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**Strategic Partnership with Africa**

SPA

# *SPA 5: 2000-2002*

## *towards new aid relationships to reduce poverty*

**Africa Region**
**The World Bank**

**Strategic Partnership with Africa**
**Africa Region**
**The World Bank**

# Foreword

The members of the Strategic Partnership with Africa (SPA) have launched the fifth phase of a partnership that has provided the framework for coordinating support from the donor community for African economic growth and development.

In the earlier days of the Partnership (formerly the Special Program of Assistance for Africa), the priority was on mobilizing resources for an emergency response to a continent-wide debt and development crisis. With this newest phase, Africa and its partners in development are facing different challenges, and the relationship between donors and recipients of assistance is evolving.

Many low-income countries have in recent years achieved notable economic turnarounds and the highest growth rates in a decade. However, poverty has remained pervasive. Sustained, equitable growth and the underlying institutional capacity and national consensus—vital to an effective attack on poverty—still lie far down the road, and external support needs to be closely aligned with these efforts.

The agenda for SPA-5 has been developed after internal and external review of past experience and changing needs, involving extensive consultations with partners in Africa. We have put poverty reduction at the core of our program of support. We will work in furtherance of the leadership of African governments and their citizens to spread the benefits of growth and development. We will work to strengthen the role within the SPA of the voices of Africans who are working to shape their economic and social future. It is in recognition of the strengthened relationship with Africa that we have changed the name of the SPA to the Strategic Partnership with Africa.

Already the partners have indicated a willingness to provide some $4 billion in quick-disbursing new assistance during SPA-5, to support economic growth strategies and programs that focus on reducing poverty in low-income debt-burdened countries in Africa. These resources are additional to the debt relief agreed in September 1999 under the Enhanced Highly Indebted Poor Countries (HIPC) debt initiative, project assistance, and about $5 billion in quick-disbursing assistance expected from the World Bank and the International Monetary Fund.

This commitment is a sign of faith and hope in Africa. It was made, despite competing demands on constrained assistance budgets, in solidarity with Africans working to fulfill their development aspirations in the 21st century.

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and
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Finally, it should be noted that the SPA-5 agenda is the result of a collaborative effort. It takes into account an independent evaluation report commissioned by the Partnership and managed by the Operations Evaluation Department of the World Bank, as well as workshops organized for African, European and Pacific Rim countries. It also incorporates many constructive and insightful comments from SPA partners and from a consultation meeting in Addis Ababa hosted by the Economic Commission for Africa during the preparation and review process for this document.

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# Acronyms

| | |
|---|---|
| AERC | African Economic Research Consortium |
| AfDB | African Development Bank |
| CDF | Comprehensive Development Framework |
| CIDA | Canadian International Development Agency |
| CPIA | Country Policy and Institutional Assessment |
| DAC | Development Assistance Committee |
| DFID | Department for International Development |
| ESAF | Enhanced Structural Adjustment Facility |
| EU | European Union |
| GCA | Global Coalition for Africa |
| GDI | Gross Domestic Investment |
| GDP | Gross Domestic Product |
| GDS | Gross Domestic Savings |
| HIPC | Heavily Indebted Poor Countries |
| HTF | HIPC Trust Fund |
| IDA | International Development Association |
| IDG | International Development Goals |
| IMF | International Monetary Fund |
| NGO | Non-governmental Organization |
| NPV | Net Present Value |
| OAU | Organization of African Unity |
| OECD | Organization for Economic Cooperation for Development |
| OED | Operations Evaluation Department |
| PER | Public Expenditure Review |
| PRSP | Poverty Reduction Strategy Paper |
| QDA | Quick-disbursing Assistance |
| SIDA | Swedish International Development Agency |
| SP | Sector Program |
| SPA | Strategic Partnership with Africa |
| SSA | Sub-Saharan Africa |
| TICAD | Tokyo International Conference on African Development |
| UNAIDS | Joint United Nations Program on HIV/AIDS |
| UNDP | United Nations Development Program |
| WB | World Bank |

# 1. Introduction and Overview

African countries committed to pursuing development goals, and donors committed to supporting them through the Strategic Partnership with Africa (SPA), are both faced with growing challenges as they enter the SPA-5 period, 2000-2001[1].

SPA countries (see Box 1) have made significant progress on economic fundamentals and have been experiencing their highest growth rates in more than a decade. However, poverty remains widespread and the institutional requirements for sustaining this growth rate and developing strategies that will extend its benefits more equitably throughout the population remain enormous. As outlined in Section II of this paper, such strategies will need to integrate sound macroeconomic policies with strengthened governance including financial management and accountability, and structural and social development reforms. Strategies will also increasingly need to take on regional dimensions, for example to more effectively address HIV/AIDs. While most SPA countries have embarked on such a path, for a growing number of countries both outside and within the SPA group, conflict is undermining hopes for development.

For donors, a declining trend in aid budgets has become established, and pressures are rising to strengthen the effectiveness of aid. Thus, both recipient countries and donors have a strong interest in significantly improving the nature of aid relationships to support development objectives and programs.

Calls for redefining aid relationships have become widespread. At a workshop held in Abidjan in March 1998 as part of the review of SPA, African participants looked forward to the day, undoubtedly many years ahead, when no aid relationship would be necessary at all. In the interim, there were calls for a very much stronger African voice in defining aid needs, in devising approaches to meeting development challenges, in coordinating aid donors, and in implementing development programs. These perspectives have resonated with the interest expressed by donors for greater ownership by and commitment to development programs on the part of recipients, looking towards a more equal partnership. The review of the Enhanced Structural Adjustment Facility (ESAF) program undertaken by the International Monetary Fund indicated the need for a greater linkage of macroeconomic reform with social objectives, including greater focus on the social and poverty impacts of IMF programs and leading to pilot programs on integrating aid and macroeconomic reform. In October 1998, the President of the World Bank called for a new approach to development, and in January 1999 circulated a paper for discussion outlining a possible "Comprehensive Development Framework." This paper stressed the complementary nature of the economic, social and institutional dimensions of development, as well as the need to tailor aid relationships to country realities. The international community has underscored the need to place aid within medium to long-term strategies to make significant progress toward defined International Development Goals.

As an outcome of the review undertaken during SPA-4, the Partnership has already agreed on some directions the SPA should take that would reflect these perspectives. It has agreed to strengthen the African voice within the SPA partnership, to encourage new aid modalities through the development of sector programs, and to move towards bringing aid more explicitly into a country's own public expenditure framework and processes. These are ways to integrate the SPA's role in mobilizing quick-disbursing resources for development as new aid relationships are fashioned, geared to improving the quality of assistance.

These directions were given a major boost by the endorsement at the 1999 Annual Meetings of the World Bank and IMF of a strengthened approach to poverty reduction, embodied in the introduction of Poverty Reduction Strategy Papers (PRSPs) which would form the basis of assistance from the World Bank, Fund and other donors. The development of comprehensive outcome-oriented PRSPs through a process led by national governments and involving the extensive

participation of civil society will entail significant changes in the way the World Bank and Fund—and other donors—interact with recipient governments and with each other. Implementing this framework will pose a major challenge for governments, external partners, and civil society institutions to adapt and to develop new capacities as they move towards new aid relationships. The SPA–5 period will coincide with this process, which will need to proceed in a pragmatic fashion informed by learning from experience.

The resources available to support accelerated programs for poverty reduction among SPA countries were expected to be expanded through the agreement to provide deeper, faster, and broader debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative that was reached at the same Annual Meetings. As a result, most SPA countries would expect to receive cash flow benefits under the enhanced HIPC Initiative during the SPA-5 period.

## The SPA-5 Agenda

As outlined in Section III, SPA-5 will be geared to developing new aid relationships in support of poverty reduction. It will focus on:

• **Strengthening the poverty focus of programs supported by the SPA, through the PRSP process.** The SPA would support the development of country-led poverty-reduction strategies by encouraging greater statistical and monitoring capacity at the country level, reporting on the progress on achieving poverty reduction (e.g., through poverty status reports), exchanging and assessing experiences in the participatory process of developing and implementing poverty strategies, and monitoring the effectiveness of such donor participation in the PRSP process.

• **Mobilizing and monitoring quick-disbursing donor financing** for growth-oriented poverty reduction programs. Quick disbursing support will be needed to ensure that poverty reduction programs are consistent with sound macroeconomic management and are funded with an appropriate balance of project and non-project resources in a manner that is also integrated with resources released through debt relief.

• **Improving aid effectiveness**. The development of poverty strategies through the greater involvement of local communities and civil society in the design, implementation, and monitoring of economic and sector programs will be aimed at enhancing aid effectiveness and the impact of programs. In particular, SPA-5 will promote:

- **Selectivity** in allocations through continued monitoring of performance and resource flows;
- **Better specification of conditionality**, in particular through following up on the pilot project undertaken in Burkina Faso, using indicators to underpin conditionality as well as through the promotion of innovations geared to promote ownership (as reflected in "Higher Impact Adjustment Programs");
- The development of **sector programs**, in particular by tracking the quantity of resources being directed though this approach and by systematically assessing the quality of these programs;
- The development of a **fiscal approach framework** for assessing aid flows and requirements; and
- Improved **public finance management**, geared to strengthening governance and accountability and the better alignment of donor assistance and advice, to be supportive of and relevant to the government's own budgetary processes.

• **Improving SPA's processes.** During SPA-5 the Partnership will strengthen its own ability to improve the effectiveness of donor programs, following up on the conclusions of the review of SPA-4. In particular, it will:

- **Strengthen the communications effort of the Partnership**, by developing informational material and reporting internal dissemination of SPA Guidance to partner agencies;
- **Strengthen collaboration with the OECD/DAC** to avoid duplication and take better advantage of the SPA's unique role as a partnership of donor operating agencies in Africa in mobilizing resources on a multicountry basis;
- **Consider improvements in the efficiency of SPA processes**, including the structuring of Working Groups; and
- **Seek ways to strengthen African perspectives** in the SPA, including the involvement of African researchers and other participants in SPA Working Group activities, and African contributions to SPA plenaries.

**Box 1: The SPA Partners**

***Donors and Supporting Institutions***

Multilateral Institutions: World Bank, IMF, African Development Bank, Economic Commission for Africa, European Commission, UNDP, OECD/DAC

Bilateral Donors: Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, The Netherlands, Norway, Portugal, Sweden, Switzerland, United Kingdom, United States

***Eligible Countries****

| SPA-1 (1988-90)** | SPA-2 (1991-93) | SPA-3 (1994-96)<br>SPA-4 (1997-99) | SPA-5 (2000-02) |
|---|---|---|---|
| • Benin | • Benin | • Benin | • Benin |
| • Burundi | • Burkina Faso | • Burkina Faso | • Burkina Faso |
| • Central African Rep. | • Burundi | • Burundi | • Burundi |
| • Gambia, The | • Central African Rep. | • **Cameroon** | • Cameroon |
| • Ghana | • Chad | • Central African Rep. | • Central African Rep. |
| • Guinea | • Comoros | • Chad | • Chad |
| • Guinea-Bissau | • Equatorial Guinea | • Comoros | • Comoros |
| • Kenya | • Ethiopia | • **Congo** | • Congo |
| • Madagascar | • Gambia, The | • **Cote d'Ivoire** | • Cote d'Ivoire |
| • Malawi | • Ghana | • Equatorial Guinea*** | • Eritrea |
| • Mali | • Guinea | • **Eritrea** | • Ethiopia |
| • Mauritania | • Guinea-Bissau | • Ethiopia | • Gambia, The |
| • Mozambique | • Kenya | • Gambia, The | • Ghana |
| • Niger | • Madagascar | • Ghana | • Guinea |
| • Sao Tome & Principe | • Malawi | • Guinea | • Guinea-Bissau |
| • Senegal | • Mali | • Guinea-Bissau | • Kenya |
| • Tanzania | • Mauritania | • Kenya | • Madagascar |
| • Togo | • Mozambique | • Madagascar | • Malawi |
| • Uganda | • Niger | • Malawi | • Mali |
| • Zambia | • Rwanda | • Mali | • Mauritania |
| | • Sao Tome & Principe | • Mauritania | • Mozambique |
| | • Senegal | • Mozambique | • Niger |
| | • Sierra Leone | • Niger | • Rwanda |
| | • Tanzania | • Rwanda | • Sao Tome & Principe |
| | • Togo | • Sao Tome & Principe | • Senegal |
| | • Uganda | • Senegal | • Sierra Leone |
| | • Zambia | • Sierra Leone | • Tanzania |
| | | • Tanzania | • Togo |
| | | • Togo | • Uganda |
| | | • Uganda | • Zambia |
| | | • Zambia | |

** Countries declared eligible between phases are shown in bold print.*
*** Zaire and Somalia, originally eligible under SPA-1, were declared inactive in October 1990 and have been ineligible since.*
**** Equatorial Guinea became ineligible during SPA-4 because it graduated from IDA-only status.*

## Goals

The success of the SPA over the next three years would be seen in the achievement of the following goals and indicators:

• Delivery of adequate funding of reform programs requiring quick disbursing assistance as reflected in the allocation and disbursement of SPA-5 pledges;
• Selectivity in the provision of SPA resources, as reflected by relatively higher per capita resource flows for better performing countries;
• Provision of debt relief under the enhanced HIPC debt initiative for eligible SPA countries;
• Effective donor involvement in and support for the PRSP process;
• Contribution to improvement of indicators to monitor performance of development, poverty and equity;
• Development of sector programs, as indicated by expansion in the number of such programs, expansion in the share of donor resources being channeled though sector programs, and qualitative improvements in such programs as assessed through the SPA monitoring system;
• Development of a fiscal presentation of resource requirements for most SPA countries; and, finally
• Expansion in support to fiscal management along the lines of the SPA Guidance on Public Finance Management.

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[1] The SPA was begun in 1988 and has been organized in three-year phases. Originally called the "Special Program of Assistance" for Africa, it was renamed in December 1999 for SPA-5.

# 2. The Challenge of Poverty Reduction

## Poverty Status

### Economic Indicators of Wellbeing

Just under half of Africa's population lives in absolute poverty, defined as the equivalent of less than one dollar a day (in 1993 purchasing power parity terms), though in actual numbers most of the world's poor people live outside of Africa (Figure 1). Africa is now estimated to have the greatest incidence of income poverty in the developing world (Table 1). Furthermore, while the recent economic growth in the region has *led to a reduction in the incidence of poverty* (the headcount *falling* from 49.7 percent in 1993 to 46.3 percent in 1998), this has not been enough to prevent a *growth in the absolute numbers of people in poverty* in the region. The impoverished population was estimated to be about 290 million in 1998 (up from around 217 million in 1987).[1]

There are *large differences* in consumption poverty within and among countries in Africa, although poverty in SPA countries is at least comparable to the regional averages, if not worse. In six of the 13 countries for which data are available, more than 50 percent of the population is living on less than one dollar a day (Table 2).[2] At one extreme, Zambia suffers from widespread and deep poverty, with a one-dollar-a-day

**Figure 1. The World's Poor by Region, 1998**

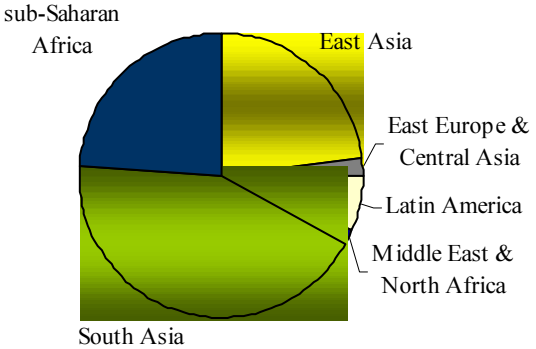



**Table 1. Population living on less than one dollar/day in developing countries**

| | *Percentage below PPP$1/day* | | | | | *Number of poor (1,000,000)* | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *1987* | *1990* | *1993* | *1996* | *1998 (est.)* | *1987* | *1990* | *1993* | *1996* | *1998 (est.)* |
| East Asia | 26.6 | 27.6 | 25.2 | 14.9 | 15.3 | 415.1 | 452.4 | 431.9 | 265.1 | 278.3 |
| East Europe & Central Asia | 0.2 | 1.6 | 4.0 | 5.1 | 5.1 | 1.1 | 7.1 | 18.3 | 23.8 | 24.0 |
| Latin America | 15.3 | 16.8 | 15.3 | 15.6 | 15.6 | 63.7 | 73.8 | 70.8 | 76.0 | 78.2 |
| Middle East and North Africa | 11.5 | 9.3 | 8.4 | 7.8 | 7.3 | 25.0 | 22.0 | 21.5 | 21.3 | 20.9 |
| South Asia | 44.9 | 44.0 | 42.4 | 40.1 | 40.0 | 474.4 | 495.1 | 505.1 | 504.7 | 522.0 |
| **Sub-Saharan Africa** | **46.6** | **47.7** | **49.7** | **48.5** | **46.3** | **217.2** | **242.3** | **273.3** | **289.0** | **290.9** |
| Total | 28.7 | 29.3 | 28.5 | 24.3 | 24.3 | 1196.5 | 1292.7 | 1320.9 | 1179.9 | 1214.2 |

*Note: The numbers are estimated from those countries in each region for which at least one survey was available during the period 1985-98. The proportion of the population covered by such surveys is given in Column 1. Survey dates often do not coincide with the dates in the above table. To line up with the above dates, the survey estimates were adjusted using the closest available survey for each country and applying the consumption growth rate from national accounts. Using the assumption that the sample of countries covered by surveys is representative of the region as a whole, the numbers of poor are then estimated by region. This assumption is obviously less robust in the regions with the lowest survey coverage. The headcount index is the percentage of the population below the poverty line.*

**Table 2. Poverty indices at PPP$/day, selected African countries**

| | | PPP$1/day | | PPP$2/day | |
|---|---|---|---|---|---|
| **Countries** | **Year** | **Headcount** | **Poverty Gap** | **Headcount** | **Poverty Gap** |
| **Kenya** | 1992 | 50.2 | 22.2 | 78.1 | 44.4 |
| **Madagascar** | 1993 | 72.3 | 33.2 | 93.2 | 59.6 |
| **Niger** | 1992 | 61.5 | 22.2 | 92.0 | 51.8 |
| **Nigeria** | 1992-93 | 31.1 | 12.9 | 59.9 | 29.8 |
| **Senegal** | 1991-92 | 54.0 | 25.5 | 79.6 | 47.2 |
| **South Africa** | 1993 | 23.7 | 6.6 | 50.2 | 22.5 |
| **Uganda** | 1989-90 | 69.3 | 29.1 | 92.2 | 56.6 |
| **Zambia** | 1993 | 84.6 | 53.8 | 98.1 | 73.4 |
| **Zimbabwe** | 1990-91 | 41.0 | 14.3 | 68.2 | 35.5 |

Note: The headcount ratio is the proportion of the total population that is in poverty. The poverty gap ratio takes into account also how far the mean consumption of poor people falls below the poverty line. Poverty head-counts are presented in more detail in Annex Table 1.

*Source: World Development Indicators, World Bank, 1999.*

headcount of almost 85 percent. Moreover, the average consumption level of poor Zambians is less than 50 cents per person per day. The situation is hardly better in Madagascar, Niger and Uganda, all of which suffer from widespread and deep-seated poverty. Poverty is less severe in the non-SPA countries that have higher average incomes, such as South Africa, Zimbabwe, and Botswana.[3] Poverty data are not available for a number of potentially eligible SPA countries, such as the Republic of Congo (Congo), Somalia, and Sudan, which have been in conflict.

The vast majority of Africans consume less than two dollars a day, a reflection of the desperately poor conditions that prevail in the continent. This also indicates how vulnerable *whole societies* are to poverty, with large tracts of the population congregating only just above the dollar-a-day poverty line. In Kenya, for example, about half of the population consumes less than one dollar a day, and another quarter lives on between one and two dollars. Dealing with poverty in the region must of necessity involve expanding the income opportunities of whole populations.

### Voices of the Poor

To these quantitative perspectives on poverty in the region must be added the views of the people who live in poverty. The World Bank has conducted a large number of participatory poverty assessments in the region, the latest being conducted as part of the World Bank's preparations for the World Development Report (on poverty) for 2000/1. These consultations in Africa (in Ethiopia, Ghana, Malawi, Nigeria, Somalia and Zambia) highlighted the difficulties facing many poor African communities; seen from this perspective,

poverty is a matter of life and death for many. Poverty is a matter of avoiding hunger, and many of the poor are preoccupied with simply obtaining the next meal. In part, this is a result of the widespread sense of insecurity that blights many communities regarding whether there will be sufficient rain for the next harvest. There are even more alarming uncertainties—internal conflict and civil war continue to threaten lives and livelihoods. Poor people are particularly anxious about conflict and what it means for their lives and the lives of their children.

Furthermore, there appears to be a fundamental distrust of state institutions in African countries. Almost universally, poor communities expressed complete trust in church organizations and in indigenous or local level institutions. There was less confidence in NGOs, and even less in government institutions. This is a serious message for external donors that rely on cooperation with governments. The pervading 'them versus us' attitude towards the state is a serious problem for poverty interventions in the region.

The emerging consensus from these consultations is that adverse economic trends, in reducing the income earning power of men, have enhanced the *economic* role of women— this being a thin silver lining to a very dark cloud. However, there has been no corresponding improvement in the social and political position of women. Many poor communities considered that structural adjustment had made matters worse for them, though this often contradicts other evidence found in the survey, as discussed below. Nevertheless, the fact that these views are expressed is in itself significant and should encourage greater consultation with civil society over the design and assessment of development policies.

These consultations did not produce a shopping list for policy makers; rather, they pointed to underlying issues. They emphasized the profound institutional and social inequalities in Africa that combine to keep communities poor and vulnerable. There are no quick fixes—the challenge is not just about getting more money into social services, or just about getting decentralization to work, important though such actions are. In effect, these voices seem to be calling for more profound changes to redress fundamental social and economic inequalities in the region. SPA aid efforts, therefore, need to emphasize the participation and capacity building of grassroots organizations.

**Poverty Trends and Inequality**

Many poor communities considered that matters had worsened in recent years. However, quantitative data on poverty trends in Africa point to a mixture of experiences (Table 3). In some countries, such as Mauritania, Uganda and Ethiopia, the evidence suggests that there have been real reductions in both urban and rural poverty, and that these reductions have filtered down to the poorest segments. In others, such as Ghana and Zambia, rural and urban sections of the population have fared differently. In Nigeria and Zimbabwe, poverty appears to have become significantly more widespread overall.

These poverty numbers must be understood as an outcome not only of years of low or negative economic growth in the past, but also of persistent and high levels of income inequality (Table 4). Only the Latin American and Caribbean region has a more unequal income distribution than Africa.[4]

**Table 3. Consumption poverty trends, selected African countries**

| | | *Headcount ratio* | |
|---|---|---|---|
| | | *Year 1* | *Year 2* |
| ***Ethiopia*** | | | |
| **1989-1995** | **Rural** | 61.3 | 45.9 |
| **1994-1997** | **Urban** | 40.93 | 8.7 |
| ***Ghana*** | **Rural** | 37.5 | 30.2 |
| **1989-1992** | **Urban** | 19.0 | 20.6 |
| **Total** | | 31.9 | 27.4 |
| ***Mauritania*** | **Rural** | 72.1 | 58.9 |
| **1987-96** | **Urban** | 43.5 | 19.0 |
| **Total** | | 59.5 | 41.3 |
| ***Nigeria*** | **Rural** | 45.1 | 67.8 |
| **1992-96** | **Urban** | 29.6 | 57.5 |

*Source: SPA country studies.*

**Table 4. Inequality in various regions in the 1990s (average Gini coefficient)**

| Region | Index of inequality |
|---|---|
| Eastern Europe | 28.94 |
| South Asia | 31.88 |
| High-income countries | 33.75 |
| East Asia and the Pacific | 38.09 |
| Middle East and North Africa | 38.03 |
| Latin America and Caribbean | 49.31 |
| Sub-Saharan Africa | 46.95 |

*Source: Deininger and Squire, 1996.*

## Non-Economic Indicators of Wellbeing

Consultations with and surveys of poor people have underscored the need for a wider perspective on poverty and living conditions in the region. People living in poverty considered their plight as being broader than just economic deprivation; they expressed feelings of isolation and helplessness. Inadequate consumption is a core dimension of poverty in Africa, but the harshness of day-to-day life facing Africans in the 1990s was also reflected in other, perhaps more direct, indicators of wellbeing including ill-health, illiteracy, lack of access to basic services, insecurity, powerlessness, social or physical isolation, and vulnerability to shocks and violence.

Two of these dimensions—mortality and educational status—illustrate levels of wellbeing in Africa in a global context (Table 5).

**Table 5. Indicators of education and mortality**

| | GNP capita ($US) | Secondary school enrollment (gross %) | Under-5 mortality rate (per 1000 births) | | | | |
|---|---|---|---|---|---|---|---|
| ***Region*** | ***1995*** | ***1993*** | ***1995*** | ***1970*** | ***1980*** | ***1990*** | ***1995*** |
| **East Asia and Pacific** | 800 | 55 | 53 | 80 | 56 | 45 | 40 |
| **Europe and Central Asia** | 2,220 | 86 | 35 | 71 | 50 | 30 | 26 |
| **Latin America and Caribbean** | 3,320 | 51 | 47 | 85 | 62 | 43 | 37 |
| **Middle East and North Africa** | 1,780 | 59 | 72 | 137 | 99 | 62 | 54 |
| **South Asia** | 350 | n.a. | 116 | 140 | 122 | 90 | 75 |
| **Sub-Saharan Africa** | 490 | 24 | 157 | 138 | 115 | 99 | 92 |
| **High-income countries** | 24,930 | 97 | 9 | 26 | 13 | 8 | 7 |

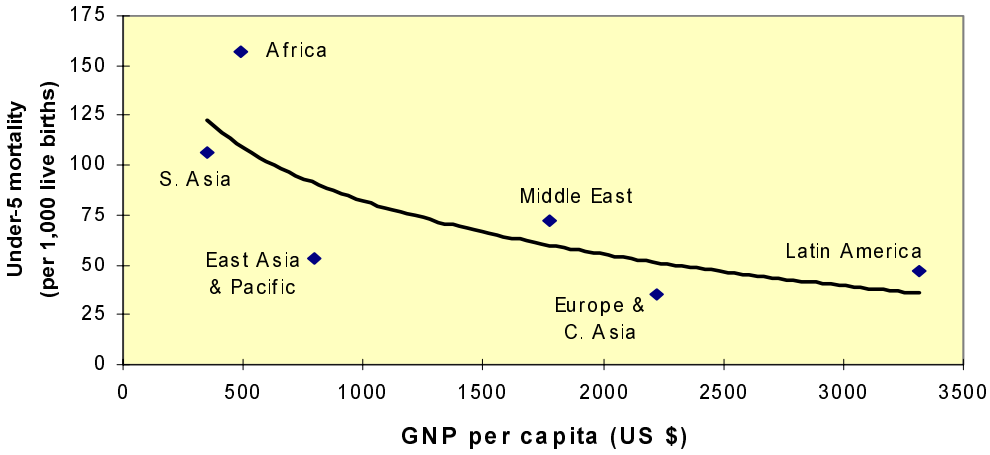
*Source: World Bank, 1997.*

### Child Mortality

**Mortality of children** is particularly sensitive to the wellbeing of the population. In sub-Saharan Africa, on average 157 out of 1,000 children die before the age of five (92 before the age of one).[5] There are vast differences across countries, however; in many African countries, including Angola, Burundi, Guinea Bissau, Mali, Malawi, Rwanda and Sierra Leone, the under five-mortality rate exceeds 200 (Annex Table 2). This compares with an under-five mortality rate of 53 in East Asia and of nine in high income countries (six in Japan and Singapore). Moreover, Africa's rates are relatively high for its income level (Figure 2). Over the past two-and-a-half decades, the developing world has experienced large reductions in infant mortality despite, in some cases, stagnant incomes. However, the slowest gains have been in sub-Saharan Africa (see Annex Table 2 for the details). Furthermore, some African countries have experienced *increases* in infant mortality during the 1990s. Kenya's rate has increased from 62 to 74 (deaths per 1000), while Zimbabwe, after major gains, has seen its rate increase from 53 to 69.

**Malnutrition of children** also remains widespread, particularly among the poor and in rural areas (Table 6). Recent studies indicate that the rates of stunting (height for age, reflecting long-term nutrition levels) exceed 20 percent in urban areas and 30-40 percent in

**Figure 2. Regional under-five mortality by GNP per capita ($US)**




rural areas in many countries. Wasting (weight for height, reflecting short-term nutrition factors) appears to have become more prevalent since the late 1980s, and has most affected the poorest 20 percent of the population (Table 7).

Overlaying longstanding health problems is the AIDS pandemic, the impact of which is now going well beyond health (Box 2), and is already reflected in the region's mortality trends. Life expectancy has *declined* in just under one-third of African countries (Annex Table 2). In the developing world as a whole, only eight countries have experienced declines of more than three years of life expectancy since 1990, and six of these are in Africa (Table 8).

**Table 6. Summary of nutrition measures for eight African countries**

| | Percent malnourished | | | | | | Change | | |
|---|---|---|---|---|---|---|---|---|---|
| | *First year* | | | *Second year* | | | *(percentage points)* | | |
| | *HAZ* | *WAZ* | *WHZ* | *HAZ* | *WAZ* | *WHZ* | *HAZ* | *WAZ* | *WHZ* |
| ***Urban:*** | | | | | | | | | |
| **Ghana** ***(1988, 1993)*** | 24.6 | 25.2 | 7.3 | 17.0 | 19.5 | 9.1 | -7.6** | -5.7* | 1.8 |
| **Madagascar** ***(1992, 1997)*** | 40.5 | 32.0 | 3.8 | 44.8 | 35.6 | 5.3 | 4.3 | 3.6 | 1.5 |
| **Mali** ***(1987, 1995)*** | 19.6 | 25.7 | 9.9 | 23.9 | 35.4 | 24.9 | 4.3 | 9.7** | 15.0** |
| **Senegal** ***(1986, 1992)*** | 17.5 | 15.3 | 3.5 | 15.2 | 16.5 | 8.8 | -2.3 | 1.2 | 5.3 |
| **Tanzania** ***(1991, 1996)*** | 38.0 | 26.0 | 5.1 | 32.6 | 20.1 | 8.1 | -5.5* | -5.9** | 3.0** |
| **Uganda** ***(1988, 1995)*** | 24.8 | 13.4 | 0.6 | 22.7 | 15.3 | 1.4 | -2.1 | 2.0 | 0.73** |
| **Zambia** ***(1992, 1996)*** | 32.8 | 20.9 | 5.4 | 32.9 | 16.7 | 3.3 | 0.1 | -4.2** | 2.1** |
| **Zimbabwe** ***(1988, 1994)*** | 16.0 | 6.9 | 1.4 | 19.0 | 13.5 | 6.5 | 3.0 | 6.6** | 5.0** |
| ***Rural:*** | | | | | | | | | |
| **Ghana** ***(1988, 1993)*** | 31.4 | 33.0 | 8.5 | 32.3 | 33.6 | 13.1 | 0.9 | 0.7 | 4.6** |
| **Madagascar** ***(1992, 1997)*** | 50.6 | 40.3 | 6.0 | 49.5 | 41.3 | 8.3 | -1.1 | 1.0 | 2.3** |
| **Mali** ***(1987, 1995)*** | 26.2 | 33.6 | 12.3 | 36.2 | 46.6 | 24.4 | 10.0** | 13.0** | 12.2** |
| **Senegal** ***(1986, 1992)*** | 26.5 | 25.9 | 7.1 | 32.7 | 33.0 | 13.4 | 6.3* | 7.1* | 6.3** |
| **Tanzania** ***(1991, 1996)*** | 45.0 | 30.4 | 6.4 | 46.1 | 33.2 | 7.3 | 1.2 | 2.8** | 0.9 |
| **Uganda** ***(1988, 1995)*** | 45.2 | 24.2 | 2.0 | 40.7 | 27.5 | 3.2 | -4.5** | 3.2** | 1.3** |
| **Zambia** ***(1992, 1996)*** | 46.5 | 29.3 | 5.0 | 48.9 | 28.4 | 4.9 | 2.4 | -0.9 | -0.1 |
| **Zimbabwe** ***(1988, 1994)*** | 34.3 | 14.6 | 1.1 | 25.0 | 18.5 | 5.6 | -9.3** | 3.9** | 4.5** |

HAZ: height for age; WAZ: weight for age; WHZ: weight for height

* (**) indicates statistical significance at the 95 (99) percent level of confidence

*Source: Sahn et al, 1999*

**Table 7. Percent of children malnourished by wealth quintile for eight African countries**

*Children between 3 and 36 months of age with anthropometric z-score less than 2*

| | *Ghana* | | *Madagascar* | | *Mali* | | *Senegal* | | *Tanzania* | | *Uganda* | | *Zambia* | | *Zimbabwe* | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Survey year** | **1988** | **1993** | **1992** | **1997** | **1987** | **1995** | **1986** | **1992** | **1991** | **1996** | **1988** | **1995** | **1992** | **1997** | **1988** | **1994** |
| ***Height for age:*** | | | | | | | | | | | | | | | | |
| **First quintile** | 34 | 38 | 53 | 50 | 28 | 38 | 27 | 35 | 43 | 46 | 48 | 43 | 49 | 46 | 41 | 23 |
| **Second quintile** | 33 | 30 | 45 | 40 | 29 | 39 | 23 | 30 | 44 | 44 | 45 | 40 | 45 | 49 | 37 | 24 |
| **Third quintile** | 30 | 29 | 51 | 51 | 25 | 34 | 24 | 30 | 43 | 42 | 44 | 40 | 39 | 43 | 27 | 25 |
| **Fourth quintile** | 27 | 23 | 50 | 49 | 26 | 32 | 25 | 20 | 40 | 39 | 42 | 33 | 30 | 33 | 25 | 22 |
| **Fifth quintile** | 21 | 17 | 44 | 46 | 17 | 21 | 13 | 14 | 26 | 28 | 27 | 25 | 27 | 27 | 12 | 12 |
| ***Weight for height:*** | | | | | | | | | | | | | | | | |
| **First quintile** | 7 | 16 | 6 | 10 | 12 | 28 | 7 | 15 | 9 | 8 | 2 | 6 | 7 | 5 | 1 | 5 |
| **Second quintile** | 9 | 10 | 8 | 7 | 11 | 22 | 4 | 14 | 44 | 10 | 4 | 7 | 7 | 7 | 2 | 4 |
| **Third quintile** | 8 | 15 | 7 | 7 | 13 | 24 | 7 | 12 | 43 | 9 | 4 | 7 | 5 | 6 | 1 | 5 |
| **Fourth quintile** | 8 | 10 | 4 | 5 | 10 | 23 | 8 | 12 | 40 | 9 | 0 | 4 | 6 | 5 | 1 | 6 |
| **Fifth quintile** | 7 | 9 | 4 | 5 | 9 | 23 | 4 | 8 | 26 | 6 | 0 | 4 | 6 | 4 | 1 | 5 |

*Source: Sahn et al, 1999*

**Box 2. HIV/AIDS in Africa**

**Of all global regions, sub-Saharan Africa has been hardest hit by HIV/AIDS.**
The 21 countries with the highest national HIV prevalence rates in the world are all in this region. Since the start of the epidemic, an estimated 34 million people living in sub-Saharan Africa (SSA) have been infected with HIV. Some 11.5 million of those people have already died, a quarter of them children. Two-thirds (22.5 million) of those presently living with HIV/AIDS are from SSA. At least 95 percent of all AIDS orphans have been African, even though only one-tenth of the world's population lives in SSA.

- **The impact of these trends is being felt at many levels:** In **households**, as the structure of families and expenditures for education and other needs are jeopardized; in the **economic sectors**, as income, purchasing power, and competitiveness decline; in the **private sector**, as absenteeism and death erode the productive work force and health insurance costs rise; and in the **national economies**, where it has been estimated that countries with high HIV prevalence will lose one percent of GDP growth per capita annually.
- A growing tide of children is living in AIDS-affected households or attempting to survive after the death of their mother, or of both parents, to AIDS. Often, the extended family— itself decimated by AIDS—can or will no longer cope.
- Surveys show that one-third of rural households affected by HIV/AIDS experienced a 50% reduction in agricultural output. An average family will see another 50% decrease in its income when a family member dies of AIDS. Such income loss could jeopardize expenditures for health, education and other basic needs.

**The crisis is worsening.** This is apparent in UNAIDS estimates for 1998 alone.

- During 1998, 1.5 million African adults died – equal to the population of Botswana. 500,000 African children died – more than the population of Equatorial Guinea.
- 3.5 million African adults were newly infected with HIV – equal to the population of Eritrea. This represented 70% of new infections worldwide.
- 0.5 million African children were newly infected at birth because their mothers already carried the HIV virus.
- In a number of SSA countries with high HIV prevalence rates, life expectancy has now fallen back to the 1950s level.

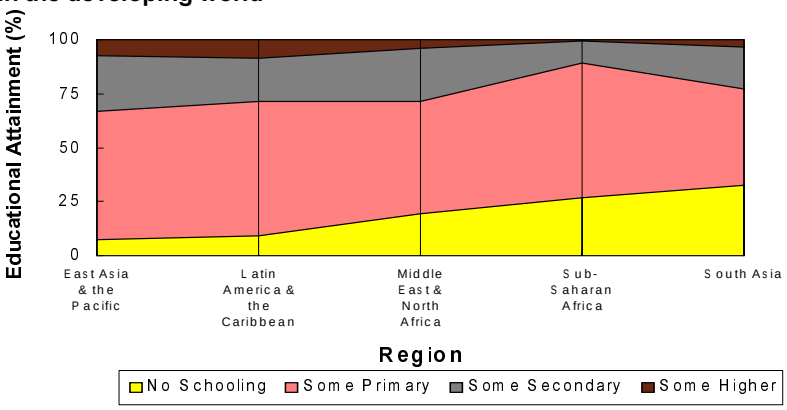
## Education

Outside sub-Saharan Africa, the bulk of the developing world has now achieved close to universal primary education enrollment, though with significant drop-out rates even before completing primary school. Sub-Saharan Africa, however, on average went backwards between 1980, when the gross primary enrollment rate was 80 percent, and 1993, when it had fallen to 72 percent (Table 9). Most of the developing world has far from universal secondary enrollment, and in Africa less than a quarter of secondary- school-aged children were enrolled in such schooling (Table 10). As a consequence, many African adults have little or no education. Some 25 percent of the adult population in sub-Saharan Africa have had no schooling and about 80 percent have had at most some primary education (Figure 3). This has a major impact on other social goals, such as child mortality, as well as on economic growth potential.

**Table 8. Declines in life expectancy since 1990 (years of life)**

| | | | |
|---|---|---|---|
| Botswana | -9.5 | Zimbabwe | -3.8 |
| Zambia | -6.0 | Kazakhstan | -3.4 |
| Kenya | -5.1 | Iraq | -3.3 |
| Uganda | -4.3 | Côte d'Ivoire | -3.1 |

**Figure 3. Educational attainment of the adult population in the developing world**




Education is also poorly distributed. Enrollment rates are lowest among poor communities, in rural areas, and for girls. Some countries (notably Ghana, Kenya, Nigeria, and Zambia) have much higher and more evenly distributed enrollment rates, especially at the primary level, but secondary school enrollment remains negligible (less than 3 percent) among the

**Table 9: Net primary school enrollment rates by consumption quintile, region, and gender**

| | | *Rural areas* | | | | | *Urban areas* | | | | | *All* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | *Poorest quintile* | | *Richest quintile* | | *All* | *Poorest quintile* | | *Richest quintile* | | *All* | |
| **Year** | ***Countries*** | ***Male*** | ***Female*** | ***Male*** | ***Female*** | ***All*** | ***Male*** | ***Female*** | ***Male*** | ***Female*** | ***All*** | ***All*** |
| **1994/95** | **Burkina Faso** | 22 | 12 | 45 | 42 | 27 | 58 | 48 | 87 | 74 | 69 | 33 |
| **1993** | **CAR** | 39 | 19 | 58 | 38 | 37 | 50 | 42 | 78 | 74 | 65 | 48 |
| **1995** | **Côte d'Ivoire** | 20 | 13 | 45 | 31 | 30 | 43 | 35 | 75 | 42 | 50 | 38 |
| **1995/96** | **Ethiopia** | 14 | 8 | 23 | 13 | 13 | 62 | 56 | 75 | 74 | 67 | 21 |
| **1992** | **Gambia** | 13 | 6 | 38 | 28 | 19 | 42 | 26 | 53 | 68 | 49 | 31 |
| **1997** | **Ghana** | 60 | 53 | 71 | 70 | 61 | 60 | 65 | 71 | 76 | 68 | 63 |
| **1994/95** | **Guinea** | 21 | 5 | 31 | 24 | 18 | 46 | 29 | 77 | 65 | 56 | 29 |
| **1994** | **Kenya** | 67 | 64 | 80 | 81 | 75 | 71 | 76 | 98 | 91 | 84 | 76 |
| **1993/94** | **Madagascar** | 10 | 13 | 44 | 41 | 26 | 38 | 37 | 66 | 70 | 57 | 31 |
| **1994** | **Mali** | 24 | 9 | 38 | 23 | 21 | 62 | 51 | 64 | 63 | 57 | 23 |
| **1995** | **Mauritania** | 25 | 18 | 52 | 38 | 34 | 48 | 51 | 71 | 58 | 58 | 44 |
| **1995** | **Niger** | 14 | 8 | 20 | 9 | 15 | 42 | 29 | 65 | 60 | 50 | 21 |
| **1992** | **Nigeria** | 48 | 47 | 71 | 62 | 51 | 56 | 55 | 74 | 73 | 63 | 56 |
| **1994/95** | **Senegal** | 21 | 22 | 32 | 25 | 22 | 47 | 50 | 84 | 82 | 63 | 37 |
| **1996** | **Zambia** | 4 | 50 | 68 | 72 | 60 | 69 | 72 | 84 | 83 | 78 | 67 |

*Source: The World Bank African Development Indicators, 1998-99.*

**Table 10: Net secondary school enrollment rates by consumption, quintile, and region**

| | | Rural areas | | | Urban areas | | | National |
|---|---|---|---|---|---|---|---|---|
| Year | Countries | Lowest | Upper | All | Lowest | Upper | All | All |
| 1994/95 | Burkina Faso | 2 | 14 | 6 | 18 | 57 | 36 | 12 |
| 1993 | Central African Republic | 21 | 22 | 23 | 42 | 62 | 52 | 36 |
| 1995 | Côte d'Ivoire | 3 | 11 | 9 | 20 | 38 | 28 | 18 |
| 1996 | Djibouti | 3 | 9 | 7 | 10 | 52 | 31 | 30 |
| 1995/96 | Ethiopia | 0 | 1 | 1 | 20 | 34 | 30 | 6 |
| 1992 | Gambia | 3 | 11 | 8 | 19 | 26 | 25 | 16 |
| 1997 | Ghana | 32 | 40 | 35 | 40 | 49 | 45 | 38 |
| 1994/95 | Guinea | 1 | 3 | 3 | 16 | 34 | 25 | 12 |
| 1994 | Kenya | 3 | 16 | 9 | 15 | 44 | 27 | 11 |
| 1993/94 | Madagascar | 1 | 23 | 8 | 15 | 64 | 41 | 15 |
| 1994 | Mali | 2 | 8 | 4 | 12 | 23 | 18 | 5 |
| 1995 | Mauritania | 1 | 11 | 6 | 17 | 33 | 26 | 15 |
| 1995 | Niger | 1 | 3 | 3 | 13 | 29 | 24 | 7 |
| 1992 | Nigeria | 26 | 46 | 38 | 41 | 61 | 58 | 46 |
| 1994/95 | Senegal | 1 | 6 | 3 | 11 | 52 | 25 | 13 |
| 1996 | Zambia | 8 | 17 | 12 | 23 | 46 | 33 | 20 |

*Source: The World Bank African Development Indicators, 1998-99.*

poor in rural areas in most countries. Even at the primary level, female enrollment among the poor is almost nonexistent in five countries (Ethiopia, Gambia, Guinea, Mali, and Niger). Poverty reduction that will extend into the next generation will require a significant extension of educational attainment in populations that are currently under-served.

## Key Elements of a Strategy for Poverty Reduction in SPA Countries

From whatever dimension—consumption poverty, direct indicators of wellbeing, or how the poor perceive their own poverty—the situation in Africa is a serious one, and in many countries has deteriorated in the 1990s. Growth opportunities have been patchy and spasmodic in most countries, and the capacity of the population at large to take advantage of such opportunities offered is at best limited. Without good health and basic education, Africans are unlikely to enjoy the fruits of economic expansion.

What are the key ingredients of a poverty reduction strategy for Africa? The first and most critical ingredient is a *broad-based commitment in the countries themselves to deal seriously with the problem of poverty*. The responsibility for dealing with this problem must be the shared responsibility of the government authorities and the wider civil society in these countries. All donor efforts are channeled through these national institutions, and the process of consultation and consensus building about the fundamental objectives of state policy is a necessary step towards framing effective actions to reduce poverty.[6] Having established some consensus regarding societal goals, the next key step will be to translate these into actions, based on an understanding of what determines the outcomes that the society is most concerned about, including reducing income poverty, improving health, enhancing education and literacy, making lives more secure, dealing with crime and violence and giving the people a voice in their own future. All of these are the concerns of poor people and should be taken up seriously in the design of public economic and social policy. They all call for public action. What are the priorities for such action? As outlined in the remainder of this chapter, they are:

- Economic growth based on sound economic policy;
- An equitable pattern of growth supported by effective delivery of basic social services and investments;
- Financial resources including adequate and appropriate support from donors.

The chapter also outlines the evolving role of the SPA in supporting poverty reduction.

### Economic Growth Based on Sound Economic Policies

Sustainable poverty reduction requires raising economic growth and in particular to expanding employment and income-earning opportunities, especially in rural areas where most of the poor are to be found.

Raising these rates would have two major benefits. First, it would enhance the consumption potential of the population, increasing food consumption, raising nutrition levels and reducing consumption poverty, and second, it would create the resource potential for increased spending on basic needs such as health and education, which, if well-targeted to poor communities, would enhance their ability to take advantage of improved employment opportunities.

Growth rates will have to be higher in Africa than in other regions, though not by a large margin, to achieve the International Development Goal (IDG) of halving extreme poverty in 25 years. Taking the one-dollar-a-day benchmark, per capita consumption would need to grow by 1.9 percent per annum to halve poverty in Africa over 25 years. This compares with 1.8 percent in Latin America, 1.3 percent in South Asia and 1.2 percent in East Asia (Table 11).

**Table 11. Required Annual Per Capita Consumption Growth to Halve Poverty in 25 Years**

| | Per capita consumption ($1/day) | growth rate required ($2/day) | Actual growth 1991-1995 |
|---|---|---|---|
| **East Asia** | 1.2 | 1.9 | 6.9 |
| **Europe and Central Asia** | 0.8 | 1.2 | 0.7 |
| **Latin America and Caribbean** | 1.8 | 2.7 | 2.0 |
| **Middle East and North Africa** | 0.3 | 1.2 | 1.1 |
| **South Asia** | 1.3 | 4.5 | 1.9 |
| Sub-Saharan Africa | 1.9 | 3.3 | -1.3 |

*Source: Chen and Ravallion ,1998; World Bank data.*

Africa differs from other regions, however, in its growth record and in projected growth to the turn of the century. Recent consumption growth rates are sufficient to get East Asia and South Asia to the poverty IDGs, but in other regions history and prospects look bleak. According to these estimates, Africa is shown to fall well short of the growth required to halve poverty by 2015.

From the country detail behind these estimates, it is clear that there are two important dimensions to Africa's poverty reduction challenge.

- First, some countries suffer from such deep economic deprivation that it will take many decades to achieve the IDG goals. Given the depth of poverty in Guinea-Bissau and Zambia, for example, halving poverty over a 25-year time horizon would require growth rates in per capita consumption of around 5 percent per annum.
- Second, even in countries where required growth is less demanding, the record of growth, at least until very recently, is extremely discouraging. In Niger, for example, it would have taken a growth in per capita consumption of less than 2 percent per annum to reach the poverty IDG by 2015, but in the early 1990s consumption per capita has declined by 2.7 percent per annum (Table 12).

**Table 12. Required and actual consumption growth: selected countries**

| *Country* | *Year of survey* | *Real consumption growth* *Required:* | *Actual:* | *Required:* |
|---|---|---|---|---|
| **Guinea-Bissau** | 1991 | 5.37 | -0.1 | 6.79 |
| **Kenya** | 1992 | 2.42 | 1.8 | 2.58 |
| **Lesotho** | 1986 | 2.90 | - 3.3 | 4.51 |
| **Niger** | 1992 | 1.78 | -2.7 | 2.93 |
| **Senegal** | 1991 | 2.79 | -1.4 | 3.87 |
| **Uganda** | 1989 | 2.34 | 3.0 | 2.18 |
| **Zambia** | 1993 | 4.94 | -2.0 | 6.75 |
| **Zimbabwe** | 1990 | 1.87 | 3.7 | 1.42 |

*Note: Growth rate required to achieve IDG goal taking into account growth up to 1995*
*Sources: Chen and Ravallion, 1998; Bank staff calculations.*

The inadequate growth that has already been recorded means that the required growth to achieve a halving of poverty over the 25-year period from 1990 will now have to be adjusted upward. The final column of Table 12 reports what these new growth targets have to be if the IDG for income poverty reduction is to be achieved. In all countries except Uganda and Zimbabwe, per capita

consumption must grow by around 3 percent or more per annum over the 20-year period 1995-2015, and in Guinea Bissau and Zambia it would now have to grow by almost 7 percent per annum over the same period to reach the IDG.

Recent research findings by Ali and Thorbecke (1998) strongly suggest that measures which help reduce fundamental structural inequalities in income in sub-Saharan Africa can be effective in reducing income poverty. This effect becomes more convincing the greater the weight that is given to the poorest groups. The high existing levels of income inequality in the region not only inhibit the poverty reduction impact, but they also can harm the pace of economic growth itself. There is a growing body of evidence (Alesina and Rodrick, 1994; Deninger and Squire, 1998) that high income inequality is inimical to rapid growth. One specific manifestation of inequality that has recently been highlighted is *gender inequality*. The *1998 SPA Status Report on Poverty in Sub-Saharan Africa* examines the links between gender inequality, growth, and poverty in SSA. This report documents the interdependence of market and household economies, and the structural roles of men and women in African economies. Based on country-level case studies, macroeconomic growth modeling and gender analysis of household survey data, it concludes that reducing gender-based asset inequality increases growth, efficiency and welfare. A summary of its principal findings and recommendations is shown in Box 3.

*Economic performance of SPA countries*

An essential requirement for raising growth rates is the establishment of peace and security. Establishing a sound economic policy framework is equally essential. Supporting growth-oriented reform programs to achieve these goals has been at the core of the SPA since its inception, *and these efforts have begun to pay off in higher growth.*

While it is too early to assess the economic outcomes for the full SPA-4 period, it is clear that the economic performance of SPA countries has improved markedly since the mid-1990s. On average, annual gross domestic product (GDP) growth was 4.7 percent; per capita GDP growth was 1.8 percent.[7] Gross domestic sav-

**Box 3. Key gender dimensions of growth and poverty in sub-Saharan Africa**

**Gender in Economic Structure.** Men and women have structural roles in economic production, though they are not evenly distributed across the productive sectors. Consequently, different sectoral growth paths make different demands on men's and women's labor and have different implications for the division of labor and income.
**Gender Inequality Limits Growth.** Gender inequality persists in access to and control of a range of productive, human, and social capital assets. Consequently, economic constraints, opportunities, incentives and needs differ along gender lines. This directly affects growth, supply response, efficiency, labor productivity, resource allocation and welfare within the household. Micro-level analyses portray a consistent picture of gender-based asset inequality acting as a constraint to growth and poverty reduction. Africa's "missed potential" in agriculture is considerable:

- **Burkina Faso:** Shifting labor and fertilizer between men's and women's plots could increase input by 10 to 20 percent.
- **Kenya:** Giving women farmers the same inputs and education as men could increase yields by more than 20 percent.
- **Tanzania:** Reducing time burdens of women could increase cash incomes for smallholder coffee and banana growers by 10 percent.
- **Zambia:** If women had the same capital investment in inputs, including land, their output could increase by up to 15 percent.

**Macroeconomy.** Gender inequality in education and employment is estimated to have reduced SSA's *per capita* growth during 1960-92 by 0.8 percentage points per year, which accounts for up to one-fifth of the difference in growth performance between SSA and East Asia over this period. While this is far from the overriding factor, it is an important constituent element in accounting for SSA's poor economic performance.
**Two Economies.** The "market" and the "household" economies co-exist and are interdependent—consequently, there are both trade-offs and externalities for labor and resource allocation, and for prioritizing investment choices between and within these economies. Children are closely integrated into household production systems, and the patterns that disadvantage girl-children begin very early.

Source: Blackden and Bhanu, 1999.

ings (GDS) and gross domestic investment (GDI) as a share of GDP averaged about 6 percent and 18.4 percent respectively over the period. While GDI rose by about one percentage point of GDP, the increase in GDS as a share of GDP was marginal. Overall budget deficits fell by about 2.4 percent of GDP, and averaged just over 7 percent of GDP.

*SPA countries versus the rest of sub-Saharan Africa*

Compared to the rest of sub-Saharan Africa, SPA countries registered on average more rapid growth in GDP and per capita GDP. (This comparison is summarized in Table 13.) The more rapid growth in GDP and per capita GDP is notable because it differs from the pattern shown between 1990 and 1994, when the SPA countries grew more slowly than other countries in SSA and suffered a larger decline in per capita GDP. The more significant differences, not surprisingly, are in the other outcomes. As a group, the SPA countries had much lower ratios of savings, investment, and government revenue to GDP, and much larger external and internal imbalances (before grants). But after grants, their fiscal deficits were lower than those of non-SPA countries as measured by their ratios of current account deficits and overall budget deficits to GDP.

**Table 13. Economic performance—SPA countries and non-SPA SSA (95-98)*/**

| | *SPA-4 countries* | *Non-SPA-4 SSA* |
|---|---|---|
| **GDP growth (average annual)** | 4.7 | 3.7 |
| **GDP per capita growth (average annual)** | 1.8 | 1.2 |
| **Export (GNFS) growth (average annual)** | 4.6 | 4.8 |
| **Gross Domestic Investment (% of GDP)** | 18.4 | 24.6 |
| **Gross Domestic Savings (% of GDP)** | 5.8 | 19.5 |
| **Current Account Deficit (% of GDP)** | -9.2 | -6.3 |
| **Overall Budget Deficit: before grants (% of GDP)** | -8.3 | -5.2 |
| **Government Revenue (% of GDP)** | 19.8 | 28.5 |

**/ Excluding Equatorial Guinea*

*Relating performance to policies*

The SPA-4 agenda as well as the independent evaluation of the SPA by the World Bank's Operations Evaluation Department (OED) point to *the differentiation of economic performance within the group of SPA countries*.[8] One indication of this differentiation in performance during the 1995-1998 period is seen in the large differences between the median and the mean growth rates of GDP, per capita GDP and exports in SPA countries. In each case the mean is much lower than the median, signifying a small number of very poor performers.[9] For instance, the mean annual per capita GDP growth rate is about 1.3 percent while the median is almost 2.8 percent. The question arises as to how this differentiation in economic outcomes across countries is associated with variations in their implementation of policy reforms, and it is this issue that is examined in the remainder of this section.

**Differences in overall policy ratings**. To analyze this relationship, SPA countries are classified according to the quality of their policy frameworks. Countries are grouped according to the scores on their overall policy framework as measured in the Bank's annual Country Policy and Institutional Assessment (CPIA) exercise.[10] On this basis, countries that have sustained good policies over the period are identified and their economic performance as a group is compared to that of the group of countries whose policies have been uniformly poor, as well as to the economic outcomes for countries whose policies have neither been uniformly good nor uniformly poor.

Ten countries had above-average overall policy ratings during the period 1995-1998; this group is referred to as reformers. On the other hand, there are five countries with consistently unfavorable overall policy ratings. This group is referred to as the non-reformers. Among the remaining 15 SPA countries, there are two additional sub-groups of four countries each. The first is made up of countries whose overall policy ratings rose significantly during the period, to levels that in 1998 were above average; these are the so-called improvers. The other group consists of the countries whose overall ratings fell sharply over the period, from levels that were average or above average to unfavorable levels in 1998; these are termed the regressors.

There are striking differences in economic performance between the reformers on the one hand and the non-reformers on the other **(**Table 14**).** *Countries with policy ratings that were above average registered much higher GDP and per capita GDP growth rates (over two percentage points higher annually) and saw higher export growth.* Their external and internal imbalances were significantly smaller than the average, as is seen also in their higher shares of domestic savings and government revenue in GDP. It is interesting to note, however, that the shares of domestic investment in GDP do not differ much across these groups of countries. This points to the inefficiency of investment in the non-reformers, rather than to a lack of investment as being the source of their poor economic performance.

The group of countries in the middle—whose overall policy ratings were between those of the reformers and the non-reformers—saw growth rates of per capita GDP that were between those of the two extreme groups. However, the average growth rates of GDP and exports among this group were lower than among the non-reformers. Their external and internal imbalances were not as large as for the non-reformers, and their average ratios of domestic savings and revenue to GDP were closer to that of the reformers. Given the heterogeneity of this middle group of countries, it is useful also to look more closely at the economic outcomes in two sub-groups—the improvers and the regressors. The sustained rise in the overall policy ratings of the improvers is mirrored in the improvement of their economic performance. Even com-

**Table 14: SPA countries—Economic outcomes and overall policy ratings (1995-98)**

| | *All SPA 1/* | *Reformers 2/* | *Non-Reformers 3/* | *Others* | *Improvers 4/* | *Regressors 5/* |
|---|---|---|---|---|---|---|
| **No. of Countries** | 30 | 10 | 5 | 15 | 4 | 4 |
| **GDP growth (av. ann.)** | 3.9 | 5.1 | 3.4 | 3.4 | 5.9 | 0.3 |
| **GDP per capita growth (av. ann.)** | 1.0 | 2.3 | 0.1 | 0.6 | 3.1 | -2.3 |
| **Export (GNFS) growth (av. ann.)** | 5.4 | 7.7 | 5.7 | 3.9 | 4.7 | -2.8 |
| **GDI (% of GDP)** | 19.6 | 19.8 | 20.0 | 19.1 | 22.0 | 18.6 |
| **GDS (% of GDP)** | 5.7 | 7.0 | -6.8 | 8.8 | 13.6 | 11.3 |
| **Current Account Deficit (% of GDP)** | -12.4 | -7.3 | -21.9 | -12.1 | -8.1 | -10.2 |
| **Overall Budget Deficit (% of GDP) 6/** | -9.8 | -7.7 | -19.6 | -8.0 | -6.4 | -6.9 |
| **Government Revenue (% of GDP)** | 16.2 | 19.8 | 12.4 | 15.0 | 13.1 | 17.9 |
| **Changes in:** | | | | | | |
| **GDI/GDP** | 1.3 | 3.8 | -1.2 | -0.6 | -0.5 | -0.8 |
| **GDS/GDP** | 1.5 | 1.5 | 0.3 | 1.6 | 3.0 | 0.3 |
| **CAB/GDP 6/** | 0.0 | -0.1 | -0.5 | 2.5 | -1.8 | -7.2 |
| **Overall Budget Deficit/ GDP 6/** | 1.7 | 1.7 | 3.7 | 1.1 | 2.0 | 0.5 |
| **Revenue/GDP** | 0.7 | 0.6 | -0.3 | 0.7 | 1.0 | 0.7 |

***Notes:***
*1/ Mean (excluding Equatorial Guinea)*
*2/ Benin, Côte d'Ivoire, Eritrea, Ethiopia, Ghana, Mali, Mauritania, Senegal, Uganda, and Zambia; excludes Eritrea for gross domestic savings and current account balance*
*3/ Burundi, Central African Republic, Comoros, Rwanda, and São Tomé and Principe*
*4/ Cameroon, Guinea, Mozambique and Tanzania*
*5/ Congo (Rep), Kenya, Madagascar, and Sierra Leone*
*6/ Excluding official grants*

pared to the reformers, growth in GDP and per capita GDP in these countries was faster; their average shares of GDI and GDS in GDP were higher, and their budget deficits were smaller. However, the relatively more fragile nature of their economic recoveries compared to the reformers, can be seen in their larger current account deficits and lower revenue mobilization. The regressors, on the other hand, performed much worse than the non-reformers. On average, their GDPs barely grew, their per capita GDP fell, and exports shrank. Although their external and internal imbalances were not as large as for the non-reformers, the trends among this group in terms of worsening current account deficits (an increase of over 7 percent of GDP) and the lack of improvement in the budget deficit were worse than for the group of non-reformers.

*Differences in social and macroeconomic stability and structural reforms*

While the preceding discussion illustrates how recent economic performance has been related to the overall policy stance of countries, it does not separate out the specific aspects of the policy environment that might have contributed to these differences in economic performance. A useful way of looking at the relationship in a more disaggregated manner is to filter the performance of the SPA countries during the recent period. This approach attempts to separate the effects on economic performance by sequentially applying minimum standards of social stability, macroeconomic stability and structural reforms. In this manner, the effects of each of these three sets of factors on economic outcomes can be inferred.[11]

As Table 15 shows, five SPA countries (Burundi, Central African Republic, Congo, Rwanda and Sierra Leone) did not meet the test of a minimum level of social stability during part or all of the relevant period. Of the remaining 20 countries, only nine were able to maintain an adequate level of macroeconomic stability during the period. Of these nine countries, only five (Benin, Côte d'Ivoire, Eritrea, Mauritania and Uganda) also implemented programs of structural reform in a sustained manner. How did economic outcomes differ between these groups of countries?

**Table 15. SPA countries: Economic outcomes (1995-1998)**

| | *All SPA Countries 1/* | *SPA Countries with Social Stability 2/* | *SPA Countries with Social and Macro. Stability/3* | *SPA Countries with Social, Structural and Macro. Stability 4/* | *SPA Countries that lacked Social Stability 5/* |
|---|---|---|---|---|---|
| **No. of countries** | 30 | 25 | 9 | 5 | 5 |
| **GDP growth (av. ann.)** | 4.0 | 4.4 | 5.3 | 5.4 | 2.0 |
| **GDP per capita growth (av. ann.)** | 1.0 | 1.6 | 2.5 | 2.7 | -1.5 |
| **Export (GNFS) growth (av. ann.)** | 5.4 | 6.2 | 7.6 | 5.9 | 1.6 |
| **GDI (% of GDP)** | 19.5 | 20.6 | 20.1 | 20.0 | 13.9 |
| **GDS (% of GDP)** | | | | | |
| **Current Account Deficit (% of GDP)** | -12.4 | -12.8 | -8.0 | -7.5 | -10.3 |
| **Overall Budget Deficit (% of GDP)** | - 9.8 | -10.1 | -7.5 | -8.1 | -8.4 |
| **GDI growth (av. ann.)** | 9.0 | 9.5 | 11.7 | 17.3 | 6.4 |
| **Changes in:** | | | | | |
| **GDI/GDP** | 0.8 | 1.1 | 3.5 | 5.7 | -0.8 |
| **CAB/GDP** | 0.1 | 0.3 | -2.0 | -4.3 | -1.0 |
| **Overall Budget Deficit/GDP** | 1.8 | 1.6 | 1.8 | 2.0 | 2.6 |

Notes:
*1/ Excludes Equatorial Guinea*
*2/ All except Burundi, Central African Republic, Congo, Rwanda, and Sierra Leone*
*3/ Benin, Côte d'Ivoire, Eritrea, Ethiopia, The Gambia, Mali, Mauritania, Senegal, and Uganda*
*4/ Benin, Côte d'Ivoire, Eritrea, Mauritania and Uganda*
*5/ Burundi, Central African Republic, Congo., Rwanda, and Sierra Leone*

**The maintenance of social stability obviously accounted for a significant difference in growth performance.** The five countries that lacked social stability grew, on average, at less than half the annual rate of those that maintained social stability. Consequently, their average per capita incomes declined over the period. Relative to the other SPA countries, those that were unable to maintain social stability also saw significantly lower growth in exports, and suffered a decline in the ratio of gross investment to GDP.

Among the countries that were able to maintain social stability over the period, the comparison between those that maintained macroeconomic stability and those that did not is also instructive. *On average, the nine countries with macroeconomic stability had GDP growth rates that were almost one percentage point higher than the rest of the socially stable group, and this translated into roughly the same difference in average per capita GDP growth rates between the two groups.* Given that they maintained macroeconomic stability, these countries also had smaller internal and external imbalances, with overall budget deficits about 2.5 percent of GDP lower and current account deficits almost 5 percent of GDP lower than the other countries. Moreover, these countries, unlike the larger group with social stability alone, reduced their current account deficits by about 2 percent of GDP during the period, which contributed to the maintenance of macroeconomic stability. Two other points are worth noting. First, although these countries did not have higher investment to GDP ratios over the period than the larger group of stable countries, they were able to increase their investment to GDP ratios by more (3.5 percent of GDP), and experienced more rapid growth in domestic investment during the period. Second, although their average current account deficits were smaller than the group of stable countries, their current account deficits (before grants) widened over the period. This divergence likely reflects the welcome tendency for aid flows to favor better-performing countries that are able to maintain macroeconomic stability.

Turning to the comparison of economic outcomes for the group of nine countries with macroeconomic stability with the five countries that combined macroeconomic stability with structural reforms, there is a smaller improvement in growth performance. For the latter, growth in GDP and per capita GDP was slightly higher. Although their exports grew more slowly, their current account balances were in better shape, with more improvement over the period. Furthermore, while the ratios of investment to GDP were comparable across the two groups, countries that combined macroeconomic stability with structural reform saw much higher growth in investment and larger increases in this ratio over the period. Finally, these countries also cut their budget deficits more sharply. While these reductions helped maintain macroeconomic stability, these countries still had higher average budget deficits than the larger group of countries that maintained macroeconomic stability but did not sustain structural reforms, pointing again to more aid resources in the form of budget support flowing to these better-performing countries.

### The Pattern of Growth: The Importance of Equity

The pattern of growth also has a powerful influence on the pace of poverty reduction. If large tracts of the population remain disengaged from markets, services and infrastructure, it is likely that income inequalities will widen as they get left behind. However, if there is a major switch towards *inclusive policies* which link such groups to mainstream economic activity, then there is every chance that income distribution will improve over time with growth.

A key factor in linking disengaged groups to mainstream economic activity is equity in public services. Broad-based investment in human development can not only raise overall aggregate growth rates, which is one of the key initial conditions identified in the literature as determining the economic performance of countries (and one of the main factors underpinning the low growth predictions for Africa noted above), but if properly managed, it can also reduce income disparities by giving the poorer population the ability to benefit from the economic opportunities that growth provides. In terms of the above simple exercise, raising human capabilities (notably health and education) would reduce the required aggregate growth rates to achieve any given poverty target (by improving income distribution), and it would also raise predicted growth. It must further be recognized that higher growth also has favorable effects on human development. Higher incomes make it easier for governments to provide health and education services, and for households to make use of them.

Human development can be considered a metaphor for a wide range of *structural inequalities* which characterize most African countries, and which are exclusionary in nature: poor access to health, education, roads, water, extension services, family planning, productive assets, credit, and social capital. Many of these structural inequalities also have serious *gender* dimensions, which both hinder growth and lead to higher inequality and poverty.[12]

Raising human capabilities in Africa will require action across a wide front. Reducing child mortality will require improved food consumption, better quality water, improvements in female education, reduced disease-bearing vectors, immunization programs, post-natal care, basic clinical services, and better economic livelihoods. Further, the IDG goals for child nutrition are not likely to be met without significant improvement in current trends in these same areas. Similar principles would apply to other human wellbeing objectives, such as raising levels of education attainment. Not all of these involve public services and public spending, but many of them do. To what extent are fiscal policies in Africa achieving these improved outcomes?

### *Health and education spending*

Information on the extent to which public spending on human capital development is reaching the poor remains very patchy. This is partly a function of the weakness of public management in many poor countries, but it also reflects the fact that a large share of capital and current expenditures in the social sectors are provided by external donors (as well as NGOs and religious groups) and these are not typically integrated into the government's accounts or even necessarily known to the government.

Two clear messages emerge from the incidence of government health spending (Table 16).

- First, health spending in many countries is not well targeted to the poorest population. Typically the share of the subsidy going to the poorest 20 percent is significantly less than that to the richest quintile. The inequality is greater in some countries (notably Côte d'Ivoire, Ghana, Guinea and Madagascar) than others. The richest quintiles appropriate shares far in excess of 20 percent (the only exception being South Africa, where the richer households use mainly privately provided care).
- Second, health spending is reasonably progressive. Taking the subsidy received as a share of total household expenditure, the poorest quintile gains more than the richest. This is particularly striking in South Africa, but is also true of the other countries.

The results of a similar exercise for education spending in nine African countries are reported in Table 17. As with health, the subsidy is generally progressive but poorly targeted. In absolute terms, the poorest quintile gains less than 20 percent of the subsidy—but

**Table 16. Benefit incidence of public spending on health in selected countries**

| | *Quintile shares of:* | | | | | | | | *Total subsidy as* | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *Primary facilities* | | *Hospital outpatient* | | *Hospital inpatient* | | *All health* | | *percent of per capita expenditure** | |
| | *Poorest* | *Richest* | *Poorest* | *Richest* | *Poorest* | *Richest* | *Poorest* | *Richest* | *Poorest* | *Richest* |
| **Côte d'Ivoire (1995)** | 14 | 22 | 8 | 39 | | | 11 | 32 | 2.0 | 1.3 |
| **Ghana (1992)** | 10 | 31 | 13 | 35 | 11 | 32 | 12 | 33 | 3.5 | 2.3 |
| **Guinea (1994)** | 10 | 36 | 1 | 55 | | | 4 | 48 | n.a. | n.a. |
| **Kenya** (1992)** | 22 | 14 | 13 | 26 | | | 14 | 24 | 6.0 | 1.1 |
| **Madagascar (1993)** | 10 | 29 | 14 | 30 | | | 12 | 30 | 4.5 | 0.5 |
| **Tanzania (1992/93)** | 18 | 21 | 11 | 37 | 20 | 36 | 17 | 29 | n.a. | n.a. |
| **South Africa (1994)** | 18 | 10 | 15 | 17 | | | 16 | 17 | 28.2 | 1.5 |

* Hospital subsidies combine in- and out-patient spending in Côte d'Ivoire, Guinea, Kenya, Madagascar, and South Africa.
** Rural only

*Source: Castro-Leal et al, 1999.*

**Table 17. Benefit incidence of public spending on education in selected countries**

| | Quintile shares of: | | | | | | | | Total subsidy as % | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Primary subsidy | | Secondary subsidy | | Tertiary subsidy | | Total subsidy | | Of per capita expenditure | |
| | Poorest | Richest | Poorest | Richest | Poorest | Richest | Poorest | Richest | Poorest | Richest |
| **Côte d'Ivoire (1995)** | 19 | 14 | 7 | 37 | 12 | 71 | 13 | 35 | 12.5 | 4.6 |
| **Ghana (1992)** | 22 | 14 | 15 | 19 | 6 | 45 | 16 | 21 | 13.4 | 3.1 |
| **Guinea (1994)** | 11 | 21 | 4 | 39 | 1 | 65 | 5 | 44 | | |
| **Kenya (1992)** | 22 | 15 | 7 | 30 | 2 | 44 | 17 | 21 | 27.8 | 1.9 |
| **Malawi (1994)** | 20 | 16 | 9 | 40 | 1 | 59 | 16 | 25 | 2.3 | 1.4 |
| **Madagascar (1993)** | 17 | 14 | 2 | 41 | 0 | 89 | 8 | 41 | 7.2 | 3.4 |
| **South Africa (1994)** | 19 | 28 | 11 | 39 | 6 | 47 | 14 | 35 | 42.1 | 5.1 |
| **Tanzania (1993/94)** | 20 | 19 | 8 | 34 | 0 | 100 | 14 | 37 | | |
| **Uganda (1992)** | 19 | 18 | 4 | 49 | 6 | 47 | 13 | 32 | 4.3 | 1.5 |

*Source: Castro-Leal et al (1999).*

in most cases (Côte d'Ivoire, Guinea, Madagascar, South Africa, Tanzania and Uganda) it gains significantly less. The richest quintile, on the other hand, is shown to gain far more—especially in Côte d'Ivoire, Guinea, Madagascar, South Africa and Tanzania. Still, the public education subsidy is more equally distributed than household income or expenditure. As a share of total household expenditure, the poor receive more than do the rich from sending children to subsidized schools (particularly in Kenya and South Africa). Generally, education subsidies represent a greater gain to poor households in these countries than do health subsidies.

In some respects, the data in Table 16 and Table 17 underestimate the true inequality in access to health and education services, as they do not take into account variations in the quality of service provided. One of the major challenges facing African governments is to raise the standard of service in both the health and the education sectors provided to the population at large. This may require additional resources, but it also calls for better and more efficient management of the resources allocated to these sectors.

## Financial Resources for Development and the Role of Donors

External resources, provided mainly by donors, play a critical role in accelerating growth and poverty reduction in SPA countries. With median GDS rates of only around 6 percent, the level of investment that could be financed without resort to foreign savings would not be sufficient for any progress to be made in per capita incomes. An *adequate volume* of external resources will be necessary for growth and poverty reduction. Foreign savings, primarily in the form of concessional assistance from donors, is providing the difference, though many would argue that the current investment rates in SPA countries (a median of 18 percent) are still well below what is necessary, based on the experiences in East Asia and elsewhere, for sustained and rapid growth. From a balance of payments perspective, imports exceeded exports by about 30 percent during SPA-4. In addition, debt service payments made (even after debt relief) have been equivalent to an average of about 20 percent of exports. Debt stocks (on a net present value basis) are on average equivalent to 288 percent of exports (1997), well above accepted sustainability thresholds. In this context, the large financing needs of these countries can only be met on a sustainable basis if the resources are made available on *appropriate terms*—on a grant or highly concessional basis. Furthermore, new flows must be combined with further *debt relief* if the existing levels of debt are to be brought to sustainable levels.

### *Quick-Disbursing Support*

The *form* of external support is as important as the volume. The SPA began from the recognition that project support by itself would be ineffective if adequate quick-disbursing financing was not available to ensure

that economic reforms could be pursued within a sound economic framework. Investment projects could not be implemented effectively if governments were starved of the resources needed to meet current requirements (including debt service). *Quick-disbursing assistance*, not tied to specific investment expenditures, has been necessary to meet these needs. The resources mobilized and coordinated through the SPA have been able to perform this function for countries undertaking reform.

SPA financing—non-project support of reform programs—during the SPA-4 period (1997-99), whether through relief of debt service (including arrears) or through disbursement of quick-disbursing assistance, has averaged about $11 billion annually so far (Table 18). Debt relief has been the largest source of meeting financing needs, and it has been rising. Debt relief will be given greater impetus during SPA-5through the enhanced HIPC Debt Initiative, which will provide assistance once countries reach their decision points.[13] Disbursements of new flows of quick-disbursing assistance—the core resources mobilized though the SPA—averaged about $2.5 billion per year during SPA-4. About 52 percent of these resources have come from the IDA (29 percent) and the IMF (23 percent), and 48 percent from the other agencies in the SPA.

These amounts have been in line with the identified financing needs of the countries that have been pursuing reform programs supported by the SPA. However, both the level and the share of donor resources to SPA countries that have been flowing as quick-disbursing assistance have been falling. In part, this is a reflection of the progress that has been made by a number of SPA countries in achieving macroeconomic stability, so that their need for balance of payments support has been moderating. This has allowed some substitution of other forms of assistance for quick-disbursing support. The SPA continues to serve as the primary forum to coordinate efforts on a region-wide basis, to ensure that reform programs receive adequate amounts of funding in the form and timing that are needed.

*Sector Support*

Other donor flows have been traditionally classified as project assistance. These also have been undergoing a significant evolution, most notably though the development of sector programs (SPs).

The sector approach is one response—among others—to the performance of traditional aid forms. Although structural reforms have significantly improved the macroeconomic and sectoral policy environment in many SSA countries, the effectiveness of aid in many cases has not met expectations. Commonly cited impediments include, inter alia, a proliferation of poorly-coordinated projects, low levels of government ownership and commitment, failure to adequately budget for recurrent costs, lack of consistency between capital investment, recurrent expenditure requirements and the macroeconomic framework, and inadequate emphasis on building local capacity.

The key feature of SPs is the integration of donor support within a comprehensive sector strategy (defined by the government, agreed upon by the major donors, and based on a sector-wide analysis) and a consistent budget framework that covers several years forward. Within this framework, SPs attempt to link sector expenditure with the overall macroeconomic framework and, thus, help improve public expenditure management. The design process is intended to enhance the recipient country's ownership of the programs, and its management capacity and responsibility. Finally, SPs function as an umbrella to help ensure the coherence of government and donor activities.

Over the past few years, the evolving sector approach has been tried in about 25 programs.[14] Acceptance of this approach has been most enthusiastic in the education, transport and health sectors, which are integrated systems with relatively straightforward management structures, and which thus lend themselves to the SP approach. About half of the identified sector programs are in health and education, and another nine are in roads. Agriculture and other sectors, which account for the remaining SPs, involve important nongovernmental or cross-sectoral input and pose a greater challenge to the development of coherent and manageable programs.

To date, experience has been promising, though mixed. There is considerable promise with respect to increased emphasis on the development of sector strategies and coherent sector policy frameworks, an improved level of donor coordination and more recently, in some cases there is greater flexibility in design that permits adjustment to changing circumstances.

Another area where progress is being made is in promoting local ownership and stakeholder participation

| | SPA-1 1988-90 | SPA-2 1991-93 | SPA-3 1994-96 | SPA-4 1997-99 |
|---|---|---|---|---|
| **Requirements** | 23.5 | 29.4 | 50.2 | 52.9 |
| Imports | 16.1 | 20.3 | 30.2 | 35.3 |
| Debt Service (including arrears) | 6.8 | 8.0 | 16.9 | 16.0 |
| Reserves | 0.3 | 0.4 | 2.0 | 0.6 |
| Current transfer payments | 0.3 | 0.7 | 1.1 | 1.1 |
| **Resources:** | 16.8 | 21.4 | 35.2 | 38.1 |
| Exports | 10.6 | 12.8 | 23.3 | 26.2 |
| Current transfer payments | 1.3 | 2.7 | 3.8 | 3.6 |
| Project | 5.0 | 5.1 | 6.7 | 7.4 |
| Other | 0.0 | 0.9 | 1.5 | 0.9 |
| Other | | | | |
| **A. Financing gap before SPA** | 6.7 | 7.9 | 15.0 | 14.9 |
| **B. Adjustment** | 2.4 | 2.9 | 3.6 | 2.4 |
| IDA financing | 0.5 | 0.8 | 1.1 | 0.7 |
| IMF financing | 0.5 | 0.4 | 0.6 | 0.6 |
| SPA cofinanciers | 1.3 | 1.6 | 1.6 | 1.0 |
| IDA 5th Dimension | 0.1 | 0.1 | 0.2 | 0.1 |
| Sixth Dimension | 0.0 | 0.0 | 0.1 | 0.1 |
| **C. Debt relief including arrears)** | 2.3 | 2.6 | 3.4 | 7.2 |
| **D. Total SPA funding** | 4.7 | 5.5 | 7.0 | 9.6 |
| **Memo:** | 2.0 | 7.2 | 24.1 | 10.2 |
| Arrears - stock end-period | 1.4 | 7.2 | 24.1 | 10.2 |
| Other financing | 0.6 | 0.0 | 0.0 | 0.0 |
| *(percent of adjustment financing)* | | | | |
| IDA | 25.0 | 30.3 | 36.3 | 31.4 |
| IMF | 19.4 | 13.0 | 15.9 | 24.6 |
| SPA | 55.6 | 56.7 | 47.8 | 44.0 |

*Source: Country Status Reports* 15-Nov-99

*Note: SPA-1 includes 21 countries, SPA-2 27 countries, and SPA-3 and SPA-4 30 countries.*

in the design and implementation of SPs. This approach is considered critical to the success of the SP: If the program is not the government's, and those involved in or affected by it do not have a hand in its formulation and execution, it is unlikely to be successful. For this reason, much emphasis has been put on promoting local ownership. Arguably, SPs give more priority to this and show more progress in achieving it than do other types of operations. In administrations with thin leadership capacity, however, there is a risk that ownership of the agreed upon program may evaporate quickly with one or two changes in personnel—a serious risk for SPs. This highlights the importance of broad participation in providing a good foun-

dation for the program in civil society.

A number of the SPs were initially too ambitious and had to be reduced in scope. Under the current performance rating system, 19 of the 21 World Bank-supported SPs presently being implemented are rated as satisfactory. The most common implementation problems manifested are weak project management, slow disbursement and limited procurement progress, all of which reflect weak institutional capacity. The most common design problems are found primarily in three areas. Institutional capacity analysis is not always adequate as a basis for the design of the program. Where failures have occurred, it has generally been because the program was too ambitious for the available institutional capacity, and/or there was insufficient support for the capacity-building needed to implement the program. Second, there is sometimes a lack of consistency with the macroeconomic program, and too frequently there is insufficient or poor quality analysis of consistency. Finally, design problems are found in a lack of common implementation arrangements. Efforts are underway in a number of operations to harmonize donor requirements, but this is still at an early stage. A common basket is in place only in Ghana Health and under discussion in Mozambique, and a some donors are still bound by inflexible rules or have not yet concluded that this is an important objective.

Overall, the recent evolution of SPs indicates that they are becoming an important instrument in the effective provision of development assistance. The lessons of the past, in terms of design weakness, are being taken into account and, in fact, the nature of the SP instrument tends to compel attention toward a number of critical issues that determine its development impact. Thus, in the latest generation of SPs, there has been increased emphasis on institutional capacity analysis and strengthening, with full assessments being carried out and action plans begun before the operation is launched. It is now generally agreed that this is an imperative, given the importance of capacity-building to the success of these ambitious programs. Another technique in improving SPs is the development of common implementation arrangements. Donors are considering the feasibility of basket arrangements for sectoral budget support, and this is being piloted in a few countries. This is aimed at promoting both local ownership and more effective utilization of limited local management capacity. Common implementation arrangements can also facilitate the use of the budget support modality.

**The SPA Partnership**

Early in SPA-4, as the Partnership approached its tenth year, the donors decided to undertake a broad review of the SPA experience and its possible future directions.

*Independent Evaluation*

At the December 1996 SPA meeting, it was agreed that the World Bank's Operations Evaluation Department (OED) would be commissioned to prepare an independent evaluation of the SPA. To provide guidance during the evaluation process, a Reference Group was established, comprised of representatives of the SPA membership as well as representation of Africans knowledgeable about the SPA and its impact on the reform process in Africa.[15]

Adapting terms of reference originally developed by Sweden, the evaluation identified two main objectives:

- Assessing the performance of the SPA mechanisms and the results of its work in terms of its main functions, clustered as follows: (i) mobilization of resources and debt relief; (ii) improvement in the quality of quick-disbursing assistance, debt relief and donor practices; (iii) facilitation of policy debate on improved approaches to economic reform; and (iv) monitoring of reforms and their impact; and,
- Reviewing the effects in recipient countries of structural adjustment programs supported by SPA resources in terms of their contribution to economic growth and poverty reduction.

A draft report was presented for discussion at the SPA plenary meeting in December 1997, and the final report was issued in March 1998. It characterized the SPA as a timely and successful response to Africa's urgent need for resources in support of economic reforms and debt reduction, and highlighted its achievements in:

- Mobilizing significantly higher levels of quick-disbursing resources;
- Focusing international attention on poverty, debt and structural reform in sub-Saharan Africa in support of economic reform and debt reduction;
- Arresting Africa's economic decline; and
- Encouraging frank and open debate on new ideas, a process that created peer pressure among participants to reach consensus on goals and practices, improved donor procedures, economic management,

poverty reduction and gender concerns.

Turning to the future, the report addressed the changing context in Africa—widening developmental differences among countries, a new generation of leaders asserting the need to take responsibility for their countries' futures, and the need for greater focus on long-term policy issues and institutional capacity—and pointed to a number of areas where there were opportunities for adapting the SPA. These areas included:

- More prominently and systematically incorporating perspectives from the SPA countries themselves;
- Strengthening the focus on aid effectiveness though the development of new aid instruments (such as sector programs), a fiscal dimension in determining assistance requirements, performance monitoring and selectivity; and
- Instituting more effective follow-through within SPA member agencies and at the SPA country level on the policy consensus, best practices, and Guidance developed though the SPA.

The evaluation recommended reconsidering the scope of the SPA agenda and the nature of its linkages with African decision-makers and the broader development community. Four strategic options were presented:

*Option 1*: Phase out. Rely on other existing mechanism and institutions.

*Option 2*: Deepen the adjustment process. Remain focused on promoting and supporting deeper macroeconomic and structural adjustment policy reforms with greater focus on fiscal gaps and greater selectivity in allocating resources linked to performance. Strengthen the African voice.

*Option 3*: Expand beyond adjustment. Include a focus on a limited set of long-term development issues, and coordinate all donor resources with an emphasis on sector programs. Strengthen African participation, agenda-setting role, and consultation.

*Option 4*: Change the paradigm. Transform SPA into an umbrella organization open to new members, networks and mechanisms. Give African decision-makers a full voice in key SPA deliberations. Devolve control gradually to Africans.

As the next step in the renewal process, three workshops, hosted by various SPA donors, were organized to allow for in-depth discussion of future issues for the Partnership and to open up the deliberations to perspectives outside the SPA. In Abidjan, the workshop was co-organized by the African Development Bank, the UNDP, and the Economic Commission for Africa. In Brussels, it was organized by the European Commission, and in Washington D.C., it was co-organized by the United States, Japan, and Canada (the Pacific Rim members). These workshops—for which the evaluation was a key input—developed a consensus for change in response to the evolution in Africa and in donor programs, as well as a consensus that the SPA should not lose sight of its traditional core objectives.

The workshops did not find Strategic Option 1 feasible, and called for the continuation of the SPA and for maintaining the operating principles of flexibility, informality, openness, and consensus. All of the workshops endorsed Option 2 and certain aspects of Option 3. The Brussels workshop endorsed strengthening the link between macroeconomic and sectoral policies and programs. The Washington D.C. workshop endorsed broadening the agenda with regard to intellectual debate, to include developmental issues related to reform such as private sector development, domestic resource mobilization and other forms of cooperation to enhance the policy dialogue (e.g., South-South cooperation to provide a link to development successes outside of Africa). However, the workshop members also felt that actions should remain more focused; i.e., mobilization of resources should remain confined to support for reforms. The Abidjan workshop endorsed the concept of reciprocal accountability as outlined in Option 4.

All of the workshops endorsed strengthening African participation in the SPA. This was reinforced by the message from African Heads of State in meetings in Kampala and Dakar with the President of the World Bank Group, James D. Wolfensohn, where they stressed the importance of a meaningful partnership between African leaders and donors in identifying development priorities.

In addition, a number of ideas emerged from the workshops for enhancing SPA economic monitoring and analysis, supporting a deepening of the adjustment process and improving external communication. The aspiration expressed in the Abidjan workshop was that someday Africa would not need a special program of assistance.

*Mid-Term Review*

In April 1998, the SPA members who had hosted the workshops and the Chair of the Reference Group met in Washington with the SPA Chairman to prepare proposals for a mid-term review charting the future course of the Partnership. They drew on the evaluation report, the results of the workshops, and ongoing work in the SPA. Joined by OED, they also briefed the World Bank Board of Directors and sought their views.

The review was held during the June 1998 SPA meeting, the midpoint of the SPA-4 period, in Abidjan—the first plenary meeting held in Africa. The Partnership reaffirmed the central focus of the SPA to be the mobilization of quick-disbursing resources in support of reform and development to reduce poverty in Africa. They further agreed to:

- Bring a stronger African voice into the work of the SPA. This would be done at various levels, from inviting the UN Economic Commission for Africa to join the Partnership, to more systematically involving African experts and research institutions in the Working Groups, to fostering greater participation by Africans in the formulation of the content of the reform programs that are supported by the SPA .
- Begin to change the way the SPA assesses and organizes its assistance—from a traditional emphasis on short-term balance of payments needs towards the introduction of a fiscal approach involving medium-term expenditure plans, while maintaining insistence on sound macroeconomic frameworks. In this context, it was agreed to find ways to take account of and encourage assistance that is provided under comprehensive sector programs that have been agreed upon between the country and the donors, in order to enhance aid effectiveness.
- Strengthen the linkages between the SPA Guidance on best donor practices and country-level aid coordination mechanisms such as Consultative Groups and Country Roundtables, and to strengthen SPA collaboration with other development fora such as the Global Coalition for Africa, the TICAD process, and the Development Assistance Committee of the OECD.
- Intensify monitoring of country performance, including macroeconomic, structural, and social areas, to encourage a better link with aid allocations.
- Develop a plan (under the lead of Canada) for greater outreach and communication within donor agencies and, especially, with African governments and civil societies.

*African Perspectives*

As the SPA agenda evolved from donor-led work on mobilizing resources and improving donor instruments and procedures to a broader discussion of program content and longer-term development objectives, the Partnership recognized the desirability of integrating the perspectives of aid recipients into SPA proceedings.

Beginning in 1993, pre-plenary presentations by invited eminent Africans have focused on experience with reform, conditionality, and quick-disbursing assistance. Initially, speakers were primarily finance ministers, but later the SPA reached beyond governments. Messages to the donors revolved around the following themes:

- The importance of strong political support in the reform process, including broad participation from civil society organizations—essential to help ensure that poverty reduction results from economic growth;
- The need for country ownership, to allow recipients to take full responsibility for reform programs, preferably through more active involvement in program design and implementation;
- The need to move away from crisis management to a more long-term development agenda, underlining the need to complement progressive macroeconomic reform with shifts toward long-term investment in capacity-building and human resource development;
- The need to tailor and adapt reform programs to country-specific conditions and circumstances, particularly regarding the capacity to absorb reform, from economic, political, and social perspectives;
- The need for further flexibility in accommodating sudden changes in commodity prices and other external economic developments; and
- The need for the donor community to release their funds in a timely and adequate manner so as not to jeopardize the reform process.

Many of these themes and lessons have emerged in other SPA-related settings. Participants at the work-

shop on the future course of the SPA held in Abidjan in March 1998 endorsed the role of the SPA in mobilizing resources and promoting policy dialogue, but called for the Partnership to evolve in accordance with the changing environment in which it operates. This would require, inter alia, more attention to issues of long-term development and greater African participation. The latter would bring with it the element of reciprocal accountability.

Feedback from field seminars on SPA Guidance on Public Expenditure Management emphasized the importance of political commitment to the Public Expenditure Review process, and the constraints of weak statistical information systems.

At an April 1999 Working Group videoconference on sector programs with practitioners from Mozambique and Senegal, the SP process was characterized as time-consuming, labor-intensive and expensive, but extremely valuable to the development of the respective sectors. There was a preference for resources to flow through the national budget, but also a recognition that weak accounting and auditing systems leave many donors reluctant to provide sector budget support or to contribute to a common basket.

*Looking Ahead*

The new millennium has inspired more formalized new initiatives, broader in scope, to define the challenges and agenda for African development.

"Can Africa Claim the 21st Century?" is a collaborative project involving the ECA, AfDB, GCA, AERC, OAU, and World Bank. (AERC assisted in involving members of Africa's francophone research community.) The project organized joint discussion of critical issues related to the development challenges facing Africa, working towards consensus on the policy and institutional changes needed to surmount these challenges. The collaborating institutions and researchers prepared background papers and a summary report, which were discussed in regional workshops. The final report, "Can Africa Claim the 21st Century?" was published in May 2000.

In another initiative, the UNDP (Africa Bureau) is sponsoring a project entitled "On the Eve of the Third Millennium: Africa in the Throes of the Challenges of the 21st Century." An independent, Africa-led commission will examine and synthesize a range of research and policy analyses dealing with the constraints and opportunities facing Africa at this time. The study will be conducted in close collaboration with African institutions.

*Setting the SPA-5 Agenda*

Consultations in Africa have been an integral part of the process of setting the SPA-5 agenda. A July 1999 workshop hosted by the AfDB in Abidjan in connection with the "Africa in the 21st Century" project offered one forum for seeking views on the draft agenda. The Economic Commission for Africa hosted a consultation meeting on September 17, 1999 in Addis Ababa, with participants from African governments, civil society, academia and the private sector. A majority of SPA partners were also represented. Participants endorsed the overarching focus of the paper on poverty reduction. They stressed the importance of monitoring results and addressing constraints on in-country institutional capacity for implementing poverty reduction strategies, including the capacity to collect and use data. There was a call for mutual accountability and transparency, on the part of donors as well as recipient countries, for aid effectiveness for poverty reduction. It was also suggested that the paper reflect the importance of good governance in terms of accountability and capacity development, and the growing evidence that problems in governance can undermine progress on reform and growth. Efforts to date to enhance the African voice in the SPA were welcomed, but donors were encouraged to seek ways to adapt its mechanisms further to seek ongoing feedback from a broader spectrum of African society.

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[1] The figures for 1998 are preliminary estimates, based on the most recent survey data available and actual or estimated growth rates in real private consumption per capita.

[2] The country data have yet to be revised based on 1993 purchasing power parity dollars (which was the basis for the estimates in Table 1). The data in Table 2 are based on 1983 purchasing power parity dollars and are not therefore comparable with the regional aggregates in Table 1.

[3] By definition, SPA countries will be among the poorest as, to be eligible for SPA, a country must be IDA only—i.e., be of low enough income to be eligible for assistance from IDA without the creditworthiness to access resources from the IBRD.

[4] The LAC Gini ratios are typically based on income measures. Consumption, which underpins the African Ginis is generally more equally distributed. It is possible that if the comparison was on an equal footing, inequality would actually be greater in Africa.

[5] These and other data (unless otherwise referenced) come from *World Development Indicators*, World Bank, 1997.

[6] DFID (UK) and SIDA have sponsored a study on the processes and institutions for poverty reduction, which addresses these issues. It was discussed at the October 1999 meeting of the SPA Working Group on Poverty and Social Policy.

[7] As before, these averages refer to the median. Also, this summary excludes Equatorial Guinea since its performance is skewed by the growth of the oil sector.

[8] See World Bank, 1997, *SPA - Phase Four - Building for the 21st Century*, pp. 23-36; and World Bank, Operations Evaluation Department, 1998, *The Special Program of Assistance for Africa (SPA): An Independent Evaluation*, pp. 96-101.

[9] This difference extends also to the ratio of domestic savings to GDP, the current account deficit, and the overall budget deficit.

[10] The CPIA exercise (termed the Country Performance Assessment exercise until 1998) aims at measuring the quality of a country's current policy and institutional framework, and is intended to provide a starting point for judging the effectiveness of future aid in efforts to reduce poverty and promote sustainable growth. Historically, its main use has been to guide the allocation of IDA lending resources, and until 1996, the rating exercise covered only IDA countries. Until 1998, the ratings covered macroeconomic stability, structural reforms, and the quality of the World Bank's project portfolio. The exercise was substantially revamped in 1998 with changes in the rating scale, broadened coverage of structural reforms to include institutional aspects, and the elimination of the rating of the World Bank's project portfolio. Despite these changes and other minor changes in coverage and emphasis between 1995-98, there is sufficient continuity in the overall ratings during the period to allow comparison. Relating the economic performance of countries during 1995-98 to their CPIA scores in causal terms as in this approach creates a potential endogeneity problem if, as sometimes happens, country teams base their evaluations of policies and institutions on past economic performance. The significance of this problem is reduced to the extent that the classification of countries is done here on the basis of their policy and institutional ratings over the entire 1995-98 period rather than only at the endpoint. Moreover, there have been significant improvements in the methodology and vetting of the ratings exercise over this period that has likely weakened the reverse link from performance to scores that leads to the endogeneity problem.

[11] This approach has been applied by Bhattasali and Ray, 1997, "Sub-Saharan Africa: Economic Policies and Outcomes" (*Draft*), using the World Bank's country performance ratings for 1995 and 1996, and for SPA countries for the period, 1994-96, in the OED evaluation of the SPA (World Bank, 1997, op. cit.).

[12] Klasen in Blackden and Bhanu (1999) estimates that unequal access to education by females alone explains as much as 0.5 percentage points of the difference between annual per capita income growth in sub-Saharan Africa and East Asia.

[13] Only two SPA countries, Uganda and Mozambique, have reached their completion points under the HIPC initiative through May 1999. For more details on the HIPC Debt Initiative and progress in implementation, see Box 4 and http://www.worldbank.org/hipc.

[14] While there has been no systematic tracking of sector programs, a task group of the SPA Economic Management Working Group has made an assessment of the extent of the use of sector programs applying a consistent set of criteria. About $2 billion are being channeled through the 25 sector programs that have been identified and reviewed.

[15] The Reference Group included: Sweden (Chair), African Development Bank, World Bank Africa Regional Office, European Union, France, Japan, The Netherlands, United Kingdom, United States, Mr. Mamadou Toure (Senegal) and Mr. Benno Ndulu (African Economic Research Consortium in Kenya).

# 3. The SPA-5 Agenda

For over a decade, the Strategic Partnership with Africa (SPA) has provided a framework for the donor community to help African countries recover from a deep economic crisis and achieve significant improvement in economic performance. The Partnership—unique in its continent-wide perspective and the breadth and level of donor representation—has been concerned with mobilizing resources to support macroeconomic reforms, monitoring adjustment programs for efficacy in poverty reduction, seeking improved donor practices and testing new approaches and modalities for greater aid effectiveness, and providing intellectual leadership on a range of development issues related to reform. The SPA continues to be uniquely positioned to carry out its role of systematic monitoring and drawing the lessons of experience and best practice across countries.

As the SPA enters its fifth phase, recent and still-evolving initiatives and mechanisms to manage development resources and programs more effectively for poverty reduction are the subject of a newly urgent joint resolve by Africa and its external partners to improve prospects for the achievement of International Development Goals (IDGs). This was embodied most visibly in the decision at the 1999 World Bank and IMF Annual Meetings to introduce country-led Poverty Reduction StrategyPapers (PRSPs) as a basis for international assistance. An enhanced HIPC Initiative framework is intended to strengthen the link between debt relief and poverty reduction. The Bretton Woods Institutions are moving towards country-based poverty-reduction strategies as the basis for their support to poor countries. The SPA is developing new tools for greater aid effectiveness, to track donor support for and experience with sector programs and to assess aid flows and requirements within a fiscal framework. The SPA will gather information about the implementation of these and other initiatives and assess, from the donors' perspective, whether they are producing results.

In addition, while continuing to focus on its comparative advantage and core objectives, the SPA will increase efforts to build on synergies with other relevant initiatives and groups (e.g., the Global Coalition for Africa, the collaborative "Can Africa Claim the 21st Century?" project and the OECD Development Assistance Committee, whose previous chairman stressed the fruitful complementarity of DAC and SPA roles). In this context, the SPA will follow up on specific areas identified through the review of SPA-4 as meriting attention.

## Objectives

SPA-5 will aim at developing more effective partnerships among donors and recipient countries to reduce poverty in a sustainable way, building on the efforts of the previous phases of the SPA and the outcomes of the review of the Partnership in SPA-4. Its objectives will aim at:

- Reducing poverty by meeting growth, equity, and social development goals. This will require progress in:
  - **Supporting the development and implementation of country-based medium to long-term poverty-reduction strategies for SPA countries.** These strategies would enable the IDGs to be translated into plans to be acted on, tailored to country circumstances, and provide a framework for integrating macroeconomic reform, social development and gender concerns. These plans would be developed through participatory processes in each country. They would be reflected in Poverty Reduction Strategy Papers, involving internal and external stakeholders and reviewed by the World Bank and the IMF (Box 4). Country-based programs will be linked with regional initiatives to address multi-

country issues including HIV/AIDs, and to promote regional cooperation.

➢ **Mobilizing and monitoring quick-disbursing resources to sustain reform.** Focusing resources in support of programs of policy and institutional reforms within a sound macroeconomic framework would continue to be at the heart of the SPA-5 agenda, through mobilization of quick-disbursing resources for countries pursuing reform programs, and regular monitoring of economic performance and financing. Quick disbursing support will be needed to ensure that poverty reduction programs are funded with an appropriate balance of project and program resources in a manner that is also integrated with resources released through debt relief. The development of instruments and techniques for aligning resources with reform programs focused on poverty reduction through appropriate conditionality would build on the work done in SPA-4.

▪ **Improving aid effectiveness** through developing new aid modalities and relationships. The focus will be on:

➢ Selectively *allocating aid* through continued monitoring of performance and resource flows.

➢ Supporting the development and spread of *sector programs*, through tracking, assessing, and exchanging experiences with these programs on a systematic basis.

➢ Promoting improved public finance management geared to strengthened governance and accountability and better alignment of donor assistance and advice, to be supportive of and relevant to the government's own budgetary processes. This would be done through expanded *implementation of the SPA Guidance on Public Finance Management*, integrating the public expenditure review process with country budgeting processes and with an assessment of outcomes.

➢ Developing a *fiscal framework* for the assessment of aid requirements and allocations.

Taken together, these developments could support a major shift in the organization of aid to SPA countries, bridging the traditional focus of the SPA on balance of payments finance with a more *comprehensive development framework*. In this framework, all partners could clearly see their contribution in meeting the country's key development priorities. To be effective, this will require a strengthening of *performance monitoring*, much of which would emerge from the country processes themselves. It would also require *tailoring conditionality* to promote ownership and balance selectivity with predictability of resources. In view of the increasing scarcity of aid resources and the strong link between aid effectiveness and policy performance, performance monitoring would also be geared to support greater selectivity.

*The evolving role of the SPA*

The role of the SPA itself would need to evolve further in becoming a focal point (and unique forum) for donors to Africa regarding the implementation of, and donor experiences with and support for, poverty reduction and growth programs on a region-wide basis. The main areas of focus would be in:

▪ **Integrating the SPA with country-based aid coordination processes.** As the main elements of the SPA-5 agenda—the development of medium-term poverty reduction goals and programs, the development of sector-wide programs, and medium-term expenditure planning—would need to take place at, and be coordinated in the first instance at, the country level, the SPA role in monitoring and facilitating these developments would need to be integrated with country level processes such as Consultative Groups, roundtables, and local aid groups.

▪ **Strengthening SPA Implementation and Communication**. The Partnership would engage in efforts to strengthen the follow-through on the Guidance agreed at the SPA plenary level, and more broadly to strengthen communication between donors, countries and the aid community, especially in Africa, including NGOs and the private sector.

▪ **The Role of the SPA Plenary.** The semiannual plenary meetings have provided the anchor for the SPA's activities in mobilizing resources, monitoring performance, achieving consensus on improved aid practices and developing new policy initiatives in such areas as debt, gender, the structuring of conditionality and poverty reduction. During SPA-5, consideration could be given to restructuring the plenary process to more

systematically focus on issues linking reform to the complementary social and institutional dimensions of development—possibly with broadened participation.

## Reducing Poverty by Meeting Growth, Equity and Social Development Objectives

The poverty and social trends in Africa point to the need for more intense efforts on the part of governments, civil society, the private sector and the international community.

- Accelerating broad and equitable growth in the region is an urgent priority, through improved management of macroeconomies, maintaining needed resource flows to facilitate growth, and strengthening measures to promote broader-based growth. The pursuit of good governance in Africa should continue, giving even more attention than in the past to transparency, accountability and the rule of law, as well as to the participation of citizens (especially women).
- Dialogue with the recipient countries needs to stress raising the priority given to poverty reduction and the improvement of social conditions. The dialogue on poverty issues should reach broad elements within these governments and the civil society. Country ownership will be strengthened by coordinated donor support for country-led programs.
- The inter-relationship between economic growth and social conditions is central to the achievement of higher levels and a better pattern of growth. Poverty, social deprivation, exclusion, gender inequality, disease, illiteracy, and unequal access to social and economic infrastructure all undermine both efficiency and growth of economic performance. The IDGs and the Comprehensive Development Framework (CDF) encourage a holistic approach to development, and genuine and effective partnerships organized around agreed-upon goals.
- Support to inclusive human development strategies needs to be intensified, to improve social outcomes and enable the poor to better participate in and contribute to development. Institution building will be an important ingredient, and getting services to users is a major challenge facing African governments.

### Strategic Focus on Poverty Reduction

The core elements of the strategy to be pursued by the SPA include:

- **Encouraging the development of country-level strategies for long-term poverty reduction, as embodied in the Poverty Reduction Strategy Papers**. A meaningful approach to poverty reduction needs be grounded in medium- to long-term strategies and in effective mechanisms for monitoring progress. The agreement at the World Bank/Fund Annual Meetings to introduce Poverty Reduction Strategy Papers, produced through country led consultative processes, potentially provides a strong basis for an integrated approach to poverty reduction, with monitorable indicators of intermediate and ultimate outcomes (see Box 4). These strategies can be assessed against the IDGs. Taking the region as a whole, it is clear that growth rates will have to be higher in Africa than in other regions in order to achieve the IDG poverty goal of halving extreme poverty over 25 years. The SPA would support the development of PRSPs at the country level and monitor progress including donor coordination efforts. In this way, the SPA would also help translate the IDGs into country-level strategies which can be acted upon. This would involve encouraging country ownership through broad-based consultations, and placing the strategies within the specific social, economic and political circumstances of the recipient countries. A monitoring capability would be developed to track progress on implementing the strategies and on outcomes achieved. *The SPA would monitor the effectiveness of donor participation in the PSRP process and linkage of PSRPs to donor support.*
- **Strengthened analysis of poverty**. The 1999 SPA Poverty Status Report will provide a good basis on which to build strengthened poverty analysis during SPA-5. Moreover, support for strengthened poverty analysis at the country level will be key to the development of effective national poverty reduction strategies and to the assessment of poverty trends. The national processes should provide a focal point for the implementation of strengthened efforts to support monitoring and statistical capacity building. Another collaborative effort is underway to encourage more and better analysis of the poverty data that are at hand. The "Poverty Dynamics in Africa" program involves reviewing and explaining poverty trends in about one dozen countries. Innovative work has also been commissioned using demographic and health data, to get better and more robust evidence about the welfare of African society in the 1990s.

**Box 4: The Poverty Reduction Strategy Paper (PRSP)**

In September 1999, the World Bank and IMF Boards agreed to support the introduction of country-led Poverty Reduction Strategy Papers as a basis of their operations in poor countries.

**Content**

To support the government's effort to formulate and implement a poverty reduction strategy, a PRSP would have the following essential characteristics:

- It would ensure consistency between a country's macroeconomic, structural and social policies and the goals of poverty reduction and social development.
- It would serve as the basis for designing World Bank and Fund lending operations, and as a framework with which all PRGF- and World Bank-supported programs should be consistent.
- It would be produced in a way that includes transparency and broad-based participation in the choice of goals, the formulation of policies and the monitoring of implementation— with ultimate ownership by the government.

The first two of the key characteristics noted above imply minimum requirements for the content of the PRSP, namely:

- An analysis of the main obstacles to faster growth and poverty reduction.
- Medium- and long-term goals for poverty reduction and social development, with a range of relevant outcome-related indicators for monitoring progress in areas key to poverty reduction (which will include but not be limited to the social sectors).
- A macroeconomic framework consistent with poverty reduction and social goals (over a minimum three-year horizon).
- Structural reforms, priorities and sectoral strategies (with a three-year agenda) and associated funding needs (domestic and external) necessary to deliver the growth and poverty reduction objectives.
- Anti-poverty and other social policies, linked to an analysis of the social impact of macroeconomic and structural policies, and associated funding needs (domestic and external).
- Overall external financing needs (including technical assistance needs and expected providers) for each year of the program.

**Process**

Governments would be expected to take the lead both in drawing up a PRSP and in conducting consultations with civil society and other stakeholders, as well as with the World Bank, the IMF, and other donors.

A full-fledged reworking of the PRSP might take place approximately every three years. Annual reviews and updates would be necessary in the interim, however, if the framework were to remain sufficiently current to be a basis for World Bank and Fund lending operations. The extent of these updates would depend in part on the comprehensiveness of earlier PRSPs and on the results of a review of selected outcome indicators.

The PRSP would be sent to the Executive Boards of the World Bank and the Fund, both of which would endorse it as a context for their institution's lending operations and for HIPC Initiative decision points. An interim PRSP would serve this purpose, pending the completion of a full Paper. The final version of the PRSP would then be published (although drafts would likely have been made publicly available during the consultative process).

▪ **Continued focus on the gender dimension**. The SPA would build on the landmark 1998 Status Report on Poverty which focused on the centrality of gender concerns (*Gender, Growth, and Poverty Reduction*) and which provided compelling evidence that gender constraints affect growth and efficiency, as well as equity, in the Region. Follow-up steps would include wide dissemination of the report within donor agencies and within African governments and civil society, to facilitate dialogue on poverty and gender and on how the recommendations can be implemented most effectively. This report will be an input for future work, including the World Development Report (on poverty) 2001.

▪ **Poverty focus in SPA Working Groups**. At the Working Group level, the SPA has pursued two discourses, each in a separate Working Group: one addresses issues of economic management, and the other considers poverty and social policy matters. Given the pressing need for countries to make rapid progress towards agreed-upon international poverty reduction targets, and an increasing move towards sector approaches and fiscal frameworks, the work of the Economic Management and Poverty/Social Policy Working Groups will be integrated under a new Technical Group in SPA-5, supported by Task Teams.

## Mobilizing Resources to Sustain Reforms

*Supporting Reform through High Impact Programs*

Supporting programs of growth and development with stable macroeconomic conditions has been at the core of the SPA since its inception. SPA countries have now seen a turnaround from declining per capita income growth in the early years of the Partnership to positive growth in recent years. This is especially evident in countries that have pursued strong programs of reform over sustained periods. SPA-5 would continue to mobilize resources and monitor and strengthen the impact of reform programs by promoting country ownership of, and better design and implementation of, reform programs. The Partnership (through the work of the Economic Management Working Group) would take into account experience with Higher Impact Adjustment Programs (HIAP) and lessons from the piloting of re-articulated conditionality in Burkina Faso.

## SPA-5 Targets and Projections

*Economic Assumptions*

Preliminary projections for SPA countries have been made for the SPA-5 period and are summarized in Table 19 (country details are in the Statistical Appendix). The projections reflect assumptions that have been made for reform programs, which are currently in place in some 22 of the 30 SPA countries.[1] These projections envisage that:

- **The average GDP growth rate would rise to 5.0 percent** from an estimated 4.4 percent during SPA-4. About two-thirds of the participating countries would have GDP growth in excess of 5 percent. During SPA-5, average *per capita* incomes and consumption would each grow in these circumstances by 2.2.
- **Export growth would average about 8.0 percent**. The projections reflect a rebound from the poor performance in 1999, which was affected by bad weather, weak international markets and civil strife in a number of countries. These factors remain significant risks for the projections, however.
- **Average import volume growth would be about 6 percent**. There are wide variations among countries in projected import growth rates, reflecting in some cases the impact of large lump sums coming to a great extent from private direct investors in natural resource investment projects. In most SPA countries, import volume growth is projected to continue to be below the growth of GDP.
- **Savings and investment rates would continue to rise at a faster rate than during SPA-4**. Efforts to raise government revenue rates have yielded only gradual results in most circumstances. Higher savings rates would, however, largely reflect continued increases in public savings.
- During SPA-5 the improved fiscal outcome achieved

**Table 19. Economic performance SPA-1 through SPA-5**

| | SPA-1 1988-90 | SPA-2 1991-93 | SPA-3 1994-96 | SPA-4 1997-99 | SPA-5 2000-02 |
|---|---|---|---|---|---|
| | *(annual growth in percent, weighted average)* | | | | |
| **GDP** | 2.1 | 1.0 | 4.2 | 4.6 | 5.5 |
| **GDP per capita** | -0.8 | -0.8 | -0.5 | 1.0 | 2.5 |
| **Exports** | 5.4 | 0.3 | 7.6 | 4.6 | 6.4 |
| **Imports** | -0.3 | 4.8 | 5.3 | 4.3 | 4.7 |
| **Consumption per capita** | -2.0 | 1.7 | -3.2 | 2.8 | 1.9 |
| | *(% of GDP, weighted average)* | | | | |
| **Domestic Savings** | 9.8 | 7.5 | 10.3 | 11.2 | 13.7 |
| **Investment** | 15.7 | 16.9 | 17.6 | 18.4 | 20.3 |
| **Government Revenue (excluding grants)** | 14.1 | 15.5 | 16.3 | 16.8 | 16.9 |
| **Government Deficit (excluding grants)** | -7.3 | -9.4 | -7.9 | -5.5 | -4.7 |
| **Government Revenue (including grants)** | -4.4 | -6.2 | -4.4 | -2.5 | -2.4 |

Source: SPA Country Status Reports 10-Nov-99

Note: SPA-1 includes 21 countries, SPA-2 27 countries, and SPA-3 and SPA-4 30 countries.

during SPA-4 will be consolidated. Despite substantial funding requirements, *fiscal deficits (before grants) should continue to decline* to about 5 percent of GDP and the average fiscal deficits after grants is targeted at about 2 percent of GDP.

*Financing Requirements*

These optimistic macroeconomic outcomes will be attainable if adequate levels of external assistance (in particular quick-disbursing assistance) are mobilized, and the momentum of structural reforms is maintained by SPA countries. Financing requirements (including debt flows) consistent with a stable economic framework, prudent fiscal policy and substantial growth in per capita consumption have been estimated for each SPA country. The consolidated financing requirements are presented in Table 20. For comparison, the corresponding SPA-4 request (from December 1996) and the estimated SPA-4 outcome are presented as well. These estimates take into account projected balance of payments flows and anticipated project aid from donors (including sector support).

The consolidated projections indicate that *the aggregate financing gap to be met by the SPA framework would be about $32 billion, compared to an ex ante SPA-4 estimate of $31 billion (excluding the debt owed to Russia) and an estimated SPA-4 actual of $40 billion (including debt owed to Russia)*. The projected decline in the financing gap before SPA masks the offsetting effects of a widening deficit in the trade of goods and services and a sharp increase in project financing (which it is assumed will increase by $2.5 billion, or about 4 percent, per year on average during the SPA-5 period[2]) and direct foreign investment.

Debt relief would continue to be the single most important modality for meeting gross financing requirements. Debt relief of $5.3 billion (excluding arrears) under SPA-5 will make an increased contribution to financing over SPA-4 levels. The need for clearance of arrears will decline in SPA-5 compared to SPA-4 ($10.8 billion compared to $15.6 billion). The projections assume that all arrears on debt payments except for $2.1 billion would be cleared by the end of SPA-5. Debt relief under the enhanced HIPC debt initiative would provide an estimated $1.3 billion during SPA-5, based on estimates for countries that have already reached or were nearing their decision points in early 2000. Additional debt relief under the HIPC would be expected to become available as more countries qualify.

The impact of such relief on net financing requirements would be expected to be largely neutral, since savings in debt service payments may be applied mainly to increased expenditures in poverty sensitive areas, which in turn would increase the import requirements through direct and indirect multiplier effects.

Consequently the SPA-5 *financing needs after identified debt relief* are estimated at $13.7 billion, which is comparable to the $12 billion gap projected prior to SPA-4. Quick-disbursing resources from IDA and the IMF are projected at $5.6 billion (compared with $3.9 billion provided during SPA-4). $3.5 billion have already been identified in IMF and IDA operations and an additional $0.6 billion in quick disbursing support from the Bretton Woods Institutions is expected if the current performance of program countries is maintained. Donor disbursements from SPA-3 and SPA-4 carry-over are projected at $0.6 billion.

This leaves an estimated residual financing gap of $6.0 billion (equal to the residual financing gap prior to SPA-4), which could be met through additional debt relief and disbursements from new allocations under SPA-5. $4.7 billion of this residual gap is accounted for by program countries with a good track record of reforms and macroeconomic stability. The balance of $1.3 billion would be needed if countries that currently have no program would come on track.

*Linkage to Policy Performance*

A premise of the SPA from the outset has been that resources need to be directed to countries that are actively pursuing improved economic policies and reform, at least as evidenced by ongoing programs of reform supported by the IDA and IMF. The importance of a good policy environment for aid effectiveness has been borne out in subsequent research (e.g., Dollar, Burnside) that has at the same time demonstrated the likelihood that aid directed to countries with poor economic policies may be wasted or actually be harmful to growth. At the same time, with adequate absorptive capacity, there may be considerable scope for increased aid allocation to countries with better economic policies. In an environment of increasingly pressed aid budgets, donors have acknowledged the need for securing the highest aid effectiveness through allocation to countries with good policies.

The SPA has sought, through its monitoring and its focus on policy reform programs to promote selectiv-

**Table 20. Summary of SPA-4 and SPA-5 financing, (1997-2002)**

| | SPA-4 Request 1997-99 Projection 12/96 | SPA-4 Outcome 1997-99 | SPA-5 2000-02 Estimate 6/00 |
|---|---|---|---|
| **A. Requirements** | **158.3** | **159.6** | **168.9** |
| Imports of goods & non interest services | 111.6 | 107.2 | 127.4 |
| Debt service due | 25.2 | 23.3 | 22.3 |
| Stock of arrears (beginning of period)[a] | 14.2 | 25.4 | 12.9 |
| Reserves build-up | 3.4 | 0.8 | 3.2 |
| Current transfer payments | 3.9 | 2.9 | 3.2 |
| **B. Resources** | **127.5** | **119.2** | **137.0** |
| Exports of goods & services | 90.3 | 80.3 | 94.3 |
| Current transfer receipts | 12.2 | 11.2 | 12.1 |
| Project financing | 21.9 | 23.1 | 28.7 |
| *of which IDA* | *5.8* | *4.3* | *5.2* |
| *Other ODA* | *11.5* | *11.2* | *13.7* |
| *Direct foreign investment* | *3.4* | *4.9* | *6.7* |
| Non-adjustment non-proj financing | 1.5 | 0.6 | 0.4 |
| Net short-term borrowing & other capital flows | 1.7 | 3.9 | 1.5 |
| **C. Financing gap before SPA (A-B)** | **30.8** | **40.4** | **31.9** |
| c1. Debt relief (excluding arrears) | 5.3 | 4.7 | 5.3 |
| *of which HIPC*[b] | … | … | *1.3* |
| c2. Debt relief on arrears | 13.1 | 15.6 | 10.8 |
| c3. Arrears: stock end-period | 0.9 | 12.9 | 2.1 |
| *New accumulation of arrears (current period)* | *0.1* | *3.3* | *0.0* |
| **D. Financing gap after debt relief and arrears (C-c1-c2-c3)** | **11.5** | **7.2** | **13.7** |
| d1. QDA[c] from BWIs | 5.6 | 3.9 | 5.6 |
| Under identified operations | 5.6 | 4.1 | 5.0 |
| *IDA (including 5th Dimension)* | *3.1* | *2.3* | *3.1* |
| *IMF* | *2.5* | *1.8* | *1.9* |
| Under operations to be identified in program countries | … | … | 0.6 |
| d2. QDAc from SPA partners under identified operations | 1.4 | 3.3 | 2.1 |
| *from SPA-3 allocations* | *1.4* | *0.8* | *0.1* |
| *from SPA-4 allocations* | … | *2.5* | *0.5* |
| *from SPA-5 allocations* | | | 1.5 |
| **E. Residual Financing Gap (D - d1 - d2)** | **4.5** | **0.0** | **6.0** |
| *of which program countries* | | | *4.7* |

[a] Excludes the Russian Debt in the SPA4 (Est. Dec 96), while it is included in SPA4(actual).

[b] Staff estimates based on HIPC documents available as of May 2000.

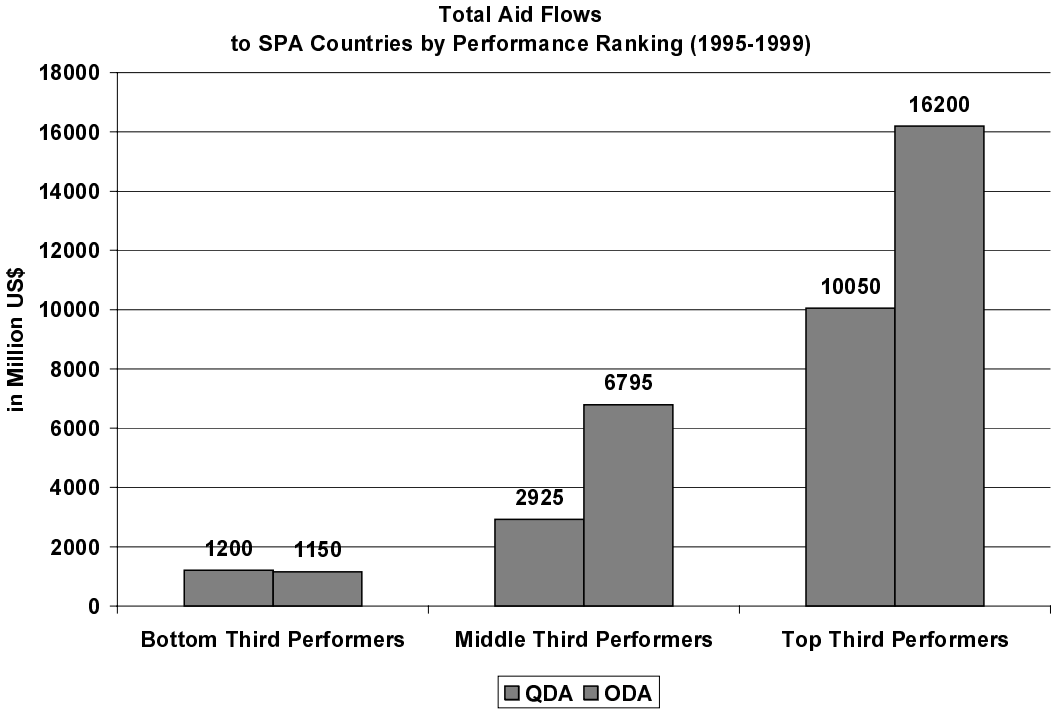
[c] QDA: Quick disbursing assistance.

8-Jun-00

ity in aid allocations, though it has acknowledged that donors are constrained in many cases in reallocating their funds. One way to assess the use of SPA resources from this perspective is to relate them to measures of country policy performance. Using the most recent ratings from the World Bank's country policy and institutional performance system (which has also been shown to be significantly related to growth), it can be seen that countries ranked in the top third by policy performance among SPA countries received about 70 percent of adjustment resources from SPA donors (including IDA and the IMF) over the past four years (see Figure 4). This concentration on good policy-performing countries was also mirrored in the disbursement of non-adjustment support, about 65 percent of which went to these countries. This pattern of selectivity is also evident when looking at per capita disbursement of SPA support, which in the top performing countries is about 2.5 times the per capita support to the middle and bottom third of performing countries

With regard to Quick Disbursing Assistance (QDA) needs for the SPA-5 period, Figure 5 shows that over 50 percent of the needs would be utilized by the top third performers. Only 22 percent and 23 percent of the needs, respectively, would be allocated to countries that currently rank in the middle and bottom third of performance. In addition, selectivity is also indicated by the fact that the approximately two-thirds of the funding needs for QDA of top and middle performers have been identified, while only 10% of funding requirements have been identified for low performing countries.

**Figure 4. Aid flows to SPA countries**



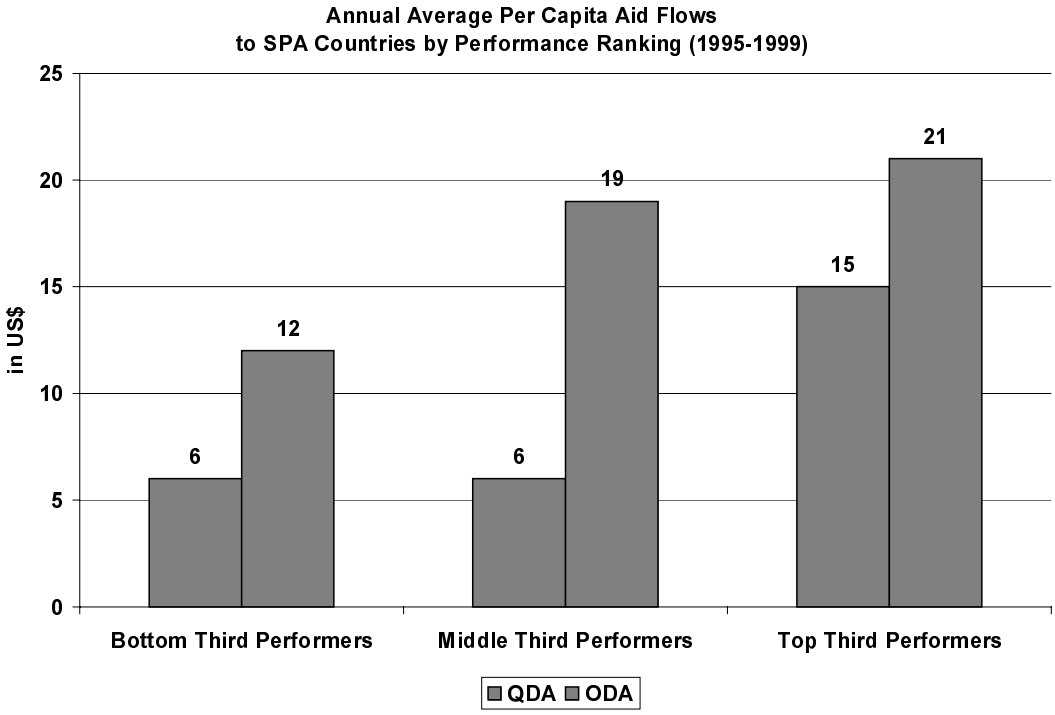
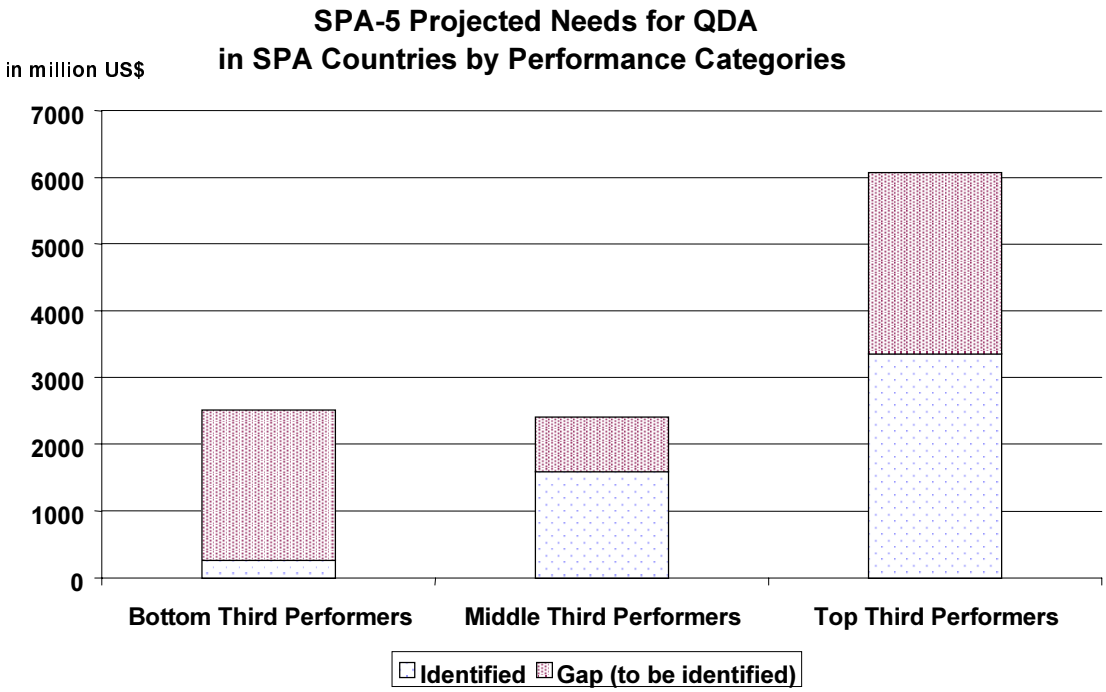



Figure 5. SPA-5 financing gaps and performance categories




Based on December 1999 estimates

*The Enhanced HIPC Initiative*

These projections do not reflect the possible impact during SPA-5 of debt relief under the enhanced HIPC Initiative agreed in September 1999 (see Box 4). The impact of the HIPC Initiative has been limited during SPA-4, during which period only two SPA countries reached their completion points for receiving HIPC Initiative relief. During SPA-5, it is expected that more than 20 SPA countries could reach decision points under the enhanced HIPC Initiative, when substantial relief could begin to flow at the decision point. Conceptually, debt relief could substitute for quick-disbursing new flows, thereby reducing SPA requirements. However, HIPC debt relief is not now expected to reduce overall financing requirements for SPA countries during SPA-5, as the enhanced HIPC Initiative was agreed upon on the basis that resources released would be additional, and would be applied to support poverty reduction programs. These programs will require governments to expand their expenditures, and quick disbursing resources will still be required, as before, to support the macroeconomic program.

## Developing New Aid Modalities and Relationships

At the outset of the SPA, the need for quick-disbursing non-project assistance was recognized, to enable countries to regain macroeconomic stability and pursue major policy reform programs. Funding needs have generally been expressed in terms of balance of payments requirements, though resources have been provided in a form that supports government budgets. With the approach of SPA-5, there have been several developments that suggest that the SPA's traditional focus on quick-disbursing assistance (QDA) should be more clearly linked and integrated with other forms of assistance. First, donors have increasingly looked to sector programs as a means of addressing problems of lack of coherence and coordination of projects supported by individual donors in a sector, and to enable countries to take a more strategic approach to activities in a sector. Second, there is movement on the implementation of the SPA Guidance on Public Finance Management, which was approved during SPA-4. Third, the SPA is engaged in the development of a fiscal framework for assessing aid requirements and allocations.

**Box 5. Impact of the enhanced HIPC initiative during SPA-5**

- The original framework for the HIPC Initiative was agreed upon in September 1996. During the SPA-4 period, *decision points* under the Initiative have been reached for five SPA countries which will provide an estimated $5.6 billion in debt service relief over time, equivalent to $2.7 billion in net present value (NPV) terms[a]. Two SPA countries–Uganda and Mozambique–reached their *completion points* during SPA-4, which will provide debt service relief of about $4.4 billion over time, equivalent to a reduction of $2.1 billion in debt in NPV terms. The relief provided to Uganda and Mozambique reduced the NPV of their debt by 20 percent and 63 percent at their respective completion points, and brought their NPV of debt to export ratios to about 200 percent.
- In September 1999, a major expansion of the HIPC Initiative was agreed upon at the World Bank and IMF Annual meetings. This expansion followed an extensive process of consultation with creditors and debtor governments, NGOs, religious organizations, academics and the public at large, through Websites and public fora. The outcome of these consultations and the decisions that were taken have modified the Initiative in two basic ways[b]:

⇒The enhanced HIPC Initiative will provide *deeper, broader and faster* debt relief than under the original Initiative, by modifying key parameters to:

- ❖ Bring the NPV of debt to export ratio of qualifying HIPCs to 150 percent *as of the decision point* for each country. Previously this ratio was in a range of 200-250% as of the completion point.
- ❖ Commence debt relief from multilateral creditors beginning from the decision point, with irrevocable relief to be delivered at the completion point. Previously, relief from multilateral creditors began only at the completion point (though Paris Club creditors provided relief during the interim period).
- ❖ Base the length of the interim period on the achievement of key development actions, rather than on a pre-specified period of time, thus providing the opportunity for a shortening of the interim period

⇒Closely *link debt relief to programs of poverty reduction* by:

- ❖ Grounding debt relief—and indeed all assistance from the World Bank and IMF—on poverty strategies to be developed by each country through a consultative process, and agreed upon in the form of a new instrument, the Poverty Reduction Strategy Paper (PRSP), to replace the former Policy Framework Paper (PFP).
- ❖ Include clear monitoring of the application of the resources freed up through debt relief, and in particular how they are being reflected in expenditure plans for key activities under the poverty reduction program, as well as the results of the program in terms of outcome and intermediate indicators of progress in poverty reduction.

- As a result of these changes to the HIPC Initiative, the amount of relief to be provided under HIPC is expected to double. Preliminary estimates indicate that relief for SPA countries under the enhanced Initiative would amount to about [$20] billion in NPV terms. This relief would be in addition to relief that could have been available without the HIPC, namely through Naples terms relief under the Paris Club. Moreover, the G-7 countries have undertaken to cancel the debt owed on ODA loans by countries qualifying for HIPC relief.
- The impact of debt relief under the HIPC Initiative on the financial position of HIPCs in any given year will reflect the particular modality that each creditor chooses in order to deliver the agreed reduction in the NPV of the debt. Thus, for example, if debt relief is provided through cancellation of debts, the cash flow impact may be many years away, when some of the maturities of the cancelled debt would have fallen due; in this case the nominal amount of debt service relief may be far larger than the NPV of the relief. By contrast, if debt relief is provided by payment for or cancellation of near term maturities, the cash flow impact will be more immediate, and the nominal amount of relief will be closer to its NPV. On average, for the HIPC cases so far, the nominal amount of relief has been about twice the NPV.
- Based on preliminary estimates, the impact of HIPC relief on multilateral debt service is expected to increase sharply during SPA-5 to perhaps more than $1billion, compared with about $100 million during the SPA-4 period. More countries will be reaching their decision and completion points, and cash flow relief will be introduced during the interim period. This estimate is based largely on possible patterns of delivery by the World Bank and IMF. Other multilateral development banks are also in the process of defining their participation and the modalities that they will use to deliver enhanced relief, and in particular the extent to which they will be providing relief during the interim period. The ability of MDBs (other than the World Bank and the IMF) to deliver debt relief during the interim period may also be affected by the pattern of donor contributions to the HIPC Trust Fund (HTF). While donor indications have been sufficient to permit the enhanced HIPC to get started, the pace of disbursements to the HTF will also affect extent to which interim relief from these MDBs will be possible.
- One of the basic principles of the enhanced HIPC is that the resources released through this additional debt relief should be additional to the resources, including aid resources, being provided currently. This is in line with the basic objective of the enhanced HIPC, which is to promote more accelerated poverty reduction programs. For this reason, it is expected that macroeconomic frameworks under the enhanced HIPC will be adjusted to accommodate the expansion of resources being provided though debt relief. As a result, the enhanced framework is not expected to result in reduced needs for external assistance, including quick disbursing assistance mobilized through the SPA.

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[a] *Agreements to provide debt relief under the HIPC Initiative are made in net present value terms. To express nominal debt service due in net present value terms, future debt service due is discounted (using currency specific discount rates as published by the OECD) to current dollars. Creditors use a variety of techniques to provide debt relief under the Initiative, but all provide the same percentage reduction in the present value of the debt. Under the original HIPC framework, creditors undertook to reduce the debt in NPV terms as of the completion point. Under the enhanced framework, the calculation is made as of the decision point.*

[b] *Details of the HIPC Initiative, the decisions taken to modify it, and the relevant documents are available at the World Bank HIPC Website: http://www.worldbank.org/HIIPC*

Taken together, these developments could support a major shift in the organization of aid to SPA countries. To be effective, they imply as well a strengthening of performance monitoring, much of which would emerge from the country processes themselves. They also imply greater selectivity, by directing aid to where it can be best managed. They go very much in the same direction as the Comprehensive Development Framework outlined by the World Bank's President, under which all partners could clearly see their contribution in meeting a country's key development priorities.

Currently, at the request of the plenary, the Economic Management Working Group is refining the technical details on a number of these new areas of potential SPA focus—including the *tracking of sector programs, and the move to a fiscal framework for financing gap calculations—and is also monitoring the lessons of experience with implementation of the Guidance on public finance management.*

## Sector Programs

*Evolving Sector Approach*

The still evolving concept of a comprehensive sector approach is presently among the most widely discussed forms of aid modalities. Donors are seeking ways to adapt aid instruments in support of economic reforms, to better match the requirements of recipient countries and to improve aid effectiveness. In particular, emphasis has been given to a more comprehensive sector perspective that is less fragmented than a relatively narrow project approach, and that provides support over a longer term than traditional structural adjustment support. A key indicator of quality for sector programs (SPs) is a government-led consultation/coordination process of stakeholder involvement by all partners.

The key feature of SPs is the integration of donor support within a comprehensive sectoral strategy (defined by the government, agreed upon by the major donors and based on a sector-wide analysis) and a consistent budget framework that looks several years forward. Within this framework, SPs attempt to link sector expenditure with the overall macroeconomic framework, and thus, help improve public expenditure management. The design process is intended to enhance the recipient country's ownership of the programs, as well as its management capacity and responsibility. Finally, SPs function as an umbrella to help ensure the coherence of government and donor activities.

It would be expected that a shift to sector programs would evolve as experience is gained and the benefits of this approach are realized. For many African countries, over the medium term, external assistance linked to macroeconomic and structural policy in the form of traditional balance of payments support will remain a major aid instrument. Likewise, projects may remain the preferred mode of assistance for a wide range of well-defined specific development issues.

*Tracking of Sector Programs*

At the June 1998 SPA plenary, donors reaffirmed the central focus of the Partnership to be the mobilizing of quick-disbursing resources in support of reform and development to reduce poverty in Africa. They agreed to begin to change the way the SPA assesses and organizes assistance. In this context, as a strategic direction, the Partnership settled on finding ways to recognize and encourage assistance that is provided under sector programs. Under SPA-5, the SPA could encourage and track the development of this approach, in line with recommendations to be made by the Economic Management Working Group.

The tracking of SPs would reinforce the SPA's major objectives of supporting macroeconomic stability and encouraging ways to enhance aid effectiveness and the overall efficiency of both public and donor resources. Tracking would mainly follow structural shifts in modalities used to support SPs. Therefore, tracking would measure whether donors are indeed shifting toward sector type aid where appropriate. Moreover, quantitative tracking is also an indicator of the progress among African countries in moving toward a framework that allows donors to adopt more flexible aid modalities, such as budget support. For this reason, it could be particularly informative to compare changes in the relative shares of the various aid modalities over time.

## Support for Strengthened Public Finance Management

The benefits of aligning the provision of donor support with countries' own budgetary cycles, analysis and decision-making have been increasingly recog-

nized within the SPA. In addition, the effectiveness of non-project support, including quick-disbursing assistance and debt relief, in promoting poverty reduction is closely linked to sound and accountable public finance management. SPA will support these processes. In particular, implementation of the SPA Guidance on Public Finance Management, approved during SPA-4, will be expanded. This Guidance is geared to transforming the Public Expenditure Review (PER) system from one in which donors (notably the World Bank) provide an assessment largely disconnected from the budget process, to a country-led approach where the World Bank and other donors provide advice and support to the country's own budget process. The outcomes will also be assessed. During SPA-5, the Partnership would encourage and monitor the broader diffusion of this approach, and provide for the sharing of experiences between participants.

The rationale behind this Guidance was the perceived weaknesses of PERs. These weaknesses included a lack of ownership by client countries, since PERs were mostly World Bank/donor driven, and a lack of integration of the PER with a country's budget cycle. Recommendations were made that were neither implementable nor translated into a plan of action, and the PERs predominantly focused on budget allocations and systems rather than on expenditure management and outcomes. In an effort to correct these weaknesses, the Guidance provides a number of strategies to increase the effectiveness of PERs in supporting public finance management.

Implementation of the Guidance has begun, and has perhaps been taken furthest in Ghana, Tanzania and Uganda. The experiences of these countries, which were reviewed at a workshop in November 1998, provided a good basis for further diffusion of the approach, incorporating lessons in each of the main areas of the Guidance:

▪ **Ownership:** One of the key elements set forth in the Guidance for the increased impact of PERs is ownership of the PER in the recipient country. In Tanzania and Uganda, the issue of ownership was not simply defined as government leadership in the PER process, but involved all stakeholders in creating broad-based ownership in the budget process. In these countries, the budget process was opened up to include the sectoral ministries, districts, the cabinet, donors, and civil society. An important element in the budget process was the inclusion of NGOs, who are important service providers in the social sectors. Broad participation led to a shared understanding of the constraints and objectives of the budget process in Tanzania and Uganda, and by increasing the political cost of deviating from an agreed-upon plan, also led to improved budget execution.

▪ **PER as a Routine Part of Expenditure Management and Allocation:** In Ghana, PERs have become an integral part of the budget process and are produced annually by the Ministry of Finance. In Tanzania and Uganda, PERs are undertaken annually in close cooperation between donors, the Ministry of Finance, and sectoral ministries and agencies. In order to ensure the close integration of the PER with the government and its budget cycle, the Tanzanian and Ugandan PERs had the following underlying principles: (i) timeliness, providing advice at the right time within the budget cycle; (ii) feeding advice through the right channels within the government's budget system in a way that strengthens its capability in subsequent cycles, and (iii) focus on issues that were of concern to the government, at its direction.

▪ **Involvement of Sector Agencies and Local and Regional Authorities:** According to the Guidance, a comprehensive PER process would involve all sector ministries as well as the central ministries of finance and planning. In the case of Uganda, this was achieved by initiating the PER/budget process through a budget workshop for representatives from the central and sectoral ministries, where government officials and PER team members collaborated in developing the work program for the preparation of the FY98 budget framework.

▪ **Medium-Term Expenditure Frameworks (MTEFs):** The Guidance identifies the preparation and implementation of a rolling MTEF as critical for effective public finance management. The experience in Ghana, Tanzania and Uganda shows that focusing efforts on the development of MTEFs as the framework for the annual budget helps to maintain aggregate fiscal discipline as well as to rationalize intersectoral allocations. The main challenge is to delegate authority over the budget to the line ministries, while respecting overall expenditure constraints.

▪ **Inclusion of Donor-Financed Expenditures:** The Guidance suggests that the PER process should aim

at addressing all areas of public spending with a view to budgeting all expenditures undertaken by the government. This should be done within the constraints of the agreed medium-term macroeconomic framework. Inclusion of donor support in the government budget was an objective of all budget/PER exercises that were discussed at the workshop, although the degree of coverage varied by country. Some of the practical problems arising in Tanzania's and Uganda's attempts to integrate foreign assistance into the budget included the inability of donors to make medium-term commitments coinciding with the country's MTEF, and problems related to reporting and accounting for aid flows, which are included in the budget but which bypass the budget process during implementation.

▪ **Incorporation of the Revenue Side:** Another recommendation of the Guidance is to incorporate more systematically the IMF work done on the revenue side of the PER, since in general the IMF's Enhanced Structural Adjustment Facility (ESAF) establishes the resource framework for the MTEF. The second dimension of this issue is to reflect all donor aid flows on the budget so that a full picture exists of the resources available at the aggregate and sectoral levels.

▪ **Good Governance/Openness Transparency and Public Accountability:** In a drive to make the PER process transparent to all stakeholders, governments have often gone beyond making the results of the PER available to the public, and have involved stakeholders in all aspects and phases of the PER process. However, stakeholders do not always have the capacity to effectively contribute to the *debate on budgetary issues, and they need to be supported in that respect*.

▪ **Capacity Issues:** Enhanced government capacity for efficient public expenditure management and monitoring is another key objective of the new approach. In addition to capacities for better budget management, it was also pointed out that managing the new process puts greater demands on governments, and that this needs to be taken into account. With the adoption of the new PER process, it is important to ensure that adequate capacities to manage the PER process exist or are created within the government. Evidence of strengthened capacities are particularly evident in the PER exercises of Ghana and Uganda. In the case of Ghana, the government took over the PER process seven years ago, and now annually produces its own PER without any external inputs. In the case of Uganda, in the FY98 PER/budget process, 10 external consultants supported the work of the sectoral Working Groups. This resulted in strengthened capacities within the country, and for FY99 the number of *consultants was reduced to two.*

• **Partnership between SPA Countries and Donors:** A partnership between government and donors consists of greater openness in the formative stages of the budget process, while donors offer greater clarity and predictability regarding their own financing, thus encouraging movement towards a genuinely comprehensive budget.

▪ **Monitoring Performance:** A critical issue in increasing the impact of future PER exercises is to monitor improved budget performance. Until now no agreed benchmarks for assessing performance have been developed in the dialogue between government and donors.

In the SPA-5 period, the approach will be applied in more countries as they reach a certain level of macroeconomic stability and are committed to effective budget strategies and management. The role of the SPA would be to act as a forum to exchange experiences (e.g., on donor coordination), so that lessons can be incorporated in new initiatives in other countries. It would also explore ways of extending the Guidance, by considering, for example, how to adapt donor practices in supporting government efforts to plan budgets in the medium term, to manage budgets efficiently, and to incorporate donor resources effectively.

### Moving to a Fiscal Framework for Assessing Aid Flows and Requirements

The SPA is engaged in the development of a fiscal framework for the assessment of aid requirements and allocations (Box 6). Such a framework would be geared to more clearly indicate the primary role that external assistance, and non-project quick-disbursing assistance in particular, is playing in supporting public expenditures in SPA countries. It would also facilitate the provision of assistance in support of broad programs of policy reform and development expenditure. The task of developing a feasible fiscal framework was given to the Economic Management Working Group, leading to a paper for the June 1999 plenary which reported on the expected benefits of the framework,

**Box 6. Definition of fiscal framework**

It is important first to clarify what is meant by a **fiscal framework for aid**. In the broadest sense, this means that donors' aid allocation decisions are set in the context of the recipient country's medium-term fiscal plans, which in turn are related to growth, poverty reduction and other social objectives.

In the narrowest sense, this would mean that aid decisions are made in relation to a fiscal financing gap presented in the context of the country's fiscal accounts. This is in contrast to the traditional approach focusing on a financing gap derived from each country's balance of payments (BOP). Where both fiscal and external accounts are based on a consistent set of accounts (as in the context of an IMF financial program), the fiscal gap is essentially identical to the balance-of-payments gap (except for a few minor definitional differences): they are two sides of the same coin.

What may make the two approaches different *in substance* is the set of considerations on which each focuses attention. The fiscal presentation of financing gaps draws attention to the potential role of aid in financing government expenditure in the context of the country's development over the medium term—whereas the traditional BOP presentation tends to highlight its role in compensating for external shocks.

the results of a test application in two countries, and a strategy for further development and implementation.

*Expected Benefits of Moving to a "Fiscal Framework"*

The fiscal framework would complement the standard BOP analysis by allowing a deeper understanding of the nature of a nation's financing requirements, and reinforcing the dialogue between donors and government in the context of a review of public finance management. The fiscal framework explicitly integrates aid flows with all public resources within a fully-specified macroeconomic framework. Thus, it serves as a tool to better *align the donors' decision framework on aid flows with concerns about budget composition and the allowance for structural reforms, in order to help increase the efficiency of public spending***.** The fiscal framework for aid would highlight a number of important public finance management issues:

- **Macroeconomic policy within the context of a consistent set of sectoral accounts.** How does—and should—fiscal policy respond to changes in aid flows and what macroeconomic impact does this have? What would be the effects on growth, inflation and the balance of payments, taking into account the effect on relative prices, interest rates, and private investment?
- **Public expenditure policies and expenditure management**. If donors view aid in the context of the recipient country's fiscal accounts, it is reasonable for them to ask how those accounts are being managed. In view of the fungibility of aid, this means focusing on the country's expenditure policies and overall budget formulation and execution, rather than only on the resource utilization of the portion of the budget that is aid-financed. Public expenditure policies should allow for structural reform measures such as the cost of bank restructuring, public enterprise reforms, civil service reforms, revenue losses from trade liberalization, etc.
- **Aid delivery.** One factor that has typically made it difficult for recipient countries to base their expenditure planning on prospective aid flows is the unpredictability of aid disbursements and their chronic tendency to fall substantially short of commitments.

### *Emerging Issues from Country Pilots*

The two country pilot tests highlighted a number of practical issues in using fiscal accounts for aid purposes:

- **Definition issues.** By focusing on the fiscal accounts, certain flows may be missed. By definition, aid flows are excluded which go directly to the private sector, to NGOs, or expatriate consultants, and the line between public and private sectors is often blurred (e.g., in the case of public enterprises). Fiscal accounts also exclude ESAF loans and IMF charges and repurchases, which are transferred to the Central Bank and do not flow directly into the budget, even if these loans enable the Central Bank to fund the budget (through expansion of net domestic credit to the government).

**Statistical issues.** There remain important gaps in aid reporting, including inconsistencies between aid reporting by donors, Central Banks, and Ministries of Finance, and the large proportion of aid flow which is

off budget. In addition to off-budget aid flow, donors often do not provide detailed enough information about how their aid is used for project imports, technical assistance (services) and domestic costs. Both issues are serious obstacles to effective public expenditure management and are highlighted by the application of the fiscal framework. Finally, in many SPA countries, timely availability of data is a problem. This is usually more pronounced with regard to fiscal data, which are compiled by Ministries of Finance than with regard to external accounts data, which are compiled by Central Banks.

*In SPA-5*

During SPA-5, the Partnership would continue to develop and move to apply the fiscal framework to those SPA countries where the institutional and statistical base is appropriate, and to identify data gaps and problems as well as best practice (e.g., consistency with existing MTEF).

- The application of the fiscal framework points at several areas where improvement in the fiscal data would increase the benefits of the approach. This is an area where donors and governments should work together. For instance, they can work together towards enhancing information on public finance management by providing—on a routine basis—detailed information on budget composition, sectoral expenditure levels, source of funding, and comparison between expenditure allocations and actual budget outcomes.
- Certain changes in donor practices and aid procedures could facilitate the use of a fiscal framework, adding value to it and therefore to aid effectiveness. Good progress in this area would entail that the timing of aid announcements and disbursement is aligned with the national budget cycle. Timely reporting of aid flows in a transparent manner would help improve the upstream reporting of public expenditures and ensure that aid flows are adequately reflected in the budget (on an *ex ante* basis as well as on an *ex post* basis). Donor aid-reporting systems which help provide information on aid commitments, disbursements, and composition (by sector and instrument), would facilitate incorporation of the most accurate projections on aid flows in the budget.

**Performance Monitoring and Conditionality**

The elements of the SPA-5 agenda could support a major shift in the organization of aid to SPA countries by integrating economic reform programs with focused strategies for poverty reduction over the medium term and by embedding aid (and aid requirements) with in-country-based planning and budgeting processes. It could further bring project and non-project donor support at the sector level within the ambit of country-led sector strategies, and adapt donor practices to respond to these changes. To be effective, however, these developments would imply a considerable strengthening of performance monitoring and accountability

Performance monitoring would be strengthened through the SPA at several levels:

- The SPA plenary has regularly monitored economic performance, reform and external finance, as well as donor performance in meeting the balance of payments financing requirements of reform programs. Regular assessments of poverty on a region-wide basis, as well as reports on a particular topic such as gender, have also been made. Cross-country indicators have been supplemented by regular country status reports, which have also reported on the implementation of SPA initiatives such as sector programs and liberalization of import support programs.
- During SPA-5, these efforts would be enhanced by more systematic information and information flow on the dimensions of poverty and its linkage to economic reform, coming out of the work currently underway in the Poverty and Social Policy Working Group. The range of economic indicators monitored though the SPA could also be broadened to include more structural elements. As these contain significant qualitative dimensions and often require informed, country–based judgment to be meaningful, cross-country indictors may prove to be difficult to maintain. As many partners, including the World Bank, already maintain performance-rating systems that are geared to capture these dimensions, there is scope for the exchange of information on practices in this area.
- Performance monitoring is also done regularly at the country level. Significant evolution of this monitoring can be expected. The application of the Comprehensive Development Framework, as proposed by the World Bank, would entail the definition by country

**Box 7. Performance-based support and conditionality: The Burkina Faso pilot**

In 1996 the SPA began to discuss ways to enhance the effectiveness of aid programs by reforming conditionality, at the initiative of the European Commission. While it has been standard practice to tie quick disbursing (or structural adjustment) assistance to conditions related to policy reforms, there has been a growing concern that the manner in which conditionality is arrived at and applied has undermined ownership and created instability in resource flows. Substantial recent research has explored the limits of traditional conditionality (Killick, Collier), while other research has demonstrated that the fungibility of aid requires a more comprehensive, results-based approach to enhance aid effectiveness (Dollar and Burnside, Devarajan and Swaroop).

In 1997 a shadow "test" program was started in Burkina Faso to explore how to change the nature of the aid relationship from traditional conditionality to a multi-donor policy dialogue on performance of the reform program, in ways that would enhance the reform program and the effectiveness of aid. The test involves several innovative features, including a joint assessment by donors of government performance against a set of outcome indicators agreed upon with the government. The preliminary conclusion is that a focus on outcome indicators can help achieve the four stated objectives of increasing ownership, strengthening donor coordination, smoothing aid flows and increasing effectiveness. The pilot is ongoing and is also looking at the issue of how to link disbursements to performance.

The objective of smoothing aid flows and the lessons drawn during the test's appraisal of the performance indicators may argue for a graduated allocation of funds (more or less money depending on results achieved), rather than the current "all or nothing" style of allocation. This might lead to fewer "stop-and-go" situations and would allow donors to tailor their support to the specific needs and conditions of a country. In the next step, the test will look at the practicalities and problems of introducing a disbursement link and how to achieve the above graduation.

authorities of performance monitoring indicators, both outcome based and with intermediate input indicators. The SPA Country Status Report could capture these developments in performance monitoring as they occur at the country level. These efforts would be linked to operational performance indicators and the framing of conditionality. Experience with linking conditionality more closely to outcomes has been positive in promoting ownership. This conclusion emerged from the recent World Bank OED's review of Higher Impact Adjustment Loans[3], and from the early experience with the SPA Burkina Faso pilot (Box 6). The linkage of aid disbursements to a wider range of performance benchmarks would continue to be developed and reported on.

- More broadly, the SPA would serve as a key forum to exchange experiences with the range of country-specific processes.

## The Evolving Role of the SPA

During SPA-5, the Partnership will strengthen its own ability to improve the effectiveness of donor programs, following up on the conclusions of the review of SPA-4. In particular, it will:

- Strengthen the communications effort of the Partnership, by developing informational material and reporting internal dissemination of SPA Guidance among partner agencies;
- Consider improvements in the efficiency of SPA processes, including the structuring of Working Groups;
- Seek ways to strengthen African perspectives in the SPA, including involvement of African researchers and others in SPA working group activities and African contributions to SPA plenaries.

### Integration of SPA with Country Processes

The ways in which SPA and country-level processes can be mutually reinforcing may evolve during SPA-5. *The advent of the PRSP, and the role envisaged for the SPA in that process, provides a strengthened framework for that linkage*.

Elements in the SPA-5 agenda, including the development of medium-term poverty goals, issues related to support for sector programs, and the integration of aid with national sector and budgetary processes, need to take place and be coordinated in the first instance at the country level. It would be expected that Consultative Groups and Roundtables, two focal points for discussing country aid issues with stakeholders and donors, would play a major role in this process. For the SPA, which would monitor and facilitate these developments cross-country, this means a much closer integration with these aid coordination mechanisms

during the next phase. In turn, feedback from Consultative Group and Roundtable discussions could facilitate deliberations in the SPA with the aim of improving products and identifying best practices.

More and more, the coordination fora are being adapted for country-specific circumstances and capacity, with changes in structure, venue, timing, and other aspects of the process. More Consultative Groups are being held in-country, affording increased opportunities to engage a broad spectrum of government, civil society, and other actors in considering the country's development agenda. This points to enhanced prospects for the ownership and sustainability of the programs being supported. For example, "Government-Donor Group" meetings are now held in Ghana on a quarterly basis, with the government setting the agenda and chairing the event. One recent meeting covered issues of the local PER, the status of sector programs in education and agriculture, and a proposed donor "code of conduct" for civil service salaries and supplements (drawing on SPA guidelines).

Evaluative reviews have been conducted of Roundtables, Consultative Groups and related coordination activities that are country-focused. The primary objective of the reviews was to stimulate improvements in the relevance, effectiveness, and efficiency of the instruments of aid coordination. Another objective was to identify ways to strengthen the role of the recipient country, moving it to the center of the aid coordination process while preserving the mutual accountability of both the donor and the recipient. These issues are especially relevant in the context of the CDF partnership approach and the PRSP process. The reviews were carried out by the UNDP Management Development and Governance Division and the World Bank OED, respectively.

### Strengthening SPA Implementation and Communication

The OED evaluation noted that the conclusions and general policy directives of the SPA are not appropriately communicated either to key operational and field staff of member organizations that deal with financial and development issues in Africa, or to associated coordination groups. A better dissemination of the SPA's program would reinforce participation and implementation in beneficiary countries.

The evaluation report suggested that a communications plan be developed that emphasizes areas where consensus already exists, and where members wish to speak with one voice. The report also emphasized the need to define a strategy for distributing the results of follow-up and evaluation activities. The most important audience would be stakeholders in African beneficiary countries and partner organizations and their policy and operations staff in the field. It would be the responsibility of each SPA partner to disseminate the findings and the policies established by the SPA. OED suggested that an ad hoc group could be formed to develop a communications policy and action program for the SPA.

The importance of improving communications to strengthen and leverage the SPA as an instrument for improved aid effectiveness was strongly endorsed during the SPA review process. As a result, the SPA is engaged in strengthening communication with all stakeholders within the aid community.

The Partnership has agreed on a communications action plan, developed under the leadership of Canada, which lays out priority activities, sequenced over the short- and medium-terms. A "contact group" of SPA partners has been established under the coordination of the Canadian International Development Agency (CIDA) to provide input and feedback into the process. A near-term consensus has been reached on the content for some key communications materials, geared to the intended audiences. These could include generic documents and an SPA Website.

Looking toward SPA-5, the plan calls for the possible creation of an SPA network composed of communications specialists in partner agencies, and most importantly, establishing additional links with African development fora. The remaining challenge is to "mainstream" communications in SPA work as a component of each initiative, and by the partners within their respective agencies and to their constituencies.

### Linkage with Other Development Fora

While continuing to focus on its comparative advantage and core objectives, the SPA has started to increase efforts to build on synergies with other relevant initiatives and groups—e.g., the Global Coalition for Africa; the collaborative "Can Africa Claim the 21st Century?" project; and the OECD Development Assistance Committee (whose previous chairman stressed the fruitful complementarity of the DAC and SPA roles).

Where different fora (DAC, UN, EU, WB) are addressing similar strategies, themes and instruments, it would be in the SPA's interest to more systematically take on board the messages and reports coming from these other fora. The Working Groups are already doing this in the areas of poverty and sector programs by inviting representatives to participate in Working Group meetings. The SPA could build on this by asking the Working Groups to monitor developments in other fora more broadly and bring them to the attention of the Plenary. In cases where the SPA should integrate this knowledge into its own work, the Working Groups could recommend how this could be done. At other times, the working groups may recommend ways in which the SPA should adjust its work program to avoid duplication of work being done in other fora, on the principle of comparative advantage.

**Evolving Role of the SPA Plenary, Pre-Plenary, and Working Groups**

As the SPA agenda has evolved, plenary meetings have been an anchor for mobilizing quick-disbursing assistance, monitoring of country and donor performance in support of reform, and achieving consensus on improved aid practices. They have been a forum for laying the groundwork for new policy initiatives in such areas as debt, gender, the structuring of conditionality, and the integration of adjustment programs with social impacts and poverty reduction objectives.

Experience has shown that the role of and expectations for the SPA forum can change, and that it can continue to contribute to achieving the core objectives of supporting reform and development to reduce poverty in Africa. As the SPA looks to the future, it will continue to seek ways to maintain its maximum value as a unique aid coordination mechanism.

The Partnership has recognized the advantages of a strengthened African contribution to its work through regular presentations by African leaders at pre-plenary sessions and increased representation in plenary meetings and Working Groups.

SPA-5 will build on previous experience by seeking to broaden the diversity of representation at pre-plenary sessions and to strengthen the thematic linkage between the pre-plenary and the plenary sessions that follow. African participation in the working groups, should be strengthened in SPA-5.

The contributions of thematic Working Groups, focusing on issues related to economic management and poverty and social development, have enriched SPA plenary discussions. At the Working Group level, the SPA has pursued two discourses, each in a separate Working Group: one addressing issues of economic management and the other considering poverty and social policy matters. Given the pressing need for countries to make rapid progress towards agreed upon international poverty reduction targets, and an increasing move towards sector approaches and fiscal frameworks, there was consensus that the division between a group on macroeconomic policy issues and one on poverty issues was increasingly artificial. The adoption by the IMF of the Poverty Reduction and Growth Facility (PRGF) and the decision by the Bretton Woods Institutions to move from traditional PFPs to PRSPs strengthened this perception. The Partnership decided to merge the two Working Groups into one Technical Group supported by Task Teams to do work in thematic or modality-related areas.

Many donors have also raised the importance of the SPA addressing in more depth some broader issues related to sustainable growth and poverty reduction in SPA countries, and their linkage to economic reform programs supported by the SPA. Donors reaffirmed the importance of keeping plenary meetings focused on the core business of the SPA, while keeping open the possibility of devoting some sessions to an expanded discussion of related issues—for example, issues related to the International Development Goals, or the Poverty Reduction Strategy Papers and the Comprehensive Development Framework. Participation in these sessions by individuals outside the SPA membership, who have applicable experience and knowledge, could be considered if appropriate.

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[1] SPA countries without agreed reform programs as of mid-2000 include Burundi, Comoros, Congo, Eritrea, Ethiopia, Kenya, Niger, and Togo.

[2] Assessments of financing needs from a fiscal perspective will be developed during SPA-5 to complement the balance of payments assessments that have been traditionally used. This forms an important part of the SPA-5 agenda.

[3] *Higher Impact Adjustment Lending: Initial Evaluation,* November 1999, Fareed Hassan et.al.

# Annex: Tables

**Annex Table 1. Poverty head-counts based on national poverty lines (percent)**

| | Year | National | Urban | Rural |
|---|---|---|---|---|
| **Benin** | 1995 | 33 | | |
| **Burkina Faso*** | 1994-1995 | 56 | 13 | 65 |
| **Burundi** | 1990 | 36 | | |
| **Cameroon** | 1984 | 40 | 44 | 32 |
| **CAR** | 1993 | 61 | 33 | 77 |
| **Chad** | 1995-1996 | 64 | 63 | 67 |
| **Côte d'Ivoire*** | 1995 | 42 | 29 | 51 |
| **Djibouti*** | 1996 | 41 | 38 | 84 |
| **Ethiopia*** | 1995-1996 | 46 | 21 | 50 |
| **Gambia*** | 1992 | 50 | 21 | 73 |
| **Ghana** | 1992 | 31 | 27 | 34 |
| **Guinea*** | 1994-1995 | 44 | 18 | 57 |
| **Guinea Bissau** | 1991 | 49 | 24 | 61 |
| **Kenya** | 1992 | 42 | 29 | 46 |
| **Malawi** | 1990-91 | 54 | | |
| **Mali*** | 1994 | 55 | 8 | 64 |
| **Mauritania*** | 1995 | 39 | 18 | 56 |
| **Niger** | 1989-93 | 63 | 52 | 66 |
| **Nigeria** | 1985 | 43 | 32 | 50 |
| **Rwanda** | 1993 | 51 | | |
| **Senegal** | 1991 | 33 | 16 | 40 |
| **Sierra Leone** | 1989 | 68 | 53 | 76 |
| **South Africa*** | 1993 | 44 | 40 | 86 |
| **Swaziland*** | 1994 | 63 | 36 | 70 |
| **Tanzania*** | 1993 | 42 | 20 | 51 |
| **Togo** | 1987-89 | 32 | | |
| **Uganda** | 1993 | 55 | | |
| **Zambia** | 1991 | 68 | 46 | 88 |
| **Zimbabwe** | 1990-91 | 26 | | |

** African Development Indicators (ADI); otherwise, World Development Indicators. (WDI)*

**Annex Table 2. Mortality indicators in sub-Saharan Africa**

| | Infant mortality rate | | | Under-five mortality | | | Life expectancy at birth | |
|---|---|---|---|---|---|---|---|---|
| | 1970 | 1980 | 1997 | 1970 | 1980 | 1997 | 1980 | 1997 |
| | (per 1,000) | | | | | | (year) | |
| **Angola** | 178 | 154 | 125 | 301 | 261 | 209 | 41 | 46 |
| **Benin** | 146 | 116 | 88 | .. | 214 | 149 | 48 | 53 |
| **Botswana** | 95 | 71 | 58 | 139 | 94 | 88 | 58 | 47 |
| **Burkina Faso** | 141 | 121 | 99 | 278 | .. | 169 | 44 | 44 |
| **Burundi** | 138 | 122 | 119 | 228 | 193 | 200 | 47 | 42 |
| **Cameroon** | 126 | 94 | 52 | 215 | 173 | 78 | 50 | 57 |
| **CAR** | 139 | 117 | 98 | 248 | .. | 169 | 46 | 45 |
| **Chad** | 171 | 123 | 100 | 252 | 235 | 182 | 42 | 49 |
| **Congo Dem. Rep.** | 131 | 112 | 92 | 245 | 210 | 148 | 49 | 51 |
| **Congo Rep.** | 101 | 89 | 90 | 160 | 125 | 145 | 50 | 48 |
| **Côte d'Ivoire** | 135 | 108 | 87 | 240 | 170 | 140 | 49 | 47 |
| **Eritrea** | | 91 | 62 | | .. | 95 | 44 | 51 |
| **Ethiopia** | 158 | 155 | 107 | 239 | 213 | 175 | 42 | 43 |
| **Gabon** | 138 | 116 | 87 | 232 | 194 | 136 | 48 | 52 |
| **Gambia** | 185 | 159 | 78 | 319 | 216 | 110 | 40 | 53 |
| **Ghana** | 112 | 94 | 66 | 186 | 157 | 102 | 53 | 60 |
| **Guinea** | 181 | 185 | 120 | 345 | 299 | 182 | 40 | 46 |
| **Guinea Bissau** | 185 | 169 | 130 | 316 | 290 | 220 | 39 | 44 |
| **Kenya** | 102 | 75 | 74 | 156 | 115 | 112 | 55 | 52 |
| **Lesotho** | 134 | 119 | 93 | 190 | 168 | 137 | 53 | 56 |
| **Madagascar** | 153 | 119 | 94 | 285 | 216 | 158 | 51 | 57 |
| **Malawi** | 193 | 169 | 133 | 330 | 265 | 224 | 44 | 43 |
| **Mali** | 204 | 184 | 118 | 391 | .. | 235 | 42 | 50 |
| **Mauritania** | 148 | 120 | 92 | 250 | 175 | 149 | 47 | 53 |
| **Niger** | 170 | 150 | 118 | 320 | 320 | .. | 42 | 47 |
| **Nigeria** | 139 | 99 | 77 | 201 | 196 | 122 | 46 | 54 |
| **Rwanda** | 142 | 128 | 124 | 210 | .. | 209 | 46 | 40 |
| **Senegal** | 135 | 117 | 70 | 279 | 190 | 110 | 45 | 52 |
| **Sierra Leone** | 197 | 190 | 170 | 363 | 336 | 286 | 35 | 37 |
| **South Africa** | 79 | 67 | 48 | 108 | 91 | 65 | 57 | 65 |
| **Tanzania** | 129 | 108 | 85 | 218 | 176 | 136 | 50 | 48 |
| **Uganda** | 109 | 116 | 99 | 185 | 180 | 162 | 48 | 42 |
| **Zambia** | 106 | 90 | 113 | 181 | 149 | 189 | 50 | 43 |
| **Zimbabwe** | 96 | 80 | 69 | 138 | 108 | 108 | 55 | 52 |

*Source: World Development Indicators (World Bank).*

**Annex Table 3. Nutrition and anthropometrical indicators in sub-Saharan Africa**

| | Access to safe water 1996 | Underweight* 1992-97 | Stunted** 1992-97 |
|---|---|---|---|
| **Angola** | 32 | 35 | .. |
| **Benin** | 72 | 29 | 25 |
| **Botswana** | 70 | 27 | .. |
| **Burkina Faso** | .. | 33 | 29 |
| **Burundi** | 58 | 38 | .. |
| **Cameroon** | 41 | .. | .. |
| **CAR** | 23 | 23 | 28 |
| **Chad** | 24 | 39 | 40 |
| **Congo Dem. Rep.** | | 34 | 45 |
| **Congo Rep.** | | 24 | 45 |
| **Côte d'Ivoire** | 72 | 24 | 24 |
| **Eritrea** | 7 | 44 | 38 |
| **Ethiopia** | 26 | 48 | 64 |
| **Gabon** | 67 | .. | .. |
| **Gambia** | 50 | 26 | 30 |
| **Ghana** | 65 | 27 | 26 |
| **Guinea** | 55 | 24 | .. |
| **Guinea Bissau** | 53 | 23 | .. |
| **Kenya** | 45 | 23 | 34 |
| **Lesotho** | 62 | 16 | 44 |
| **Madagascar** | 16 | 34 | 50 |
| **Malawi** | 60 | 30 | 48 |
| **Mali** | 48 | 40 | 30 |
| **Mauritania** | 64 | 23 | 44 |
| **Niger** | 48 | 43 | 40 |
| **Nigeria** | 50 | 39 | 38 |
| **Rwanda** | .. | 29 | 49 |
| **Senegal** | 50 | 22 | 23 |
| **Sierra Leone** | 34 | .. | .. |
| **South Africa** | 59 | 9 | 23 |
| **Tanzania** | 49 | 31 | 43 |
| **Uganda** | 42 | 26 | 38 |
| **Zambia** | 53 | 24 | 42 |
| **Zimbabwe** | 77 | 16 | 21 |

** Percentage of children with weight less than two standard deviations below that of the reference population of that height.*
*** Percentage of children with height less than two standard deviations below that of the reference population of that age.*

*Source: World Development Indicators, 1999*

# Statistical Appendix

**Table 1: GDP Growth, 1985-2002**

(annual percent change)

| | 1985-87 | SPA-1 1988-90 | SPA-2 1991-93 | SPA-3 1994-96 | SPA-4 1997-99 *Estimate* | SPA-5 2000-02 *Projection* |
|---|---|---|---|---|---|---|
| 1 BENIN | 2.6 | 0.8 | 4.1 | 4.8 | 5.0 | 5.3 |
| 2 BURKINA FASO | 5.4 | 1.9 | 3.7 | 3.7 | 5.5 | 6.3 |
| 3 BURUNDI | 6.4 | 3.1 | 0.0 | -6.6 | 1.7 | 5.1 |
| 4 CAMEROON | 4.4 | -4.9 | -3.3 | 2.0 | 4.9 | 5.2 |
| 5 CENTRAL AFRICAN REP. | 1.0 | 0.6 | -2.7 | 3.0 | 4.9 | 4.4 |
| 6 CHAD | 3.6 | 5.1 | 0.4 | 4.5 | 4.1 | 5.2 |
| 7 COMOROS | 1.9 | 1.0 | 2.5 | -3.3 | 0.3 | 3.0 |
| 8 CONGO | -3.1 | 1.8 | 1.4 | 1.7 | 0.5 | 4.8 |
| 9 COTE D'IVOIRE | 2.5 | 1.2 | -0.1 | 5.4 | 5.6 | 5.7 |
| 10 ERITREA | .. | .. | .. | 6.1 | 5.0 | 6.7 |
| 11 ETHIOPIA | 1.6 | 1.3 | 0.2 | 6.7 | 3.4 | 6.4 |
| 12 GAMBIA, THE | 2.1 | 4.8 | 3.2 | 1.1 | 4.6 | 5.0 |
| 13 GHANA | 5.0 | 4.7 | 4.6 | 4.0 | 4.5 | 4.7 |
| 14 GUINEA | .. | 3.0 | 3.3 | 4.3 | 4.3 | 5.3 |
| 15 GUINEA-BISSAU | .. | 5.6 | 2.6 | 4.1 | -9.0 | 7.2 |
| 16 KENYA | 5.9 | 5.0 | 0.2 | 3.8 | 1.8 | 3.0 |
| 17 MADAGASCAR | 1.5 | 3.6 | -0.9 | 1.3 | 4.0 | 5.7 |
| 18 MALAWI | 1.8 | 3.2 | 2.3 | 5.2 | 4.0 | 5.8 |
| 19 MALI | -1.8 | 4.4 | 3.1 | 4.4 | 5.4 | 5.0 |
| 20 MAURITANIA | -1.8 | 1.9 | 3.1 | 4.6 | 4.0 | 4.7 |
| 21 MOZAMBIQUE | 3.5 | 5.3 | 0.6 | 6.1 | 11.1 | 7.6 |
| 22 NIGER | 1.5 | 2.4 | -1.3 | 3.8 | 4.9 | 4.5 |
| 23 RWANDA | 3.5 | 0.6 | -1.1 | -4.6 | 9.1 | 5.7 |
| 24 SAO TOME & PRINCIPE | .. | 4.8 | 12.5 | 1.9 | 2.0 | 3.7 |
| 25 SENEGAL | 4.2 | 2.1 | 0.1 | 4.3 | 5.7 | 6.0 |
| 26 SIERRA LEONE | .. | .. | .. | .. | .. | .. |
| 27 TANZANIA | .. | 4.4 | 1.0 | 2.7 | 3.9 | 5.9 |
| 28 TOGO | 2.4 | 3.5 | -7.0 | 10.6 | 1.8 | 4.9 |
| 29 UGANDA | 0.3 | 7.0 | 5.5 | 9.2 | 6.0 | 7.0 |
| 30 ZAMBIA | 1.6 | 1.3 | 1.3 | -0.1 | 0.6 | 3.8 |
| Total weighted average | .. | 2.1 | 1.0 | 4.2 | 4.6 | 5.5 |
| unweighted average | 2.4 | 2.8 | 1.6 | 3.3 | 3.8 | 5.3 |
| median | 2.4 | 3.0 | 1.3 | 4.0 | 4.3 | 5.2 |

Note: Weighted averages are obtained by converting the individual country constant local currency series into US dollars at 1987 average exchange rates and then taking the percent change of the resulting aggregate total.

## Table 2: GDP Per Capita Growth, 1985-2002

(annual percent change)

| | 1985-87 | SPA-1 1988-90 | SPA-2 1991-93 | SPA-3 1994-96 | SPA-4 1997-99 | SPA-5 2000-02 |
|---|---|---|---|---|---|---|
| | | | | | *Estimate* | *Projection* |
| 1 BENIN | -0.6 | -2.3 | 1.0 | 1.9 | 2.0 | 2.2 |
| 2 BURKINA FASO | 2.7 | -0.9 | 0.8 | 0.9 | 2.6 | 3.4 |
| 3 BURUNDI | 3.4 | 0.2 | -2.7 | -8.9 | -1.1 | 2.0 |
| 4 CAMEROON | 1.6 | -7.6 | -6.1 | -0.9 | 1.9 | 2.3 |
| 5 CENTRAL AFRICAN REP. | -1.3 | -1.8 | -4.9 | 0.9 | 2.8 | 2.2 |
| 6 CHAD | 1.1 | 2.5 | -2.1 | 1.9 | 1.6 | 2.7 |
| 7 COMOROS | -0.7 | -1.6 | -0.1 | -5.7 | -2.2 | 0.4 |
| 8 CONGO | -6.1 | -1.4 | -1.6 | -1.0 | -2.3 | 1.7 |
| 9 COTE D'IVOIRE | -1.3 | -2.5 | -3.4 | 2.6 | 3.1 | 3.4 |
| 10 ERITREA | .. | .. | .. | 3.4 | 2.2 | 3.6 |
| 11 ETHIOPIA | -1.2 | -1.5 | -3.5 | 3.6 | 0.8 | 4.1 |
| 12 GAMBIA, THE | -1.8 | 0.4 | -0.8 | -1.9 | 1.5 | 1.9 |
| 13 GHANA | 1.4 | 1.5 | 1.7 | 1.3 | 1.8 | 2.0 |
| 14 GUINEA | 3.1 | 0.4 | 0.4 | 1.4 | 1.4 | 2.4 |
| 15 GUINEA-BISSAU | .. | 3.9 | 0.2 | 1.6 | -11.1 | 4.9 |
| 16 KENYA | 2.4 | 1.9 | -2.5 | 1.2 | -0.6 | 0.8 |
| 17 MADAGASCAR | -1.5 | 0.4 | -3.3 | -1.6 | 1.0 | 2.6 |
| 18 MALAWI | -1.5 | -0.3 | -0.5 | 2.4 | 1.3 | 3.2 |
| 19 MALI | -4.3 | 1.5 | 0.2 | 1.5 | 2.3 | 2.0 |
| 20 MAURITANIA | -4.3 | -1.0 | 0.3 | 1.7 | 1.2 | 1.9 |
| 21 MOZAMBIQUE | 2.0 | 5.2 | -1.7 | 3.7 | 8.6 | 5.2 |
| 22 NIGER | -1.7 | -0.7 | -4.4 | 0.5 | 1.5 | 1.7 |
| 23 RWANDA | 0.3 | -2.0 | -3.7 | -1.5 | 2.2 | 3.1 |
| 24 SAO TOME & PRINCIPE | .. | 2.7 | 9.3 | -0.7 | -0.2 | 1.5 |
| 25 SENEGAL | 1.2 | -0.4 | -2.6 | 1.6 | 3.0 | 3.3 |
| 26 SIERRA LEONE | .. | .. | .. | .. | .. | .. |
| 27 TANZANIA | .. | 1.2 | -2.0 | -0.2 | 1.3 | 3.6 |
| 28 TOGO | -0.6 | 0.4 | -9.8 | 7.4 | -0.9 | 2.3 |
| 29 UGANDA | -2.0 | 3.6 | 2.1 | 6.0 | 3.0 | 4.0 |
| 30 ZAMBIA | -1.4 | -1.7 | -1.7 | -2.7 | -1.7 | 1.8 |
| Total weighted average | 2.0 | -0.8 | -0.8 | -0.5 | 1.0 | 2.5 |
| unweighted average | -0.3 | 0.0 | -1.3 | 0.7 | 0.9 | 2.6 |
| median | -0.6 | -0.3 | -1.7 | 1.3 | 1.5 | 2.3 |

## Table 3: Real Consumption Per Capita Growth, 1985-2002

(annual percent change)

| | | SPA-1 | SPA-2 | SPA-3 | SPA-4 | SPA-5 |
|---|---|---|---|---|---|---|
| | 1985-87 | 1988-90 | 1991-93 | 1994-96 | 1997-99 | 2000-02 |
| | | | | | *Estimate* | *Projection* |
| 1 BENIN | -2.9 | 0.7 | 0.1 | 0.7 | 2.0 | 0.5 |
| 2 BURKINA FASO | 5.8 | -2.8 | 1.7 | -1.2 | 2.4 | 3.0 |
| 3 BURUNDI | 2.1 | 1.5 | -0.7 | -9.6 | -0.1 | 0.3 |
| 4 CAMEROON | 9.5 | -11.1 | -6.8 | 1.4 | 0.6 | 2.1 |
| 5 CENTRAL AFRICAN REP. | -0.6 | -1.7 | -3.6 | -3.0 | -1.4 | 1.6 |
| 6 CHAD | 5.0 | -1.5 | -1.3 | -0.1 | 0.1 | 1.3 |
| 7 COMOROS | -0.9 | -0.3 | -2.4 | -8.5 | -2.9 | 0.3 |
| 8 CONGO | -4.9 | -1.7 | 1.0 | -0.8 | -14.7 | 1.7 |
| 9 COTE D'IVOIRE | -0.1 | -5.1 | -2.2 | -0.5 | 0.7 | 2.6 |
| 10 ERITREA | .. | .. | .. | .. | .. | .. |
| 11 ETHIOPIA | 5.1 | -5.0 | -6.6 | 3.9 | 6.0 | -2.4 |
| 12 GAMBIA, THE | 5.3 | -1.6 | 0.3 | -1.6 | 0.2 | .. |
| 13 GHANA | 1.9 | 0.0 | 2.6 | -1.8 | 5.2 | 1.2 |
| 14 GUINEA | .. | 1.7 | 0.6 | 1.9 | 0.4 | 1.2 |
| 15 GUINEA-BISSAU | -11.5 | 6.6 | 3.8 | 1.3 | -8.2 | 3.8 |
| 16 KENYA | 3.3 | 1.2 | -1.2 | 5.8 | 0.3 | -1.2 |
| 17 MADAGASCAR | -2.6 | -1.8 | -2.6 | -1.9 | 0.7 | 1.0 |
| 18 MALAWI | -2.2 | 2.5 | 2.4 | 2.9 | -0.5 | 0.4 |
| 19 MALI | -5.2 | 1.4 | -0.6 | 1.7 | 0.5 | 1.5 |
| 20 MAURITANIA | -5.3 | 1.9 | 2.5 | -2.8 | 2.6 | 2.5 |
| 21 MOZAMBIQUE | -0.3 | -5.2 | 9.2 | -5.3 | 8.2 | 2.5 |
| 22 NIGER | -4.8 | 1.6 | -4.9 | 0.2 | 0.8 | 1.8 |
| 23 RWANDA | 0.0 | -1.1 | 2.0 | -3.0 | 2.4 | 1.1 |
| 24 SAO TOME & PRINCIPE | .. | -4.3 | 15.5 | -10.2 | -8.9 | -7.3 |
| 25 SENEGAL | 0.6 | -1.2 | -2.3 | 0.5 | 1.3 | 2.5 |
| 26 SIERRA LEONE | .. | .. | .. | .. | .. | .. |
| 27 TANZANIA | .. | 0.8 | -1.9 | -1.9 | -0.8 | 3.6 |
| 28 TOGO | -1.5 | 0.9 | -6.4 | 3.1 | 1.1 | 0.9 |
| 29 UGANDA | -2.0 | 2.8 | 1.3 | 6.3 | 1.2 | 3.0 |
| 30 ZAMBIA | 1.1 | -8.3 | -10.6 | -0.8 | -0.5 | 1.1 |
| Total weighted average | 5.5 | -2.0 | 1.7 | -3.2 | 2.8 | 1.9 |
| unweighted average | -0.2 | -1.0 | -0.5 | -0.8 | 0.0 | 1.1 |
| median | -0.3 | -0.7 | -0.7 | -0.7 | 0.5 | 1.3 |

## Table 4: Export Growth, 1985-2002

(annual percent change)

| | 1985-87 | SPA-1 1988-90 | SPA-2 1991-93 | SPA-3 1994-96 | SPA-4 1997-99 | SPA-5 2000-02 |
|---|---|---|---|---|---|---|
| | | | | | *Estimate* | *Projection* |
| 1 BENIN | 5.3 | -13.1 | 15.4 | -4.6 | 3.8 | 7.0 |
| 2 BURKINA FASO | 2.5 | 4.4 | 0.3 | -6.6 | 10.1 | 5.4 |
| 3 BURUNDI | 0.6 | -0.3 | 7.2 | -12.7 | 30.9 | 25.2 |
| 4 CAMEROON | -7.0 | 6.8 | -4.5 | -1.0 | 7.2 | 3.3 |
| 5 CENTRAL AFRICAN REP. | 0.4 | -0.3 | -0.9 | 23.6 | 3.0 | 4.8 |
| 6 CHAD | 0.0 | 1.6 | -0.6 | 4.8 | 7.5 | 7.9 |
| 7 COMOROS | 20.4 | -2.5 | 18.8 | 5.1 | 1.7 | 4.0 |
| 8 CONGO | -3.3 | 9.2 | -4.0 | 7.9 | 15.1 | 5.0 |
| 9 COTE D'IVOIRE | -1.6 | 8.8 | -5.7 | 12.7 | 2.5 | 5.9 |
| 10 ERITREA | .. | .. | .. | .. | .. | 23.5 |
| 11 ETHIOPIA | .. | 1.4 | -14.0 | 10.9 | 8.4 | 8.2 |
| 12 GAMBIA, THE | -12.9 | 16.6 | 1.1 | -5.7 | 9.2 | 5.3 |
| 13 GHANA | 14.2 | 8.4 | 8.8 | 21.4 | 6.7 | 6.3 |
| 14 GUINEA | .. | 5.9 | -1.5 | 8.7 | 8.7 | 6.0 |
| 15 GUINEA-BISSAU | 0.3 | 9.9 | -7.3 | 9.2 | 18.5 | 5.1 |
| 16 KENYA | 5.9 | 11.7 | 7.8 | -2.2 | -5.2 | 5.1 |
| 17 MADAGASCAR | -0.7 | 9.0 | 1.4 | 1.3 | 9.6 | 8.8 |
| 18 MALAWI | 0.4 | 0.8 | -1.2 | 7.6 | 5.2 | 7.0 |
| 19 MALI | 2.7 | 5.3 | 7.4 | 5.5 | 15.4 | 3.0 |
| 20 MAURITANIA | 1.2 | -5.3 | -10.9 | 17.1 | -0.4 | 1.8 |
| 21 MOZAMBIQUE | -4.3 | 10.8 | 29.7 | 8.5 | 4.4 | 26.8 |
| 22 NIGER | .. | -8.1 | 1.9 | 6.2 | 1.5 | 1.0 |
| 23 RWANDA | 11.4 | -5.8 | -9.7 | -13.5 | 14.1 | 4.6 |
| 24 SAO TOME & PRINCIPE | .. | 3.7 | 12.8 | 15.7 | 22.2 | 7.1 |
| 25 SENEGAL | 0.9 | 4.5 | -3.5 | 6.2 | 4.3 | 6.2 |
| 26 SIERRA LEONE | .. | .. | .. | .. | .. | .. |
| 27 TANZANIA | .. | 11.5 | 8.5 | 19.2 | -5.8 | 5.9 |
| 28 TOGO | 6.2 | -3.9 | -13.6 | 14.4 | 3.5 | 4.7 |
| 29 UGANDA | -0.8 | 5.0 | 2.7 | 29.1 | 10.4 | 9.0 |
| 30 ZAMBIA | -1.6 | -5.6 | 12.5 | -2.0 | 0.7 | 4.9 |
| Total weighted average | .. | 5.4 | 0.3 | 7.6 | 4.6 | 6.4 |
| unweighted average | 1.8 | 3.0 | 3.2 | 6.7 | 7.6 | 7.5 |
| median | 0.4 | 4.4 | 1.1 | 6.9 | 7.0 | 5.9 |

Source: SPA Country Status Reports prepared for the June 1999 SPA meeting. 10-Nov-99

## Table 5: Import Growth, 1985-2002

(annual percent change)

| | 1985-87 | SPA-1 1988-90 | SPA-2 1991-93 | SPA-3 1994-96 | SPA-4 1997-99 | SPA-5 2000-02 |
|---|---|---|---|---|---|---|
| | | | | | *Estimate* | *Projection* |
| 1 BENIN | -1.0 | -5.3 | 7.1 | 1.1 | 5.0 | 5.9 |
| 2 BURKINA FASO | 18.0 | -2.8 | 2.7 | 0.8 | 3.9 | 4.3 |
| 3 BURUNDI | -1.4 | -2.3 | 0.5 | -18.3 | 32.6 | 20.3 |
| 4 CAMEROON | 7.9 | -10.4 | -7.1 | 2.3 | 9.5 | 7.5 |
| 5 CENTRAL AFRICAN REP. | 3.2 | 0.0 | 0.6 | 4.1 | 3.0 | 4.6 |
| 6 CHAD | 16.2 | -0.8 | -4.0 | -1.2 | 4.4 | 21.4 |
| 7 COMOROS | -4.7 | -3.1 | 4.6 | -3.9 | -0.2 | 3.8 |
| 8 CONGO | -16.4 | 2.8 | 3.1 | 12.4 | -4.6 | 5.0 |
| 9 COTE D'IVOIRE | 4.6 | -6.2 | 1.8 | 9.7 | 4.5 | 6.0 |
| 10 ERITREA | .. | .. | .. | .. | .. | 13.4 |
| 11 ETHIOPIA | .. | -2.7 | 2.9 | 5.4 | 5.4 | 4.4 |
| 12 GAMBIA, THE | -8.3 | 13.4 | 2.9 | -1.8 | 3.9 | 4.3 |
| 13 GHANA | 14.5 | 3.3 | 37.7 | 2.6 | 9.9 | 4.1 |
| 14 GUINEA | .. | 5.4 | -2.3 | 2.7 | 3.3 | 5.4 |
| 15 GUINEA-BISSAU | -11.6 | 4.8 | -0.9 | -5.2 | -1.3 | 20.0 |
| 16 KENYA | 8.1 | 7.6 | 6.6 | 12.4 | -0.7 | 0.9 |
| 17 MADAGASCAR | -4.1 | 5.0 | -1.2 | 2.5 | 8.4 | 6.0 |
| 18 MALAWI | -6.9 | 15.3 | 3.1 | 3.2 | -0.7 | 2.9 |
| 19 MALI | 3.8 | 6.2 | 1.1 | 2.9 | 7.0 | 3.5 |
| 20 MAURITANIA | 1.6 | -4.4 | -2.7 | 8.2 | 1.3 | 2.2 |
| 21 MOZAMBIQUE | -1.1 | 1.3 | 10.0 | -11.6 | 24.7 | -3.8 |
| 22 NIGER | .. | -2.9 | -7.1 | 10.5 | 0.3 | 2.9 |
| 23 RWANDA | 3.5 | -7.4 | 27.1 | -11.5 | 12.4 | 4.8 |
| 24 SAO TOME & PRINCIPE | .. | 11.2 | -1.8 | -3.3 | -0.6 | 3.0 |
| 25 SENEGAL | 1.0 | 2.0 | -1.4 | 0.4 | 6.1 | 6.0 |
| 26 SIERRA LEONE | .. | .. | .. | .. | .. | .. |
| 27 TANZANIA | .. | 6.8 | 8.6 | 0.9 | -11.7 | 5.9 |
| 28 TOGO | 10.7 | -0.4 | -17.9 | 11.2 | 7.1 | 2.8 |
| 29 UGANDA | 6.4 | 1.9 | -3.1 | 27.9 | 2.1 | 6.9 |
| 30 ZAMBIA | 12.3 | -8.9 | 2.8 | 0.4 | 3.0 | 4.3 |
| Total weighted average | .. | -0.3 | 4.8 | 5.3 | 4.3 | 4.7 |
| unweighted average | 2.4 | 0.7 | 2.8 | 2.3 | 4.9 | 6.2 |
| median | 3.2 | 0.0 | 1.8 | 2.4 | 3.9 | 4.6 |

Source: SPA Country Status Reports prepared for the June 1999 SPA meeting. 10-Nov-99

## Table 6: Gross Domestic Investment Growth, 1985-2002

(annual percent change)

| | 1985-87 | SPA-1 1988-90 | SPA-2 1991-93 | SPA-3 1994-96 | SPA-4 1997-99 | SPA-5 2000-02 |
|---|---|---|---|---|---|---|
| | | | | | *Estimate* | *Projection* |
| 1 BENIN | 4.5 | 27.2 | 21.2 | -13.7 | 8.7 | 13.8 |
| 2 BURKINA FASO | 21.5 | 10.9 | 8.2 | -31.2 | 23.7 | 5.9 |
| 3 BURUNDI | 8.9 | -7.9 | 0.2 | -37.2 | -17.8 | 21.5 |
| 4 CAMEROON | -1.1 | -2.2 | -4.9 | -18.2 | -2.3 | 14.5 |
| 5 CENTRAL AFRICAN REP. | 1.2 | 13.3 | 4.4 | -26.6 | -16.3 | 8.0 |
| 6 CHAD | 30.4 | 16.3 | 6.2 | -9.9 | 9.2 | 36.5 |
| 7 COMOROS | -11.3 | 6.0 | 6.8 | -18.0 | -1.6 | 3.4 |
| 8 CONGO | -23.9 | -17.4 | -6.7 | -3.3 | -8.5 | 4.7 |
| 9 COTE D'IVOIRE | 27.5 | 7.8 | -20.5 | 10.1 | 10.4 | 8.9 |
| 10 ERITREA | .. | .. | .. | .. | .. | .. |
| 11 ETHIOPIA | 12.3 | -10.3 | 1.9 | -22.2 | -15.0 | 87.7 |
| 12 GAMBIA, THE | -10.8 | -14.0 | 0.1 | 0.3 | 1.3 | 3.2 |
| 13 GHANA | 2.0 | -36.4 | 9.9 | -7.0 | -31.5 | 7.1 |
| 14 GUINEA | -5.2 | 6.4 | 0.3 | -12.1 | -8.3 | 11.8 |
| 15 GUINEA-BISSAU | 25.2 | 2.1 | -22.6 | -49.8 | -28.3 | 39.2 |
| 16 KENYA | 9.2 | 1.5 | -16.4 | -23.5 | 6.3 | 5.4 |
| 17 MADAGASCAR | 4.6 | -10.1 | -24.0 | -2.0 | -9.2 | 12.5 |
| 18 MALAWI | 9.1 | -14.6 | 6.7 | -40.8 | -20.8 | 22.6 |
| 19 MALI | 8.3 | 16.0 | 12.2 | -24.4 | 2.2 | 7.6 |
| 20 MAURITANIA | 7.4 | 0.7 | -11.5 | -24.9 | 27.2 | 0.9 |
| 21 MOZAMBIQUE | 7.9 | -55.9 | -17.0 | -34.3 | -13.9 | -9.9 |
| 22 NIGER | 77.9 | 34.2 | -29.7 | -4.0 | 5.6 | 5.6 |
| 23 RWANDA | 0.9 | 7.5 | -28.9 | -25.1 | 7.2 | 24.6 |
| 24 SAO TOME & PRINCIPE | -19.9 | .. | -16.7 | -36.1 | -44.2 | 12.5 |
| 25 SENEGAL | 8.9 | 34.3 | 5.1 | -31.9 | 19.3 | 10.5 |
| 26 SIERRA LEONE | .. | .. | .. | .. | .. | .. |
| 27 TANZANIA | .. | -16.3 | -22.1 | -21.9 | -10.7 | 5.9 |
| 28 TOGO | 15.6 | 18.9 | 2.4 | -32.6 | 15.5 | 6.7 |
| 29 UGANDA | 13.7 | -45.7 | -52.5 | -18.6 | 15.4 | 9.9 |
| 30 ZAMBIA | 5.4 | 21.8 | 3.9 | -35.9 | -9.6 | 5.8 |
| Total weighted average | -43.3 | -38.4 | -22.2 | -11.0 | 3.2 | 8.2 |
| unweighted average | 8.5 | -0.2 | -6.6 | -21.2 | -3.1 | 13.8 |
| median | 7.9 | 2.1 | 0.1 | -22.9 | -1.9 | 8.4 |

Source: SPA Country Status Reports prepared for the June 1999 SPA meeting. 10-Nov-99

## Table 7: Gross Domestic Investment rate, 1984-2002

(prepared for the December 1999 SPA meeting)
(percent of GDP)

| | 1984-87 | SPA-1 1988-90 | SPA-2 1991-93 | SPA-3 1994-96 | SPA-4 1997-99 | SPA-5 2000-02 |
|---|---|---|---|---|---|---|
| | | | | | *Estimate* | *Projection* |
| 1 BENIN | 12.0 | 13.9 | 14.5 | 17.5 | 17.8 | 19.4 |
| 2 BURKINA FASO | 20.7 | 20.7 | 20.5 | 21.5 | 27.6 | 27.1 |
| 3 BURUNDI | 16.6 | 15.3 | 15.0 | 10.7 | 8.7 | 13.2 |
| 4 CAMEROON | 25.3 | 18.6 | 15.8 | 15.1 | 17.8 | 20.1 |
| 5 CENTRAL AFRICAN REP. | 13.3 | 11.4 | 11.6 | 9.9 | 11.9 | 14.0 |
| 6 CHAD | 7.3 | 10.3 | 7.9 | 13.5 | 16.4 | 31.4 |
| 7 COMOROS | 31.6 | 19.6 | 21.0 | 19.9 | 20.1 | 20.2 |
| 8 CONGO | 27.5 | 16.2 | 23.9 | 50.5 | 30.8 | 30.2 |
| 9 COTE D'IVOIRE | 12.2 | 9.4 | 7.5 | 13.2 | 17.6 | 19.7 |
| 10 ERITREA | .. | .. | 10.2 | 22.1 | 41.9 | 46.8 |
| 11 ETHIOPIA | 14.2 | 14.9 | 11.1 | 16.9 | 18.6 | 21.0 |
| 12 GAMBIA, THE | 16.8 | 19.7 | 21.7 | 20.0 | 17.9 | 20.0 |
| 13 GHANA | 9.1 | 13.0 | 17.0 | 21.8 | 24.4 | 26.4 |
| 14 GUINEA | 15.1 | 17.3 | 17.0 | 19.9 | 21.0 | 21.6 |
| 15 GUINEA-BISSAU | 33.0 | 37.9 | 36.7 | 22.4 | 16.0 | 25.6 |
| 16 KENYA | 19.6 | 20.2 | 41.2 | 16.9 | 16.2 | 19.8 |
| 17 MADAGASCAR | 9.1 | 14.6 | 10.3 | 11.2 | 13.2 | 15.8 |
| 18 MALAWI | 14.9 | 19.9 | 18.4 | 19.3 | 13.7 | 17.9 |
| 19 MALI | 17.4 | 22.0 | 22.1 | 24.4 | 20.9 | 21.9 |
| 20 MAURITANIA | 24.4 | 19.9 | 20.1 | 16.6 | 20.3 | 21.8 |
| 21 MOZAMBIQUE | 6.8 | 15.2 | 14.8 | 20.6 | 25.0 | 21.7 |
| 22 NIGER | 10.2 | 14.0 | 6.3 | 9.1 | 10.4 | 10.2 |
| 23 RWANDA | 16.2 | 14.2 | 14.3 | 14.1 | 15.4 | 19.1 |
| 24 SAO TOME & PRINCIPE | 33.5 | 51.0 | 37.0 | 55.3 | 44.7 | 51.5 |
| 25 SENEGAL | 11.8 | 12.8 | 13.9 | 16.9 | 19.8 | 22.2 |
| 26 SIERRA LEONE | .. | .. | .. | .. | .. | .. |
| 27 TANZANIA | 23.3 | 19.6 | 26.4 | 21.6 | 15.3 | 15.0 |
| 28 TOGO | 18.4 | 25.1 | 13.4 | 15.9 | 14.2 | 15.2 |
| 29 UGANDA | 8.8 | 11.5 | 15.5 | 15.7 | 16.1 | 17.4 |
| 30 ZAMBIA | 16.5 | 13.1 | 12.7 | 14.1 | 15.2 | 17.2 |
| SPA-3 countries weighted average | | 15.7 | 16.9 | 17.6 | 18.4 | 20.3 |
| unweighted average | 17.2 | 18.5 | 18.1 | 19.5 | 19.6 | 22.2 |
| median | 16.2 | 16.2 | 15.6 | 16.9 | 17.8 | 20.1 |

Source: SPA Country Status Reports prepared for the June 1999 SPA meeting.
Averages are weighted by GDP in current dollars.

## Table 8: Gross Domestic Savings rate, 1984-2002

(percent of GDP)

| | 1984-87 | SPA-1 1988-90 | SPA-2 1991-93 | SPA-3 1994-96 | SPA-4 1997-99 | SPA-5 2000-02 |
|---|---|---|---|---|---|---|
| | | | | | *Estimate* | *Projection* |
| 1 BENIN | 3.2 | 4.5 | 5.1 | 9.2 | 8.5 | 10.5 |
| 2 BURKINA FASO | -0.4 | 6.4 | 6.0 | 6.1 | 11.0 | 12.7 |
| 3 BURUNDI | 4.5 | -0.1 | -4.6 | -3.3 | 0.7 | -0.2 |
| 4 CAMEROON | 25.6 | 20.6 | 18.7 | 18.3 | 19.1 | 20.8 |
| 5 CENTRAL AFRICAN REP. | 0.5 | 0.6 | 1.3 | 4.3 | 4.8 | 8.7 |
| 6 CHAD | -4.3 | -3.0 | -3.0 | -1.6 | 1.2 | 3.5 |
| 7 COMOROS | -1.3 | -4.1 | 1.1 | -6.3 | -4.5 | -3.0 |
| 8 CONGO | 29.0 | 23.5 | 22.2 | 29.8 | 36.3 | 41.7 |
| 9 COTE D'IVOIRE | 22.5 | 12.8 | 10.2 | 20.8 | 24.3 | 27.1 |
| 10 ERITREA | .. | .. | -28.0 | -32.6 | -20.5 | -11.8 |
| 11 ETHIOPIA | 6.0 | 8.8 | 3.8 | 6.0 | 6.5 | 6.4 |
| 12 GAMBIA, THE | 6.0 | 9.7 | 8.0 | 1.8 | 7.4 | 10.2 |
| 13 GHANA | 5.1 | 5.5 | 5.1 | 12.1 | 9.4 | 13.0 |
| 14 GUINEA | 17.0 | 16.4 | 13.4 | 14.9 | 19.3 | 20.8 |
| 15 GUINEA-BISSAU | -2.1 | 3.5 | 4.5 | 1.5 | -2.7 | -0.2 |
| 16 KENYA | 21.3 | 18.7 | 14.9 | 18.1 | 10.4 | 12.0 |
| 17 MADAGASCAR | 4.2 | 7.7 | 2.2 | 4.5 | 5.2 | 9.2 |
| 18 MALAWI | 12.8 | 7.9 | 4.7 | 5.7 | 1.6 | 8.4 |
| 19 MALI | -2.8 | 5.1 | 5.8 | 7.6 | 10.7 | 13.3 |
| 20 MAURITANIA | 4.8 | 9.5 | 7.3 | 7.9 | 8.2 | 8.2 |
| 21 MOZAMBIQUE | -7.4 | -14.0 | -16.9 | -5.8 | 1.9 | 6.0 |
| 22 NIGER | 4.6 | 7.5 | 3.8 | 1.1 | 3.8 | 4.2 |
| 23 RWANDA | 7.3 | 4.0 | 1.3 | -19.0 | -1.6 | 2.0 |
| 24 SAO TOME & PRINCIPE | -11.2 | -8.8 | -27.2 | -14.2 | -9.2 | -1.7 |
| 25 SENEGAL | 1.8 | 7.2 | 6.3 | 10.9 | 14.5 | 17.9 |
| 26 SIERRA LEONE | .. | .. | .. | .. | .. | .. |
| 27 TANZANIA | 11.5 | -0.9 | 0.4 | 1.5 | 8.2 | 11.3 |
| 28 TOGO | 9.1 | 9.7 | 5.1 | 10.5 | 7.2 | 9.9 |
| 29 UGANDA | 5.0 | 0.7 | 0.7 | 5.4 | 6.4 | 5.6 |
| 30 ZAMBIA | 17.3 | 12.9 | 5.8 | 8.7 | 6.8 | 8.0 |
| SPA-3 countries weighted average | | 9.8 | 7.5 | 10.3 | 11.2 | 13.7 |
| unweighted average | 6.8 | 6.1 | 2.7 | 4.3 | 6.7 | 9.5 |
| median | 4.9 | 6.8 | 4.7 | 5.7 | 6.8 | 8.7 |

Source: SPA Country Status Reports prepared for the June 1999 SPA meeting. 10-Nov-99

**Table 9: Government Revenue, excluding all grants, 1984-2002**

(percent of GDP)

| | | SPA-1 | SPA-2 | SPA-3 | SPA-4 | SPA-5 |
|---|---|---|---|---|---|---|
| | 1984-87 | 1988-90 | 1991-93 | 1994-96 | 1997-99 | 2000-02 |
| | | | | | *Estimate* | *Projection* |
| 1 BENIN* | .. | 8.6 | 11.8 | 14.3 | 15.2 | 15.9 |
| 2 BURKINA FASO* | 10.6 | 10.9 | 12.5 | 11.4 | 13.5 | 14.0 |
| 3 BURUNDI | 16.8 | 18.6 | 16.9 | 17.1 | 15.7 | 16.1 |
| 4 CAMEROON fy* | 20.8 | 15.6 | 14.9 | 12.4 | 15.6 | 17.0 |
| 5 CENTRAL AFRICAN REP.* | 8.7 | 10.5 | 8.6 | 7.6 | 8.8 | 10.9 |
| 6 CHAD * | 5.6 | 6.2 | 6.5 | 6.1 | 8.1 | 9.8 |
| 7 COMOROS | 13.2 | 15.3 | 14.8 | 14.1 | 15.3 | 16.3 |
| 8 CONGO | 30.8 | 22.8 | 24.0 | 24.6 | 26.3 | 28.8 |
| 9 COTE DIVOIRE* | 30.2 | 23.0 | 19.1 | 21.5 | 21.2 | 21.1 |
| 10 ERITREA* | .. | .. | 29.9 | 31.5 | 38.6 | 39.4 |
| 11 ETHIOPIA fy* | 18.6 | 20.9 | 12.1 | 16.6 | 18.9 | 20.3 |
| 12 GAMBIA, THE* | .. | 20.9 | 22.5 | 19.4 | 19.2 | 20.3 |
| 13 GHANA* | 11.8 | 13.2 | 13.8 | 18.9 | 17.8 | 18.2 |
| 14 GUINEA* | 14.0 | 15.2 | 12.6 | 10.4 | 11.0 | 12.4 |
| 15 GUINEA-BISSAU* | .. | 14.9 | 11.2 | 12.5 | 11.9 | 14.5 |
| 16 KENYA | 22.4 | 23.2 | 26.4 | 28.5 | 26.3 | 25.0 |
| 17 MADAGASCAR* | 13.3 | 12.2 | 9.5 | 8.5 | 10.6 | 13.7 |
| 18 MALAWI* | 22.2 | 22.5 | 18.9 | 17.8 | 17.5 | 16.7 |
| 19 MALI* | 13.6 | 16.5 | 14.4 | 13.6 | 16.0 | 16.6 |
| 20 MAURITANIA* | 31.6 | 30.9 | 26.2 | 25.7 | 27.6 | 25.5 |
| 21 MOZAMBIQUE* | 11.5 | 12.6 | 13.4 | 11.3 | 11.7 | 13.0 |
| 22 NIGER | 11.5 | 10.5 | 7.6 | 7.0 | 8.5 | 8.4 |
| 23 RWANDA * | 10.5 | 9.8 | 9.9 | 6.5 | 10.4 | 11.5 |
| 24 SAO TOME AND PRINCIPE | 25.3 | 21.9 | 18.2 | 14.4 | 20.2 | 21.6 |
| 25 SENEGAL* | 17.8 | 16.8 | 18.1 | 15.9 | 16.8 | 16.2 |
| 26 SIERRA LEONE fy* | .. | .. | .. | .. | .. | .. |
| 27 TANZANIA fy* | 16.6 | 13.5 | 15.8 | 13.8 | 12.5 | 13.0 |
| 28 TOGO | 27.4 | 23.0 | 14.8 | 13.8 | 14.4 | 13.7 |
| 29 UGANDA fy* | 7.9 | 6.0 | 7.2 | 9.4 | 10.7 | 11.9 |
| 30 ZAMBIA* | 21.7 | 18.5 | 17.6 | 20.2 | 18.4 | 18.1 |
| Total weighted average | | 14.1 | 15.5 | 16.3 | 16.8 | 16.9 |
| unweighted average | 17.4 | 16.3 | 15.7 | 15.3 | 16.5 | 17.2 |
| median | 16.6 | 15.6 | 14.8 | 14.1 | 15.6 | 16.2 |

Source: SPA Country Status Reports prepared for the December 1999 SPA meeting 11-Nov-99

Note: * indicates countries with a program, fy indicates countries on a fiscal year basis.

**Table 10: Government Revenue, including total grants, 1984-2002**

(percent of GDP)

| | | SPA-1 | SPA-2 | SPA-3 | SPA-4 | SPA-5 |
|---|---|---|---|---|---|---|
| | 1984-87 | 1988-90 | 1991-93 | 1994-96 | 1997-99 | 2000-02 |
| | | | | | *Estimate* | *Projection* |
| 1 BENIN* | 3.6 | 12.4 | 15.6 | 18.5 | 19.0 | 19.0 |
| 2 BURKINA FASO* | 15.6 | 16.6 | 18.0 | 18.8 | 19.9 | 19.1 |
| 3 BURUNDI | 19.0 | 22.4 | 25.6 | 19.8 | 17.4 | 19.3 |
| 4 CAMEROON fy* | 20.8 | 15.6 | 14.9 | 12.4 | 15.7 | 17.2 |
| 5 CENTRAL AFRICAN REP.* | 13.8 | 15.4 | 13.8 | 11.8 | 14.9 | 16.2 |
| 6 CHAD * | 9.9 | 15.1 | 11.3 | 13.8 | 13.0 | 14.7 |
| 7 COMOROS | 33.9 | 31.2 | 30.0 | 26.5 | 24.2 | 24.8 |
| 8 CONGO | 31.1 | 22.9 | 24.0 | 25.4 | 26.5 | 29.1 |
| 9 COTE DIVOIRE* | 30.2 | 23.0 | 19.6 | 22.2 | 21.9 | 21.5 |
| 10 ERITREA* | .. | .. | 44.4 | 45.9 | 46.1 | 47.9 |
| 11 ETHIOPIA fy* | 21.6 | 24.6 | 14.3 | 19.8 | 21.8 | 23.2 |
| 12 GAMBIA, THE* | .. | 26.8 | 27.1 | 21.9 | 20.8 | 22.4 |
| 13 GHANA* | 13.4 | 16.0 | 17.3 | 22.2 | 20.0 | 21.3 |
| 14 GUINEA* | 16.8 | 18.7 | 16.4 | 14.0 | 13.6 | 14.4 |
| 15 GUINEA-BISSAU* | 29.1 | 34.0 | 27.2 | 25.8 | 18.8 | 23.8 |
| 16 KENYA | 23.7 | 25.4 | 29.0 | 30.5 | 27.2 | 25.6 |
| 17 MADAGASCAR* | 13.9 | 15.2 | 12.6 | 11.9 | 14.8 | 16.9 |
| 18 MALAWI* | 25.0 | 27.1 | 21.8 | 26.2 | 24.5 | 22.5 |
| 19 MALI* | 18.3 | 22.2 | 21.3 | 21.8 | 21.1 | 20.1 |
| 20 MAURITANIA* | 27.9 | 33.7 | 29.2 | 29.3 | 29.8 | 28.4 |
| 21 MOZAMBIQUE* | 14.3 | 21.7 | 25.7 | 21.6 | 21.6 | 19.3 |
| 22 NIGER | 15.9 | 15.6 | 12.1 | 12.0 | 12.5 | 11.1 |
| 23 RWANDA * | 13.4 | 14.3 | 16.6 | 13.1 | 15.9 | 16.6 |
| 24 SAO TOME AND PRINCIPE | 30.7 | 48.9 | 35.2 | 35.9 | 40.2 | 46.5 |
| 25 SENEGAL* | 19.0 | 18.3 | 19.5 | 20.6 | 19.5 | 18.0 |
| 26 SIERRA LEONE fy* | .. | .. | .. | .. | .. | .. |
| 27 TANZANIA fy* | 19.2 | 17.2 | 18.8 | 16.5 | 15.7 | 16.4 |
| 28 TOGO | 31.3 | 25.6 | 16.1 | 14.9 | 15.8 | 14.7 |
| 29 UGANDA fy* | 8.5 | 7.6 | 13.5 | 14.5 | 15.5 | 16.9 |
| 30 ZAMBIA* | 16.8 | 21.3 | 26.7 | 25.7 | 24.6 | 22.6 |
| Total weighted average | | 19.4 | 18.8 | 19.9 | 19.9 | 19.9 |
| unweighted average | 19.3 | 21.6 | 22.0 | 21.1 | 21.1 | 21.7 |
| median | 18.6 | 21.3 | 19.5 | 20.6 | 19.9 | 19.3 |

Source: SPA Country Status Reports prepared for the December 1999 SPA meeting 11-Nov-99
Note: * indicates countries with a program, fy indicates countries on a fiscal year basis.

## Table 11: Total Government Expenditure, 1984-2002

(percent of GDP)

| | | SPA-1 | SPA-2 | SPA-3 | SPA-4 | SPA-5 |
|---|---|---|---|---|---|---|
| | 1984-87 | 1988-90 | 1991-93 | 1994-96 | 1997-99 | 2000-02 |
| | | | | | *Estimate* | *Projection* |
| 1 BENIN* | 1.6 | 14.0 | 19.2 | 20.5 | 17.9 | 18.5 |
| 2 BURKINA FASO* | 30.2 | 30.9 | 21.7 | 21.3 | 23.5 | 23.7 |
| 3 BURUNDI | 19.0 | 26.7 | 27.7 | 26.0 | 22.8 | 23.3 |
| 4 CAMEROON fy* | 24.8 | 21.6 | 21.8 | 17.1 | 17.5 | 19.7 |
| 5 CENTRAL AFRICAN REP.* | 16.7 | 21.1 | 22.6 | 18.0 | 16.1 | 16.8 |
| 6 CHAD * | 15.8 | 21.5 | 18.2 | 18.5 | 17.7 | 20.2 |
| 7 COMOROS | 38.5 | 33.2 | 30.7 | 33.6 | 27.4 | 25.9 |
| 8 CONGO | 34.3 | 31.7 | 37.3 | 34.2 | 36.4 | 32.7 |
| 9 COTE DIVOIRE* | 32.8 | 37.5 | 31.6 | 26.3 | 23.6 | 21.5 |
| 10 ERITREA* | .. | .. | 49.3 | 64.2 | 61.6 | 54.5 |
| 11 ETHIOPIA fy* | 27.7 | 31.5 | 21.5 | 25.5 | 25.0 | 26.6 |
| 12 GAMBIA, THE* | .. | 26.9 | 25.9 | 27.8 | 24.3 | 22.4 |
| 13 GHANA* | 16.2 | 18.7 | 24.2 | 30.4 | 28.2 | 26.9 |
| 14 GUINEA* | 21.7 | 24.4 | 20.2 | 17.1 | 16.7 | 16.2 |
| 15 GUINEA-BISSAU* | 53.2 | 49.8 | 44.6 | 33.2 | 33.3 | 40.7 |
| 16 KENYA | 29.3 | 30.5 | 35.3 | 33.8 | 28.0 | 24.7 |
| 17 MADAGASCAR* | 17.4 | 17.9 | 19.0 | 18.4 | 17.9 | 18.4 |
| 18 MALAWI* | 33.1 | 29.8 | 28.8 | 36.1 | 29.1 | 29.0 |
| 19 MALI* | 22.5 | 25.6 | 25.4 | 24.6 | 23.8 | 22.6 |
| 20 MAURITANIA* | 26.5 | 35.1 | 34.5 | 25.7 | 24.7 | 24.5 |
| 21 MOZAMBIQUE* | 25.0 | 27.4 | 28.8 | 25.4 | 23.5 | 22.5 |
| 22 NIGER | 20.6 | 21.7 | 15.9 | 15.6 | 15.3 | 14.7 |
| 23 RWANDA * | 19.6 | 19.6 | 23.8 | 19.6 | 19.5 | 22.8 |
| 24 SAO TOME AND PRINCIPE | 27.3 | 64.7 | 67.4 | 73.7 | 66.3 | 64.4 |
| 25 SENEGAL* | 21.8 | 20.4 | 20.5 | 20.6 | 20.0 | 18.8 |
| 26 SIERRA LEONE fy* | .. | .. | .. | .. | .. | .. |
| 27 TANZANIA fy* | 24.7 | 17.3 | 17.1 | 17.9 | 14.8 | 16.5 |
| 28 TOGO | 34.8 | 28.8 | 24.7 | 22.9 | 19.6 | 19.2 |
| 29 UGANDA fy* | 11.8 | 11.4 | 18.3 | 17.4 | 16.7 | 18.4 |
| 30 ZAMBIA* | 34.4 | 28.6 | 31.7 | 30.2 | 27.0 | 27.0 |
| Total weighted average | | 25.4 | 24.9 | 24.2 | 22.3 | 22.3 |
| unweighted average | 25.2 | 27.6 | 28.7 | 27.4 | 25.5 | 25.3 |
| median | 24.7 | 26.9 | 25.0 | 25.4 | 23.5 | 22.6 |

Source: SPA Country Status Reports prepared for the December 1999 SPA meeting 11-Nov-99

Note: * indicates countries with a program, fy indicates countries on a fiscal year basis.

**Table 12: Government Deficit/Surplus, including total grants, 1984-2002**

(percent of GDP)

| | | SPA-1 | SPA-2 | SPA-3 | SPA-4 | SPA-5 |
|---|---|---|---|---|---|---|
| | 1984-87 | 1988-90 | 1991-93 | 1994-96 | 1997-99 | 2000-02 |
| | | | | | *Estimate* | *Projection* |
| 1 BENIN | 2.1 | -1.6 | -3.6 | -2.0 | 1.1 | 0.5 |
| 2 BURKINA FASO | -14.6 | -14.3 | -3.7 | -2.5 | -3.6 | -4.6 |
| 3 BURUNDI | -0.1 | -4.3 | -2.2 | -6.2 | -5.4 | -4.0 |
| 4 CAMEROON | -4.0 | -6.0 | -7.0 | -4.7 | -1.7 | -2.5 |
| 5 CENTRAL AFRICAN REP. | -2.9 | -5.7 | -8.8 | -6.2 | -1.2 | -0.6 |
| 6 CHAD | -5.8 | -6.4 | -6.9 | -4.7 | -4.7 | -5.5 |
| 7 COMOROS | -4.6 | -1.9 | -0.7 | -7.1 | -3.2 | -1.2 |
| 8 CONGO | -3.2 | -8.8 | -13.3 | -8.8 | -9.8 | -3.6 |
| 9 COTE D'IVOIRE | -2.6 | -14.4 | -12.0 | -4.1 | -1.7 | 0.0 |
| 10 ERITREA | .. | .. | -4.8 | -18.3 | -15.5 | -6.6 |
| 11 ETHIOPIA | -6.1 | -7.0 | -7.1 | -5.7 | -3.2 | -3.4 |
| 12 GAMBIA, THE | .. | -0.1 | 1.2 | -5.9 | -3.6 | -0.1 |
| 13 GHANA | -2.8 | -2.7 | -6.9 | -8.3 | -8.2 | -5.6 |
| 14 GUINEA | -4.9 | -5.7 | -3.8 | -3.1 | -3.1 | -1.8 |
| 15 GUINEA-BISSAU | -24.1 | -15.8 | -17.4 | -7.4 | -14.5 | -16.9 |
| 16 KENYA | -5.6 | -5.1 | -6.3 | -3.4 | -0.9 | 0.9 |
| 17 MADAGASCAR | -3.5 | -2.7 | -6.4 | -6.5 | -3.2 | -1.6 |
| 18 MALAWI | -8.1 | -2.7 | -7.0 | -9.9 | -4.5 | -6.5 |
| 19 MALI | -4.2 | -3.4 | -4.0 | -2.9 | -2.6 | -2.5 |
| 20 MAURITANIA | 1.4 | -1.5 | -5.2 | 3.6 | 5.0 | 3.9 |
| 21 MOZAMBIQUE | -10.7 | -5.7 | -3.1 | -3.8 | -2.0 | -3.2 |
| 22 NIGER | -4.7 | -6.2 | -3.9 | -3.6 | -2.8 | -3.6 |
| 23 RWANDA | -6.2 | -5.4 | -7.2 | -6.5 | -3.6 | -6.2 |
| 24 SAO TOME & PRINCIPE | 3.4 | -15.7 | -32.2 | -37.8 | -26.1 | -18.0 |
| 25 SENEGAL | -2.8 | -2.1 | -1.0 | 0.0 | -0.6 | -0.8 |
| 26 SIERRA LEONE | .. | .. | .. | .. | .. | .. |
| 27 TANZANIA | -5.5 | -0.1 | 1.6 | -1.4 | 0.9 | 0.0 |
| 28 TOGO | -3.5 | -3.3 | -8.6 | -7.9 | -3.9 | -4.5 |
| 29 UGANDA | -3.2 | -3.8 | -4.7 | -2.8 | -1.2 | -1.5 |
| 30 ZAMBIA | -17.6 | -7.3 | -5.0 | -4.5 | -2.4 | -4.5 |
| Total weighted average | | -4.4 | -6.2 | -4.4 | -2.5 | -2.4 |
| unweighted average | -5.9 | -6.0 | -6.7 | -6.3 | -4.4 | -3.6 |
| median | -4.4 | -5.4 | -5.8 | -4.7 | -3.2 | -3.2 |

Source: SPA Country Status Reports prepared for the December 1999 SPA meeting 11-Nov-99

Note: * indicates countries with a program, fy indicates countries on a fiscal year basis.

**Table 13: Government Deficit/Surplus, excluding grants,1984-2002**

(percent of GDP)

| | | SPA-1 | SPA-2 | SPA-3 | SPA-4 | SPA-5 |
|---|---|---|---|---|---|---|
| | 1984-87 | 1988-90 | 1991-93 | 1994-96 | 1997-99 | 2000-02 |
| | | | | | *Estimate* | *Projection* |
| 1 BENIN* | .. | -11.4 | -7.4 | -6.2 | -2.7 | -2.5 |
| 2 BURKINA FASO* | -19.6 | -20.0 | -9.1 | -10.0 | -10.0 | -9.6 |
| 3 BURUNDI | -2.2 | -8.1 | -10.8 | -9.0 | -7.1 | -7.2 |
| 4 CAMEROON fy* | -4.0 | -6.0 | -7.0 | -4.8 | -1.9 | -2.7 |
| 5 CENTRAL AFRICAN REP.* | -8.0 | -10.6 | -14.0 | -10.5 | -7.2 | -5.8 |
| 6 CHAD * | -18.0 | -15.3 | -11.7 | -12.4 | -9.6 | -10.4 |
| 7 COMOROS | -25.3 | -17.8 | -16.0 | -19.5 | -12.1 | -9.6 |
| 8 CONGO | -3.6 | -8.9 | -13.4 | -9.6 | -10.1 | -4.0 |
| 9 COTE DIVOIRE* | -2.6 | -14.4 | -12.5 | -4.8 | -2.4 | -0.4 |
| 10 EQUATORIAL GUINEA | .. | -31.5 | -30.8 | .. | .. | .. |
| 10 ERITREA* | .. | .. | -19.4 | -32.7 | -23.0 | -15.2 |
| 11 ETHIOPIA fy* | -9.0 | -10.6 | -9.4 | -9.0 | -6.1 | -6.3 |
| 12 GAMBIA, THE* | .. | -6.0 | -3.3 | -8.4 | -5.1 | -2.1 |
| 13 GHANA* | -4.4 | -5.5 | -10.4 | -11.5 | -10.3 | -8.7 |
| 14 GUINEA* | -7.7 | -9.2 | -7.5 | -6.6 | -5.7 | -3.8 |
| 15 GUINEA-BISSAU* | .. | -32.3 | -33.5 | -20.7 | -21.4 | -26.1 |
| 16 KENYA | -6.8 | -7.3 | -8.9 | -5.4 | -1.7 | 0.4 |
| 17 MADAGASCAR* | -4.1 | -5.8 | -9.5 | -9.9 | -7.3 | -4.7 |
| 18 MALAWI* | -10.9 | -7.4 | -9.9 | -18.3 | -11.5 | -12.3 |
| 19 MALI* | -8.9 | -9.1 | -11.0 | -11.1 | -7.8 | -6.0 |
| 20 MAURITANIA* | -3.6 | -4.2 | -8.2 | 0.0 | 2.8 | 1.0 |
| 21 MOZAMBIQUE* | -13.5 | -14.8 | -15.4 | -14.1 | -11.9 | -9.5 |
| 22 NIGER | -9.1 | -11.2 | -8.4 | -8.5 | -6.9 | -6.4 |
| 23 RWANDA * | -9.1 | -9.8 | -13.9 | -13.0 | -9.1 | -11.3 |
| 24 SAO TOME AND PRINCIPE | -2.0 | -42.8 | -49.2 | -59.3 | -46.1 | -42.9 |
| 25 SENEGAL* | -4.0 | -3.6 | -2.3 | -4.6 | -3.3 | -2.6 |
| 26 SIERRA LEONE fy* | .. | .. | .. | .. | .. | .. |
| 27 TANZANIA fy* | -8.0 | -3.9 | -1.3 | -4.1 | -2.3 | -3.5 |
| 28 TOGO | -7.4 | -5.9 | -9.9 | -9.0 | -5.2 | -5.6 |
| 29 UGANDA fy* | -3.9 | -5.4 | -11.1 | -7.9 | -6.0 | -6.5 |
| 30 ZAMBIA* | -14.2 | -10.0 | -14.1 | -10.0 | -8.6 | -8.9 |
| Total weighted average | -7.3 | -7.3 | -9.4 | -7.9 | -5.5 | -4.7 |
| unweighted average | -8.4 | -12.0 | -13.0 | -12.1 | -8.9 | -8.0 |
| median | -7.7 | -9.2 | -10.6 | -9.6 | -7.2 | -6.3 |

Source: SPA Country Status Reports prepared for the December 1999 SPA meeting 11-Nov-99

Note: * indicates countries with a program, fy indicates countries on a fiscal year basis.