	44.1	1.6	36 countries with 28 showing progress
-Urban (% of Urban Population With Access)	2004	82.9 (47)	80.8 (34)	88.2 (13)	47	0.6	38 countries with 18 showing progress
Improved Sanitation Facilities (% of Total Population With Access)[xxiv]	2004	37 (46)	33.9 (34)	46 (12)	35.3	1.8	35 countries with 29 showing progress
-Rural (% of Rural Population With Access)	2004	29.4 (47)	25 (34)	41 (13)	38.2	2.3	35 countries with 23 showing progress
-Urban (% of Urban Population With Access)	2004	52 (46)	49.7 (34)	58.4 (12)	23.5	0.5	36 countries with 17 showing progress
Household Electrification Rate (% of Households)	2004	23 (6)	16.2 (5)	48.4 (1)	NA	NA	NA

PILLAR ONE: SHARED GROWTH							
THEME ONE : DRIVERS OF GROWTH							
	Year	**SSA Average (#countries)**	**LIC SSA Average (#countries)**	**MIC SSA Average (# countries)**	**% SSA LICs doing better than LIC average**	**All SSA Avg. annual change between 1995 and current year (%)**	**Trends (# of countries with at least two data points, # of countries with positive growth rate)**
Building Skills for Competitiveness							
Macro and administrative data							
Secondary School Enrollment (% gross)	2004	34.2 (32)	25.9 (25)	63.8 (7)	20	4.1	45 countries with 36 showing progress
Tertiary school enrollment (% gross)	2004	3.6 (25)	2.6 (20)	7.8 (5)	5	8.7	40 countries with 32 showing progress
Primary completion rate total (% of relevant group)	2004	58 (32)	50.5 (25)	84.8 (7)	24	3.4	41 countries with 32 showing progress
Tertiary Graduates In Science (% Graduates)	2004	8.4 (9)	8.7 (7)	7 (2)	NA	12.8	12 countries with 8 showing progress
Survey data							
Unskilled workers perceived as major constraint to business growth (% firms)[xxv]	2005	14.8 (15)	20 (2)	13.5 (13)	NA	NA	NA
Skilled Production Workers (% Workforce)[xxvi]	2004	35.2 (23)	32.7 (15)	39.9 (8)	NA	NA	NA
Macro and administrative data							
Agricultural, value added (% growth)	2005	3.6 (40)	2.9 (29)	3.3 (11)	58.6	3.2	43 countries with 14 showing progress
Irrigated land (% of crop land)	2003	4.7 (43)	4.2 (32)	6.2 (11)	9.3	0.6	44 countries with 20 showing progress
Crop Production Index	2004	104 (46)	104 (33)	103 (13)	54.5	2.5	46 countries with 38 showing progress
Survey data							
Agricultural value added per hectare (% growth)[xxvii]	2005	2.6 (40)	2.1 (29)	4.1 (11)	48.2	2.2	NA
Agricultural value added per worker (% growth)[xxviii]	2004	1.2 (40)	0.6 (29)	2.6 (11)	58.6	1.7	NA
Fertilizer consumption (100 grams per hectare of arable land)	2002	179 (43)	107 (32)	391 (11)	54.5	3	44 countries with 24 showing progress

PILLAR ONE: SHARED GROWTH							
THEME TWO : PARTICIPATING IN GROWTH							
	Year	**SSA Average (#countries)**	**LIC SSA Average (#countries)**	**MIC SSA Average (# countries)**	**% SSA LICs doing better than LIC average**	**All SSA Avg. annual change between 1995 and current year (%)**	**Trends** **(# of countries with at least two data points, # of countries with positive growth rate)**
Connecting the Poor to Markets							
Survey data							
Access to An All-Season Road (% of Rural Population)[xxix]	2003	34.9 (10)	34.1 (9)	42 (1)	NA	-22.7	1 country with 0 showing progress
Scaling-Up Human Development							
Survey data							
Mortality rate, under five (per 1000)	2004	149 (47)	165 (34)	107 (13)	11.8	NA	34 countries with 12 showing progress
Maternal Mortality Ratio, Per 100,000 Live Births	2000	826 (44)	935 (32)	537 (12)	30	-4.1	44 countries with 33 showing progress
Diarrhea Prevalence (% of Children Under 5)	2000	21.6 (13)	23.5 (11)	11.1 (2)	NA	-7	8 countries with 6 showing progress
Diarrhea Treatment (% of Children Under 5 Receiving Oral Rehydration And Continued Feeding)	2001	32.1 (6)	32.2 (5)	32 (1)	NA	NA	NA
Malaria							
Macro and administrative data							
Endemic Malaria Risk (% Population At Risk)[xxx]	2002	86.2 (37)	84.8 (32)	95.7 (5)	NA	NA	NA
Epidemic Malaria Risk (% Population At Risk)[xxxi]	2002	7.2 (37)	7.9 (32)	2.8 (5)	NA	NA	NA
Annual Malaria Mortality (out of 100,000)[xxxii]	2000	199 (20)	191 (19)	354 (1)	NA	NA	NA
Survey data							
Children under five use ITN's (%)[xxxiii]	2003	5.2 (35)	5.7 (30)	1.5 (5)	NA	54.3	9 countries with 9 showing progress
Children under 5 with fever being treated with anti-malarial drugs (%)[xxxiv]	2000	44.3 (28)	44.4 (23)	43.5 (5)	NA	NA	NA
Children under 5 sleeping under insecticide-treated bed nets (%)[xxxv]	2000	3.8 (28)	4.3 (23)	1.6 (5)	NA	NA	NA
HIV/AIDS							
Macro and administrative data							
% of people with HIV receiving antiretroviral combination therapy[xxxvi]	2005	19.4 (40)	16.2 (30)	29 (10)	43.3	NA	NA

PILLAR ONE: SHARED GROWTH							
THEME TWO : PARTICIPATING IN GROWTH							
	Year	**SSA Average (#countries)**	**LIC SSA Average (#countries)**	**MIC SSA Average (# countries)**	**% SSA LICs doing better than LIC average**	**All SSA Avg. annual change between 1995 and current year (%)**	**Trends (# of countries with at least two data points, # of countries with positive growth rate)**
Scaling-Up Human Development							
Survey data							
Estimated number of adults and children living with HIV xxxvii	2005	500211 (30)	567087 (23)	280476 (7)	NA	2.5	28 countries with 6 showing progress
Deaths Due To HIV/AIDS (Per 100 000 Population at Risk Per Year)xxxviii	2003	53961 (36)	51662 (27)	60855 (9)	33.3	NA	NA
Deaths Among Children Under Five Years of Age Due to HIV/AIDS (%)xxxix	2000	11.2 (45)	6.2 (32)	23.6 (13)	43.7	NA	NA
Survey data							
Estimated number of orphans due to AIDS xl	2005	260196 (29)	300031 (22)	135000 (7)	NA	11.6	29 countries with 2 showing progress
HIV prevalence female (ages 15-24 %)xli	2005	4.7 (27)	3 (21)	10.1 (6)	23.8	NA	NA
HIV prevalence male (ages 15-24 %)xlii	2005	1.5 (27)	1 (21)	3.5 (6)	19	NA	NA
% of females who used a condom the last time they had sex with a non-regular partner (aged 15-24)xliii	2004	38.6 (6)	33.2 (4)	49.5 (2)	NA	NA	NA
% of males who used a condom the last time they had sex with a non-regular partner (aged 15-24)xliv	2003	42.8 (6)	42.8 (6)	NA	NA	NA	NA
Health Care Support Systems							
Macro and administrative data							
Physicians (per 1000 population)	2004	0.2 (44)	0.1 (32)	0.4 (12)	3.1	6.9	46 countries with 34 showing progress
Nurses (per 1000 population)xlv	2004	1.1 (39)	0.6 (29)	3.0 (11)	50	NA	NA
Survey data							
Births attended by skilled health staff (%)	2000	53.3 (28)	45.1 (19)	72.2 (9)	47.4	2.7	32 countries with 23 showing progress

PILLAR ONE: SHARED GROWTH							
THEME TWO : PARTICIPATING IN GROWTH							
	Year	**SSA Average (#countries)**	**LIC SSA Average (#countries)**	**MIC SSA Average (# countries)**	**% SSA LICs doing better than LIC average**	**All SSA Avg. annual change between 1995 and current year (%)**	**Trends** **(# of countries with at least two data points, # of countries with positive growth rate)**
Education							
Macro and administrative data							
School enrollment primary (% gross)	2004	96 (36)	91.5 (28)	111 (8)	42.8	2.4	46 countries with 32 showing progress
School completion primary, total (% of relevant age group)	2004	58 (32)	50.5 (25)	84.8 (7)	24	3.4	41 countries with 32 showing progress
Survey data							
Pupil-Teacher Ratio Primary	2005	46.9 (6)	51.6 (5)	23.2 (1)	NA	0.3	42 countries with 19 showing progress
Trained teachers in primary education (% of total teachers)	2004	76.9 (17)	78.1 (12)	74 (5)	NA	-1.0	26 countries with 13 showing progress
Ratio of girls to boys in primary and secondary education (%)	2004	86.5 (32)	83.6 (25)	96.9 (7)	44	1.2	43 countries with 32 showing progress
Literacy rate adult total (% of people ages 15 and above)	2004	59.6 (33)	50.3 (23)	80.8 (10)	47.8	NA	NA
Literacy rate youth total (% of people ages 15-24)	2004	68.4 (31)	60.5 (23)	91.1 (8)	52	NA	NA
Ratio of young literate females to males (% ages 15-24)	2004	81.6 (31)	75.7 (23)	98.5 (8)	52.7	NA	NA
Gender							
Survey data (external)							
Labor Force Participation Rate Female (% of Female Population Ages 15-64)	2005	61.9 (46)	65.7 (34)	50.9 (12)	58.8	-0.4	46 countries with 10 showing progress
Female Share of Unskilled Production Workers[xlvi]	2003	20.7 (7)	11 (5)	44.8 (2)	NA	NA	NA
Female Share of Skilled Production Workers[xlvii]	2004	17.2 (17)	11.9 (12)	29.8 (5)	NA	NA	NA
Proportion of seats held by women in national parliament (%)	2005	15.1 (45)	15 (32)	15.3 (13)	37.5	10	45 countries with 42 showing progress

PILLAR TWO: CAPABLE STATES							
	Year	SSA Average (#countries)	LIC SSA Average (#countries)	MIC SSA Average (# countries)	% SSA LICs doing better than LIC average	All SSA Avg. annual change between 1995 and current year (%)	Trends (# of countries with two data points # of countries showing progress)
Overall CPIA scores[xlviii]	2005	3.2 (45)	3.1 (32)	3.3 (13)	56	NA	45 countries with 21 showing progress
CPIA scores for transparency accountability and corruption[xlix]	2005	3.0 (45)	2.8 (32)	3.2 (13)	68	NA	45 countries with 2 showing progress
# HIPC benchmarks met in public financial management[l]	2004	5.7 (24)	5.7 (23)	5.7 (1)	50	NA	19 countries with 9 showing progress
Control of corruption (percentile)[li]	2005	29 (47)	23 (34)	37 (13)	41	NA	47 countries with 20 showing progress
Voice and accountability[lii]	2005	31 (47)	29 (34)	33 (13)	52	NA	47 countries with 28 showing progress
Statistical capacity building score[liii]	2006	54.5 (47)	54.6 (34)	54.2 (13)	58	NA	36 countries with 27 showing progress

PILLAR THREE: RESULTS FRAMEWORK							
	Year	Total SSA (#countries)	Developed Strategy/framework in place (Meeting PD Target)	Action Strategy/framework in place (Score A)	Unsatisfactory Strategy/framework in place (Score L/E)	All SSA Avg. annual change 1995-current (%)	Trends (# of countries with two data points # of countries showing progress)
Country Based Managing for Results							
Survey data							
Countries with outcome based national strategies (PD #1)[liv]	2006	35	4	26	5	NA	NA
Countries with results frameworks (PD #11)[lv]	2006	35	2	19	14	NA	NA

[i] UN Comtrade Database (note: traditional exports include coffee, cocoa beans, cotton, metalliferous ores, and petroleum)
[ii] UN Trains Database (unweighted tariffs)
[iii] Africa Transport flagship program
[iv] Doing Business Database
[v] Doing Business Database
[vi] Doing Business Database
[vii] Doing Business Database
[viii] Doing Business Database

[ix] Doing Business Database
[x] IFC MSME Database (based on various surveys)
[xi] World Bank staff
[xii] IFC MSME Database (based on various surveys)
[xiii] Doing Business Database
[xiv] Africa Transport flagship program
[xv] Africa Transport flagship program/AAP Monitoring System
[xvi] Africa Transport flagship program
[xvii] Doing Business Database
[xviii] Investment Climate Assessment
[xix] Investment Climate Assessment
[xx] Enterprise Analysis Surveys Database
[xxi] Enterprise Analysis Surveys Database
[xxii] Enterprise Analysis Surveys Database
[xxiii] Data range is 1990-2004
[xxiv] Data range is 1990-2004
[xxv] Enterprise Analysis Surveys Database
[xxvi] Enterprise Analysis Surveys Database
[xxvii] FAO
[xxviii] FAO
[xxix] AAP Monitoring System (original data not provided)
[xxx] Africa Malaria Report 2003 (WHO/UNICEF)
[xxxi] Africa Malaria Report 2003 (WHO/UNICEF)
[xxxii] United Nations Statistics Division (WHO estimates)
[xxxiii] DHS, MICS, MIS or MoH surveys
[xxxiv] UN Millennium Development Indicators (http://mdgs.un.org/unsd/mdg/)
[xxxv] UN Millennium Development Indicators (http://mdgs.un.org/unsd/mdg/)
[xxxvi] WHO Statistical Information System (http://www.who.int/whosis/en/)
[xxxvii] WHO Statistical Information System (http://www.who.int/whosis/en/)
Note: Total number of people living with AIDS/HIV in Sub-Saharan Africa is estimated to be 25.8 million (2005)
[xxxviii] WHO Statistical Information System (http://www.who.int/whosis/en/)
[xxxix] WHO Statistical Information System (http://www.who.int/whosis/en/)
[xl] WHO Statistical Information System (http://www.who.int/whosis/en/)
Note: Total number of orphans due to AIDS is estimated to be 12 millions.
[xli] WHO Statistical Information System (http://www.who.int/whosis/en/)
[xlii] WHO Statistical Information System (http://www.who.int/whosis/en/)
[xliii] UN Millennium Development Indicators (http://mdgs.un.org/unsd/mdg/)
[xliv] UN Millennium Development Indicators (http://mdgs.un.org/unsd/mdg/)
[xlv] WHO Statistical Information System (http://www.who.int/whosis/en/)
[xlvi] Enterprise Analysis Surveys Database
[xlvii] Enterprise Analysis Surveys Database
[xlviii] CPIA Review (data range is 2004-2005)
[xlix] CPIA Review (data range is 2004-2005)
[l] World Bank, HIPC assessments (data available for only 2001 and 2004)
[li] Worldwide Governance Indicators (Kaufman-Kraay Indicators website)
[lii] Worldwide Governance Indicators (Kaufman-Kraay Indicators website)
[liii] DECVP
[liv] Paris Declaration – Aid Effectiveness Survey, 2007
[lv] Paris Declaration – Aid Effectiveness Survey, 2007