

REGIONAL STRATEGY 2011-2016

Africa Region



REGIONAL STRATEGY



Africa's future and the World Bank's support to it

The Africa Strategy, 2011-2016

I. Africa's growth momentum and development challenges

II. The Africa Strategy, 2011-2016

- Vision
- Process
- Themes
 - Competitiveness and Employment
 - Vulnerability and Resilience
 - Governance and Public Sector Capacity

III. Implementing the Strategy

IV. Organizing for Results

- Country Differentiation
- Decentralization
- Selectivity and Trade-Offs
- Risks and Mitigation Measures
- Results Monitoring



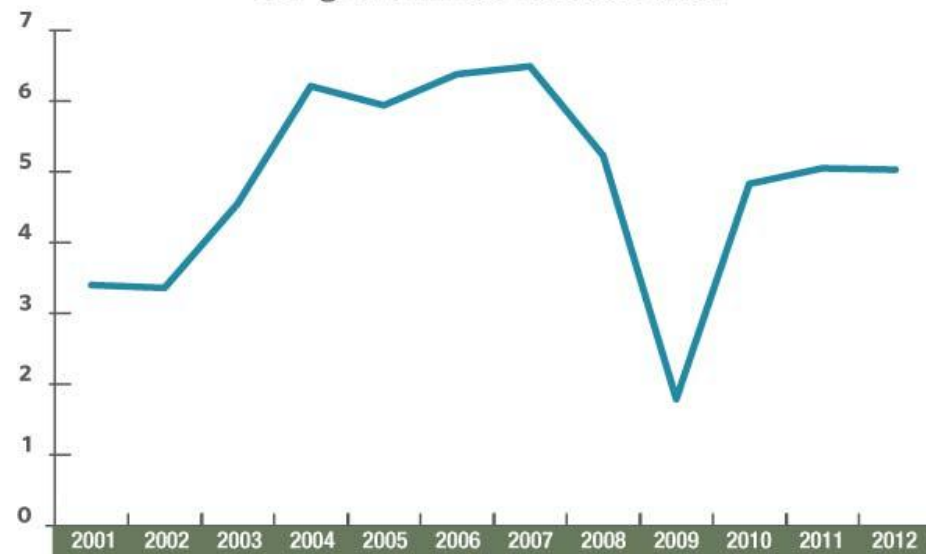
I. AFRICA'S GROWTH MOMENTUM AND DEVELOPMENT CHALLENGES



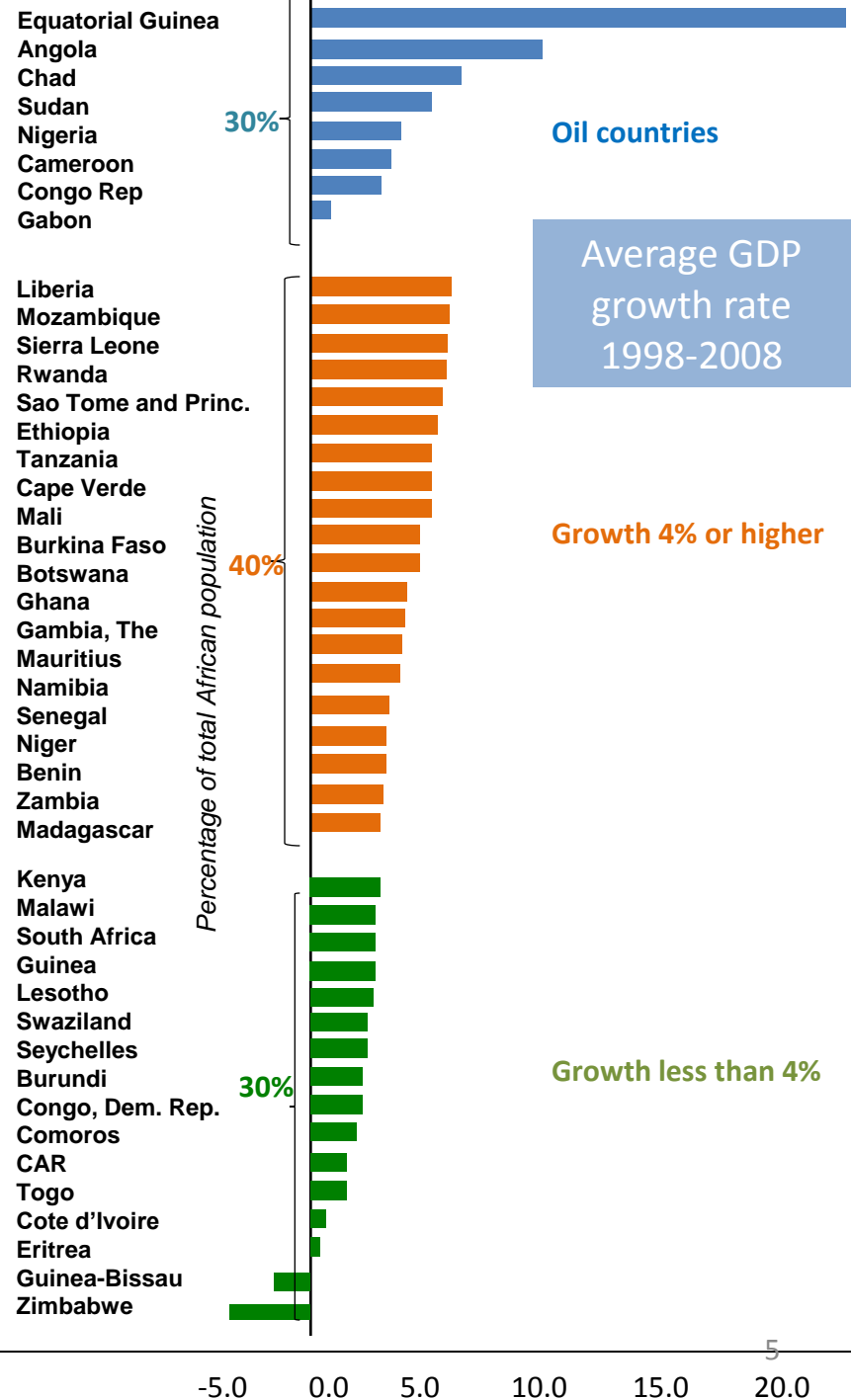
REGIONAL STRATEGY

Growth Performance

GDP growth in Sub-Saharan Africa

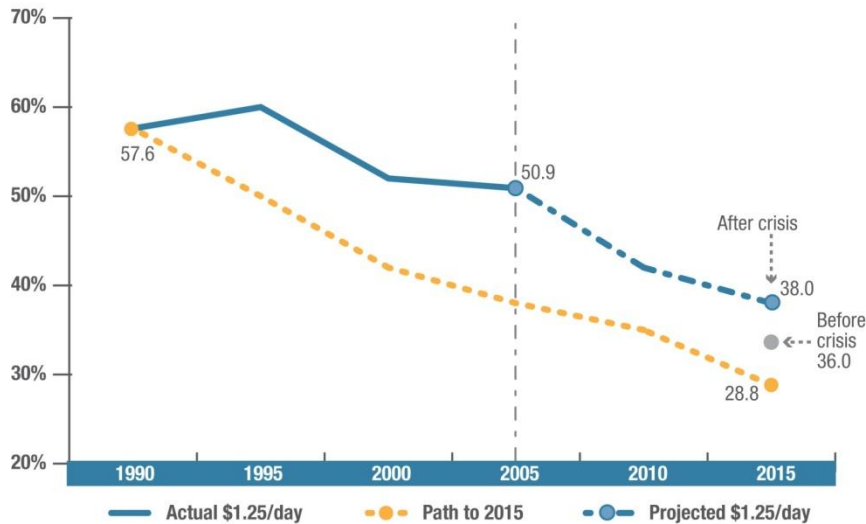


SSA GDP Growth

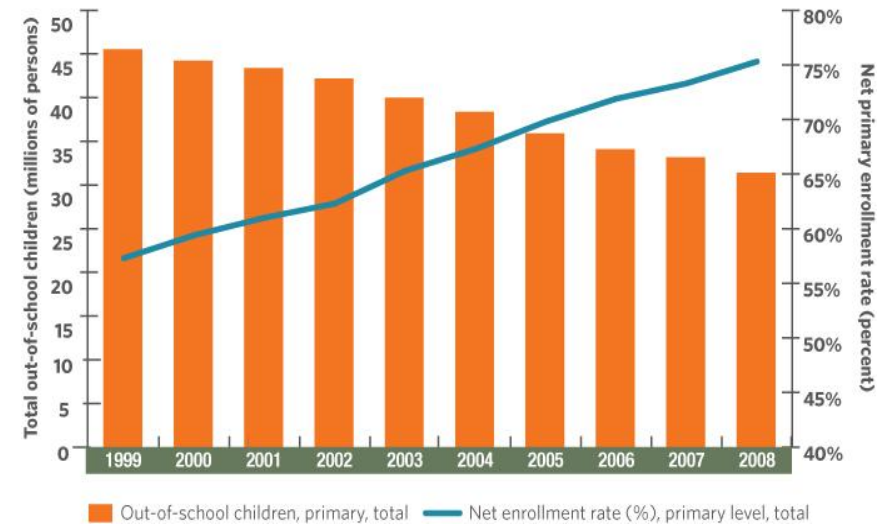


Progress Towards the MDGs in Sub-Saharan Africa

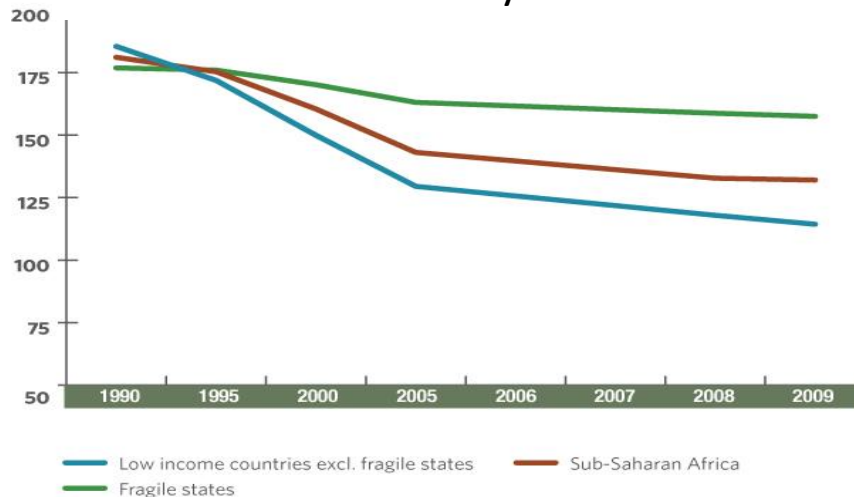
Population living under \$1.25/day



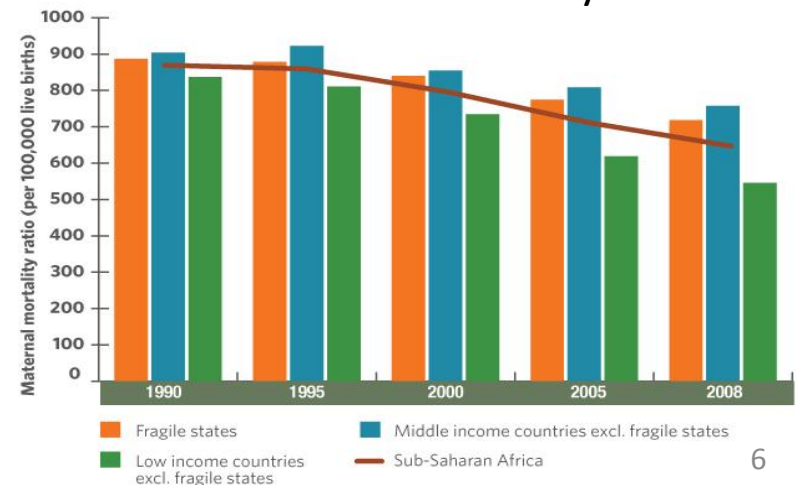
Primary school enrollment rates



Child mortality rates

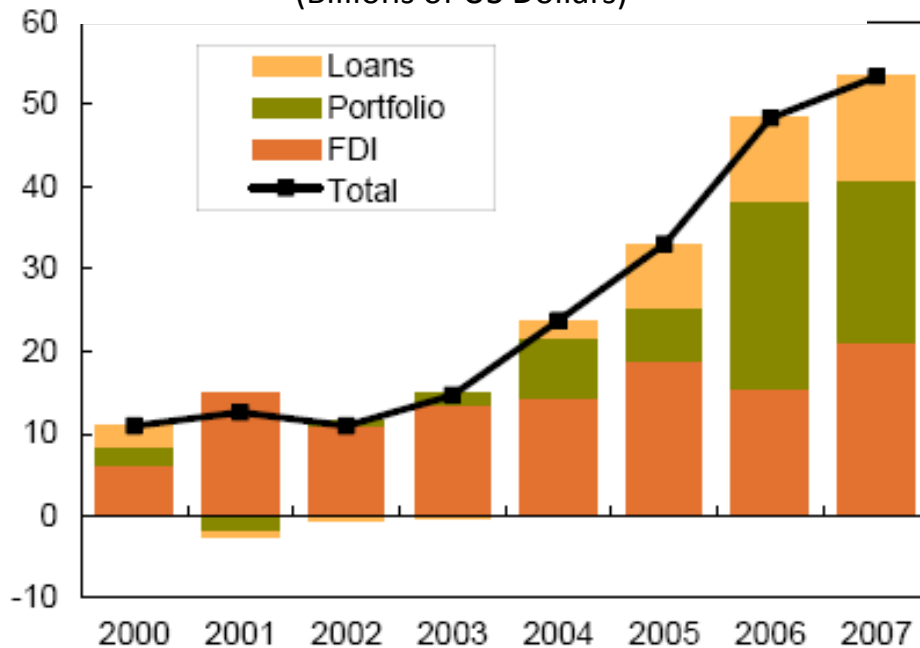


Maternal mortality ratio

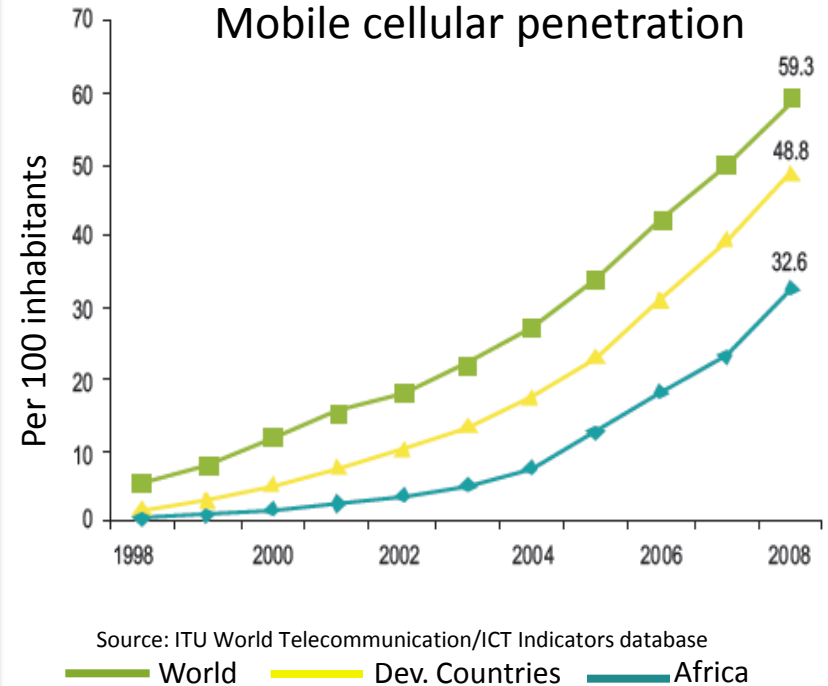


Dynamic and Transformative Private Sector

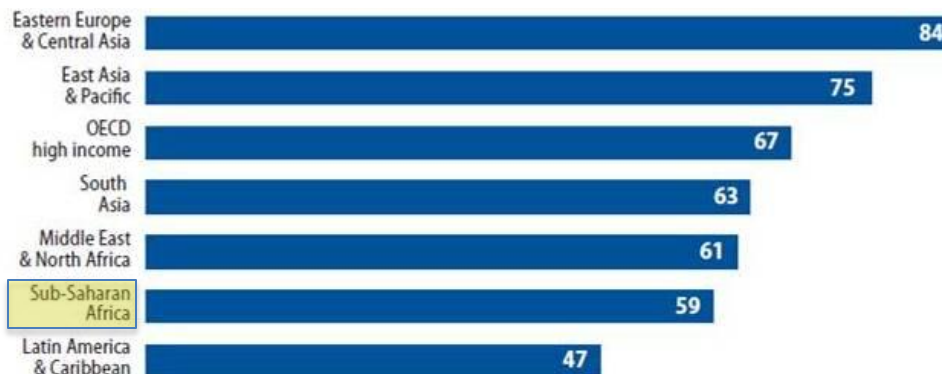
Private capital inflows
(Billions of US Dollars)



Mobile cellular penetration



Share of economies with at least 1 reform to make it easier to do business (%)



Source: Doing Business Report 2011

ICT growth in Africa and the world, 2003-2008

| CAGR (%) | | | |
|----------|-------------------|-------------------------------|----------------|
| | Fixed Phone lines | Mobile cellular subscriptions | Internet users |
| Africa | 2.4 | 47.0 | 30.6 |
| World | 2.5 | 23.0 | 17.0 |

CAGR refers to Compound Annual Growth Rates

Critical Challenges

UNDIVERSIFIED PRODUCTION STRUCTURE

LOW HUMAN CAPITAL

WEAK GOVERNANCE AND INSTITUTIONS
ESPECIALLY IN FRAGILE STATES

In sharper focus:

WOMEN'S EMPOWERMENT

YOUTH EMPLOYMENT

CLIMATE CHANGE



Combination of dynamism in the continent and development challenges make it the right time for a new strategy for the Africa Region of the World Bank

II. THE AFRICA STRATEGY, 2011-16



REGIONAL STRATEGY

Ten-Year Vision for the New Strategy

Accelerated Growth and Diversification

- 20 countries average 3-4% annual per capita GDP growth
- 5 countries achieve MIC status
- 15 countries register 5% or higher agricultural GDP growth per year
- Regionally integrated infrastructure (“missing links” in ICT, energy, roads and rail reduced by at least 50%)
- Access to infrastructure increases (50% of households with power)

Employment Creation and Poverty Reduction

- Labor absorbed at rapid pace; SMEs growing rapidly
- Decline in poverty rate by 12 percentage points

Human Capital Development and Women’s Empowerment

- Women’s legal capacity and property rights increased
- Progress beyond MDGs to quality health and education

Improving Governance

- Governance indicators steadily rising
- ICT revolution strengthening accountability in the public sector

Climate Change

- Climate change adaptation measures in place

Five-year results framework (presented later) based on ten-year vision

Sample Benchmarks

- 17 “emerging economies” plus Kenya, Malawi, Benin have averaged close to 2% or higher GDP growth for 12 years
- Ghana, Zambia, Mauritania, Comoros, Kenya, currently on the threshold*
- 8 countries averaged 5% agricultural growth from 2002-2006
- Today, only 25 percent of African households have access to power.
- Between 1995 and 2005, the poverty rate declined by about one percentage point a year.

**Threshold is \$1,000 per capita income*

Strategy Represents African Views

Input from
over 1,500
people from
36 countries



Renewing the World Bank Strategy for Africa Consultations

The World Bank is reviewing its strategy for Africa, which is outlined in the Africa Action Plan. The strategy is being reviewed against a backdrop of changes in the global economy, in Africa and the World Bank. As part of its review and preparation, the Bank is consulting with a wide array of stakeholders to seek their views and input. The process, outlined in our Consultations Plan, is expected to be finalized in late 2010-early 2011. You can help by sharing your views on how the Bank can best support Africa reach its development goals. To read more about progress on the current action plan, please [click here](#).

- [Schedule and Details](#)
- [Consultations Note](#)
- [Consultations Plan](#)
- [Share Your Views](#)
- [Sign Up for Updates](#)



PRESS RELEASE

World Bank to Release New Strategy for Africa

Following eight months of consultations and input from more than 2,000 people in 36 countries, the World Bank is finalizing its strategy for Sub-Saharan Africa, which will guide the Bank's work in the region through 2016.

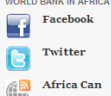
CONSULTATIONS SCHEDULE AND DETAILS

| | | | |
|----------------|---------------|--------------|-------------------------------|
| 15 JUL 2010 | Conakry | Guinea | Multistakeholder |
| 19 JUL 2010 | Washington DC | USA | North America |
| 20 JUL 2010 | Pretoria | South Africa | Country |
| 24-26 JUL 2010 | Kampala | Uganda | Regional Economic Communities |

BACKGROUND INFORMATION

- [Africa Action Plan](#)
- [Action Plan Progress Report](#)
- [Africa Data Report](#)
- [Draft strategy](#)

MORE DISCUSSIONS ON THE WORLD BANK IN AFRICA



“Africa has a very bright future... We have abundant resources which when well harnessed, with suitable governance in place, can turn the continent into one of the wealthiest.”

Eliud Akanga
Kenya

The Africa Strategy

Two pillars and a foundation:

Competitiveness &
Employment

Vulnerability &
Resilience



Governance and Public Sector Capacity

The Africa Strategy

Two pillars and a foundation:

Competitiveness &
Employment

Vulnerability &
Resilience

PCD: Create
opportunity for
growth



PCD: Target the poor
and vulnerable,
Manage risk and
prepare for crisis

Governance and Public Sector Capacity

PCD: Strengthen Governance

The Africa Strategy

Two pillars and a foundation:

Competitiveness &
Employment

Vulnerability &
Resilience

PCD: Create
opportunity for
growth

IDA16:
Regional
integration,
Gender



PCD: Target the poor
and vulnerable,
Manage risk and
prepare for crisis

IDA16: Climate
change, Crisis
response

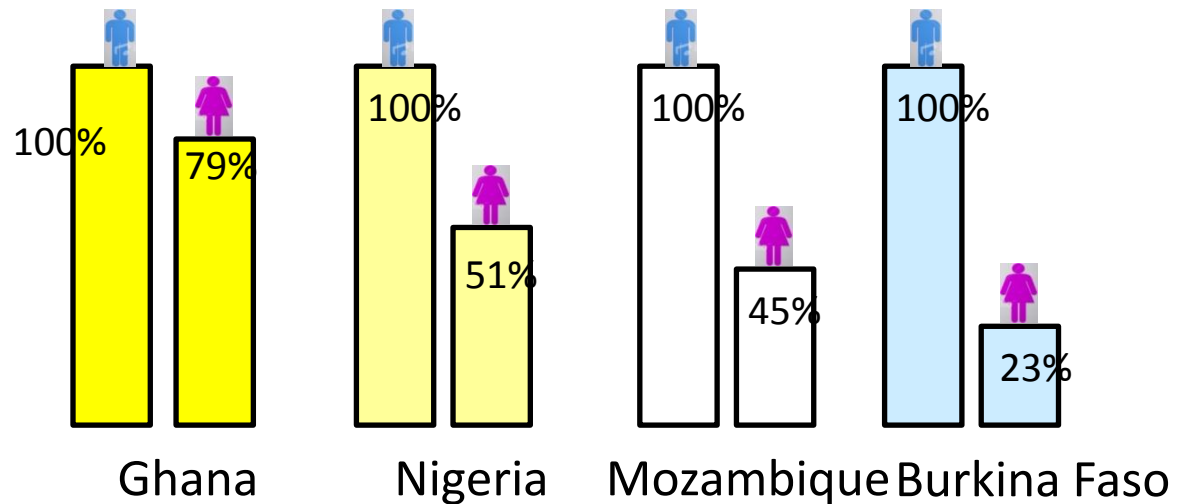
Governance and Public Sector Capacity

PCD: Strengthen Governance

**IDA 16:
Fragile States**

Gender

Women's weekly earning as a fraction of male earnings

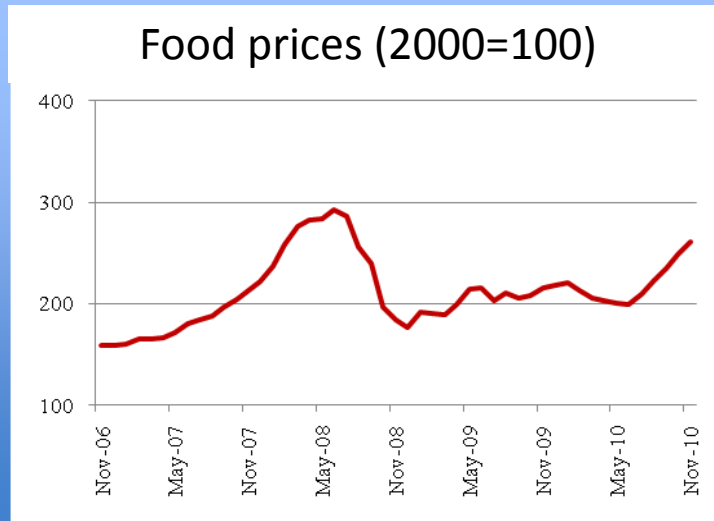


Source: J. Arbach, A. Kolev, E. Filipiak, *Gender Disparities in Africa's Labor Markets*. World Bank, 2010

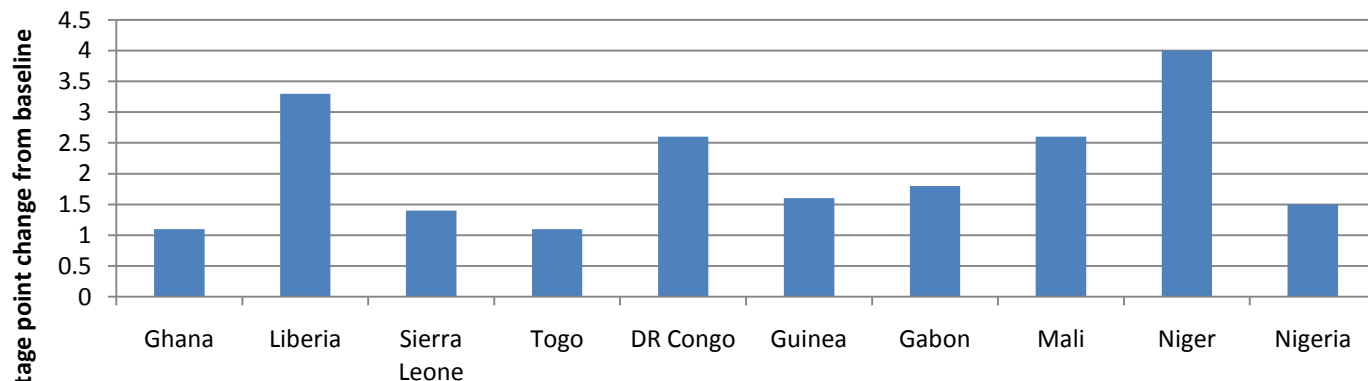
Actions and Commitments

- Increase women's access to credit and markets, in collaboration with IFC (Nigeria, Kenya, Senegal Tanzania, Eastern and Southern Africa Entrepreneurship Networks)
- Improve gender integration in agriculture, rural development and mining (including addressing property and land rights, value chains)
- Support girls' education and girls' transitions to work (Adolescent Girls Initiative in Liberia, Rwanda and Southern Sudan)
- Health systems strengthening to improve access to quality reproductive health and family planning services
- Analytical work (WDR 2012, impact evaluations)
- Partnerships (corporations [Nike], NGOs [African Women's Mining Network], devt partners)

Vulnerability and Resilience



Poverty increase from baseline (in percentage points) due to a 25% increase in food prices



Source: Wodon et al. (2008). "Potential Impact of Higher Food Prices on Poverty: Estimates from a Dozen West and Central African Countries", Policy Research Working Paper 4745.

Vulnerability and Resilience

Macroeconomic Shocks

- Sound macroeconomic policies
- Safety nets

Natural Disasters

- Early warning systems
- Disaster-resistant infrastructure
- Rapid response transfer schemes

Health Shocks

- Health insurance
- Health Systems

Conflict and Political Violence

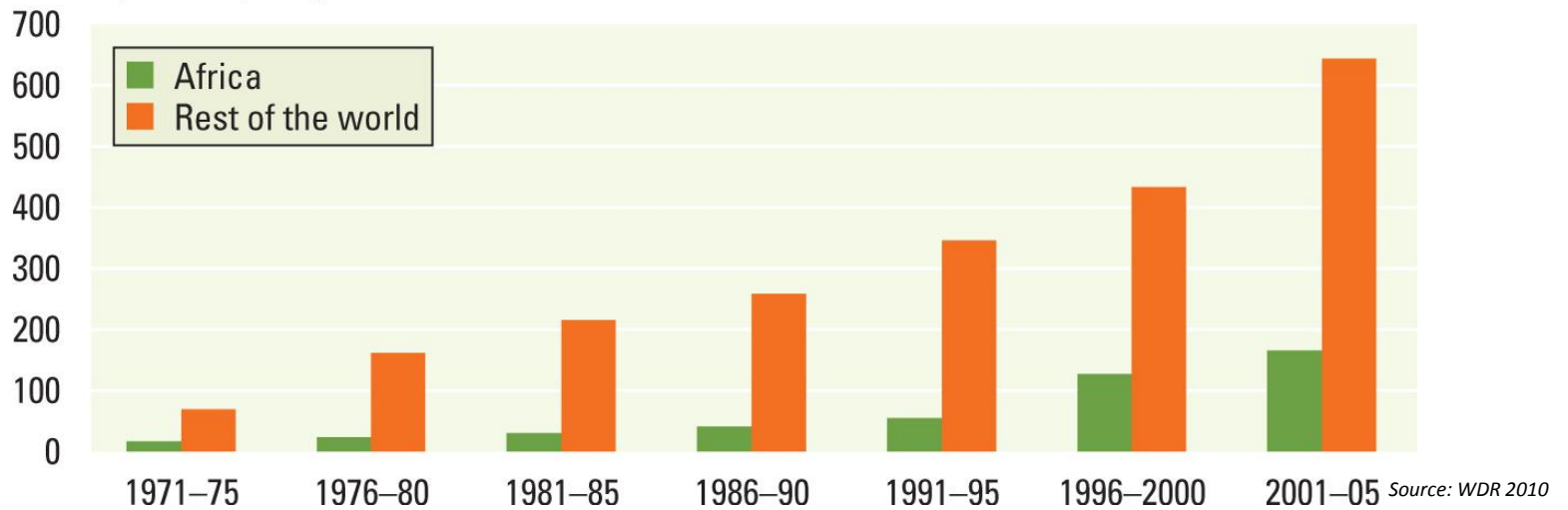
- Institutions for equitable distribution



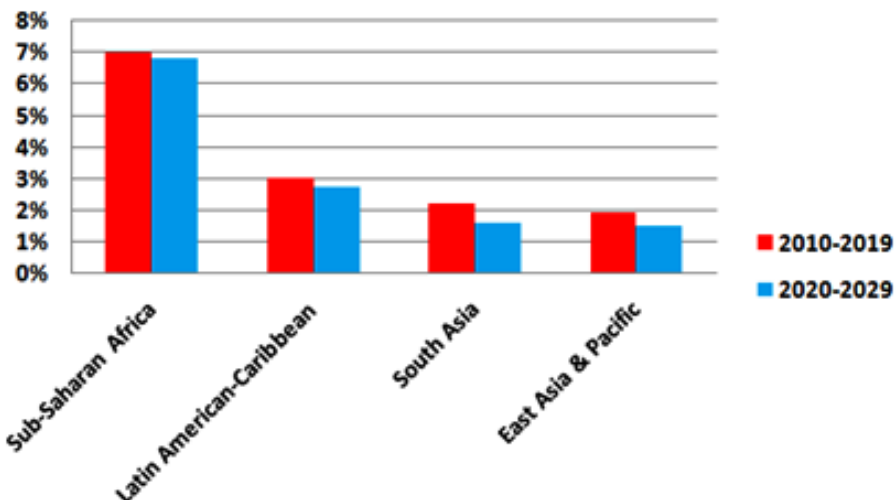
Climate Change

Number of floods increasing

Events per five-year period



Adaptation Costs as Percentage of GDP



Climate Change

Challenges

- Current climate variability estimated to cause an annual loss of 1-2 % of GDP; by 2020 between 75 to 250 million people in Africa will be affected by water stress
- Today, 560 million Africans do not have access to modern energy, with access rates as low as 5-6% in some countries. Africa contributes less than 4% of total CO₂ emissions

Opportunities

- Irrigation (less than 8% of irrigable land is under irrigation)
- Water resource management (river basins, hydro power)
- Hydro can provide up to 50% of Africa's energy needs, up from 24% today.
- Climate-resistant infrastructure (e.g. roads in Ethiopia)
- Soil carbon sequestration could yield US \$1.47 billion annually for Africa.
- Avoiding deforestation (REDD)
- Other carbon finance

Note: COP17 in South Africa in 2012 is Africa's moment in the climate change sphere



Governance and Public Sector Capacity

Supply Side Interventions

Burkina

- In depth analysis of mining and transport programs
- Improved effectiveness of work on decentralization, justice, anticorruption

Cameroon

- Policy dialogue on forestry governance
- **Political economy study on telcoms/mining**
- Catalytic reforms in Customs Directorate

DRC

- Complementary leadership and coaching work
- Finding entry points for governance at provincial level
- Investment in PE and diagnostic work has supported dialogue in difficult situations

Ghana

- More transparent supervision of 7 projects using E-ISR

- **Political economy study to design governance filter**

Sierra Leone

- **Political economy work to identify strategic entry points**

- Growing program of support to rebuilding state capabilities and enhance accountability

Nigeria

- Growing program of work on PSM and Governance at state level
- Solid diagnostic work – PEMFARs/PE studies supported by DPOs and PILs
- Upcoming work on urban water and health

Uganda

- Investing in governance diagnostics as GAC issues gain prominence
- First Annual Report on Corruption successfully launched by the Inspector General of Uganda (Ombudsman)

Zambia

- Strategic focus on mining and public expenditure
- Developing feedback mechanisms for WB-funded projects
- Support to CoST and EI Transparency initiatives

III. IMPLEMENTING THE STRATEGY



REGIONAL STRATEGY

Implementing the Strategy



Partnerships

- Governments
- AfDB, AU, RECs
- Civil society
- Private sector
- Development partners



Knowledge

- Link analysis to policy
- Political economy
- Evidence to nourish public debate



Finance

- Leveraging:
- Domestic res.
 - IDA, IBRD, IFC, MIGA
 - PCGs, enclaves, etc.

Regional solutions

High-impact projects:

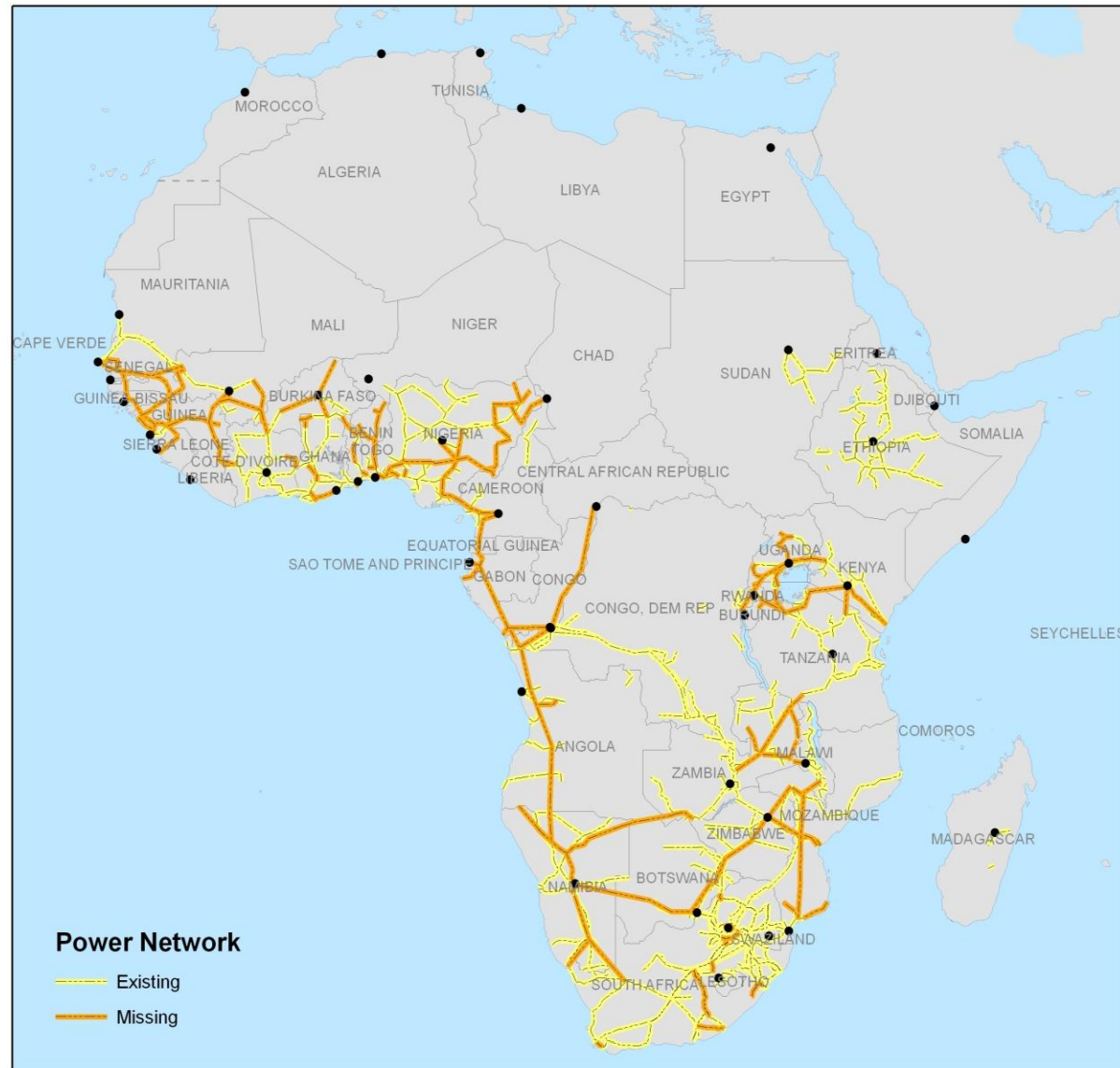
- West Africa Power Pool
- Inga 3 hydro-project
- North-South Corridor

Beyond Infrastructure:

- Agricultural research
- Health
- Trade integration



Public Health Laboratory Network in East Africa



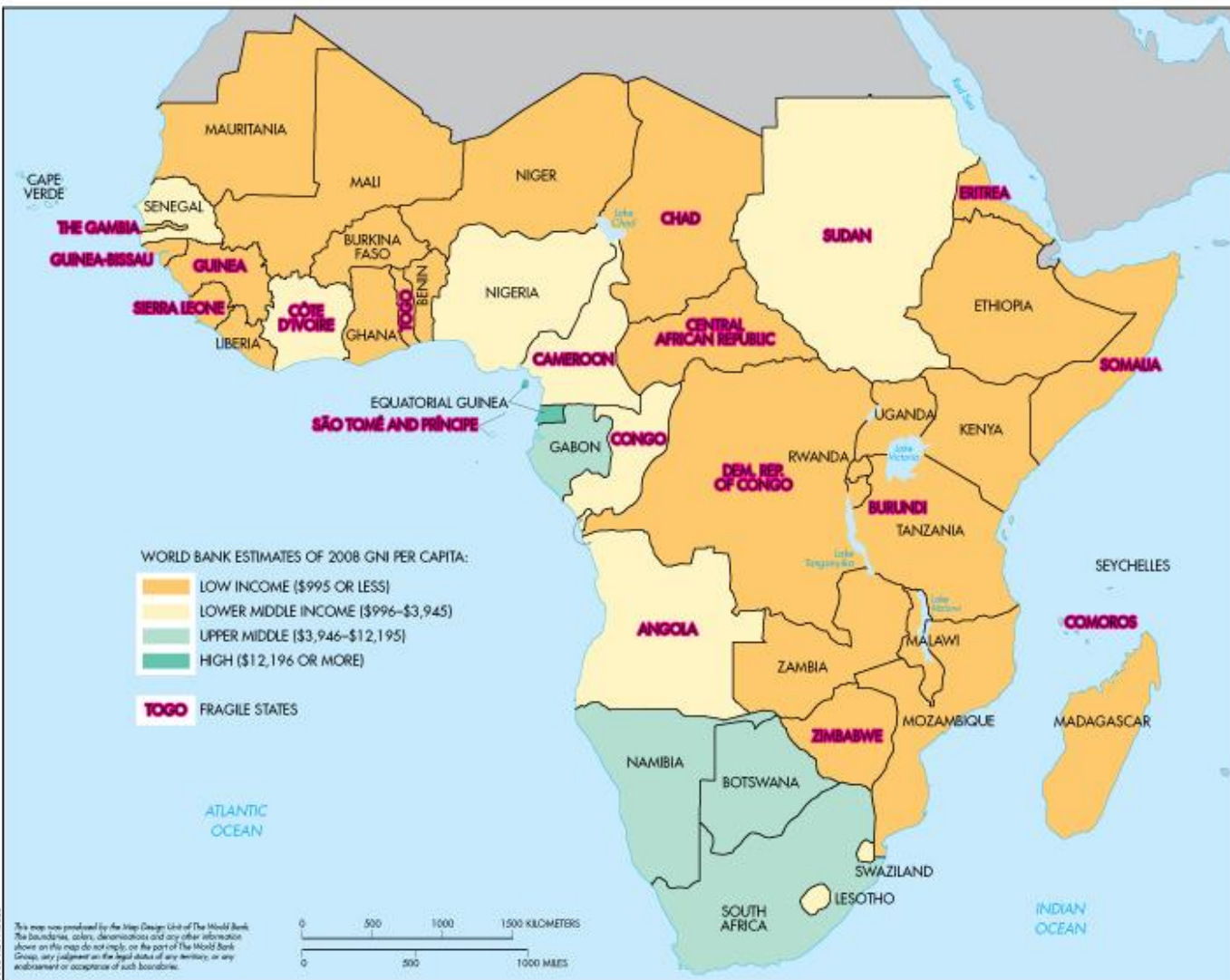
*Source: *Africa's infrastructure: A time for transformation*, World Bank 2010

IV. ORGANIZING FOR RESULTS



REGIONAL STRATEGY

Country Differentiation



Middle-Income
Countries

Fast-growing
low-income countries

Fragile states
(WDR 2011)

Slow-growing low-
income countries

Selectivity and Trade Offs

Partnerships

- Convener role (Rwanda Investors' Forum)
- Following others' lead (PIDA, EFA-FTI)
- Leveraging finance (Mozambique, Liberia, Sierra Leone)

Programmatic approach

- Investing in country systems, rather than ring-fenced projects (e.g. health)
- Adopting programmatic operations over project fragmentation (e.g. value chain approaches in agriculture, tourism, Ethiopia Protecting Basic Services)
- Fewer but transformative knowledge products (Africa Infrastructure Country Diagnostic)

Management

- Fragile states hub v. technical staff in FCS
- “Regional discipline” through portfolio reviews, QBRs, COSO, ROCs, projects and AAA choice
- Integrated Planning System
- Alignment of incentives

Risks and Mitigation Measures

Global economic volatility and decline

- Strengthening institutions for resilience (Pillar 2)
- Increased diversification of African economies (Pillar 1)

Political violence, conflict and fragility

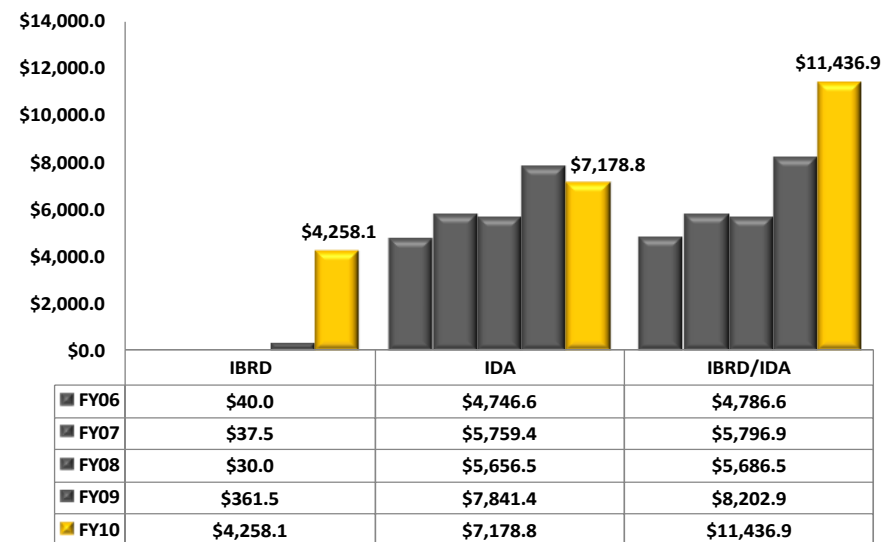
- Demand-side accountability measures (Foundation)
- Decentralization and participation (Foundation)
- Political consensus-building (Knowledge)
- Partnerships (Main instrument of implementation)

Inadequate resources to deliver on the strategy

- Partnerships to leverage other development partners, private sector and African countries' own resources

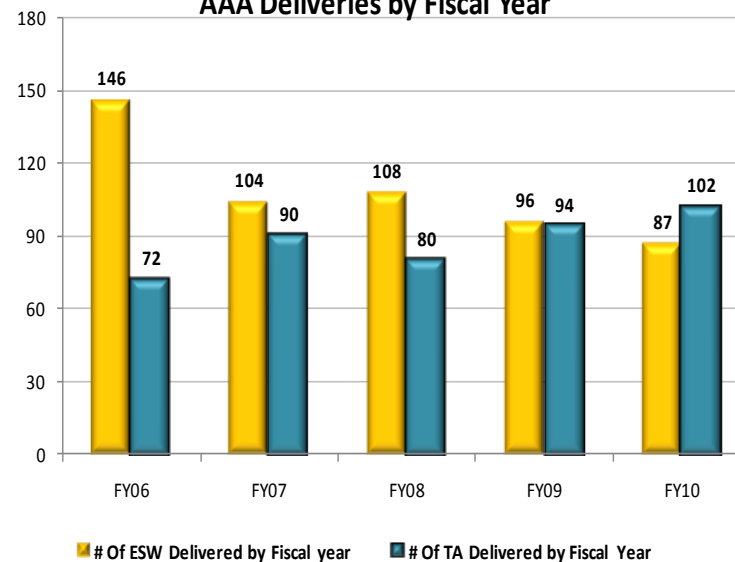
Responding to Increased Client Demand for Lending

IDA/IBRD Lending Volume by Fiscal Year (US\$M)



Providing Timely Analytical Work to our Clients

AAA Deliveries by Fiscal Year



Five-Year Results Monitoring

Three Tier Monitoring Framework: aligned with IDA16 Monitoring, Corporate Scorecard



Examples of Regional Key Development Outcomes, the Strategy intends to influence

- *Poverty headcount (PPP, % of population under US\$ 1.25) from 50.9% in 2005 to under 40% in 2015*
- *Under 5 mortality rate (# per 1000 people) from 129 in 2009 to under 93 in 2015*
- *Maternal mortality ratio (# per 100,000 live births) from 645 in 2008 to below 500 in 2015*
- *Annual 4% growth (%) in agricultural value added [5 year moving average] from 2010 to 2015*

Integrated Reporting Framework: Painting the Full Picture of Results

- 5 Year Monitoring Framework allows adjustments at Strategy Mid-Term
- Annual Progress Reports, Dissemination through social media, blogs and AfricaWiki
- Drawing from CAS results
- Complemented by annual "IDA at Work" Results Stories

Strengthen countries' statistical capacity to monitor progress



Thank You