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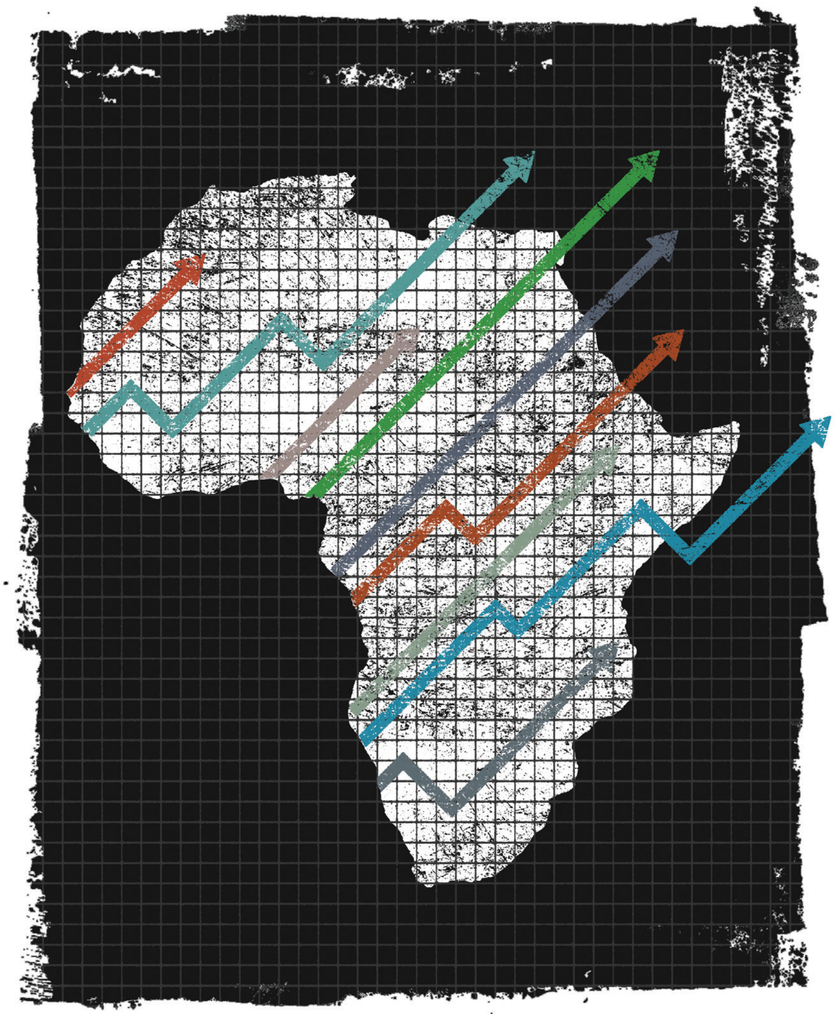
Africa's Pulse

An analysis of issues shaping Africa's economic future



- Recent Economic Trends and Prospects for African Economies
- Country Policy & Institutional Assessment: Results and Trends for sub-Saharan Africa
- Advancing Toward the MDGs

THE WORLD BANK

This document was produced by the Office of the Chief Economist for the Africa region

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- ***Before the global economic crisis, Sub-Saharan Africa was enjoying over a decade of policy improvements and strong growth, averaging more than 5 percent a year in 2000-08***
- ***Thanks to this policy-driven growth and improved service delivery, the region also saw an impressive acceleration in progress toward the Millennium Development Goals.***
- ***Despite a decline in the payoff to economic reforms during the global crisis, African policymakers continued to implement sensible economic policies.***
- ***Although Sub-Saharan Africa was hit hard by the crisis, growth has rebounded and the region is experiencing a broad-based recovery.***
- ***The crisis has set back progress on the MDGs. But as the countdown to 2015 begins, the region is well positioned to ramp up momentum on achieving the MDGs. Global support is critical to attaining the goals.***

Section I: Recent economic trends and prospects

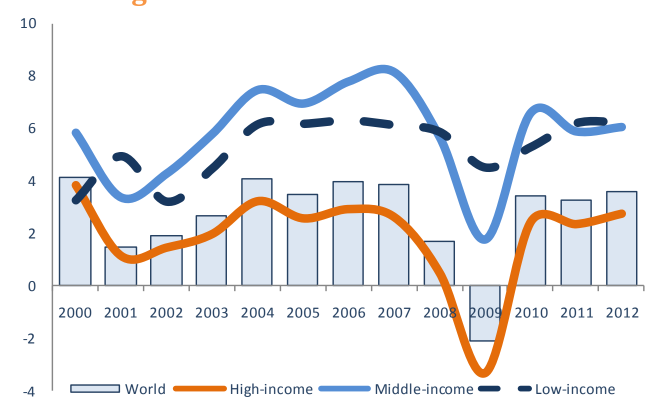
- *The recovery in Sub-Saharan Africa is continuing apace.*
- *Several factors are fueling the recovery: counter-cyclical fiscal policies, up-tick in commodity prices and rebound in exports.*

Global outlook

The global economic recovery is slowing on the back of a waning of the inventory cycle and a winding down of government stimulus programs. Preliminary updates to the World Bank's forecast suggest global GDP growth of 3.5 percent in 2010, slowing to 3.3 percent in 2011 before recovering to 3.6 percent in 2012.[1] With a growth rate of about 6.5 percent in 2010 and a little under 6 percent in 2011, developing countries are expected to continue to outperform high income countries—which are projected to grow at about 2.4 percent a year—by a wide margin. Excluding fast growing China and India, developing countries' growth is projected to be near 5.7 percent this year and 5.2 percent in 2011.

Global prospects continue to be clouded by a slowdown in growth—with even the possibility of a double-dip recession in the U.S. or Europe. Further, lingering sovereign debt concerns in some European countries as well as planned fiscal austerity measures in Europe are adding to this uncertainty.

1. Global growth rates 2000-2012



Source: Development prospects Group, World Bank

World growth rates are projected to slow down in 2011. Excluding fast growing China and India, developing countries' growth is projected to be near 5.7 percent this year and 5.2 percent in 2011.

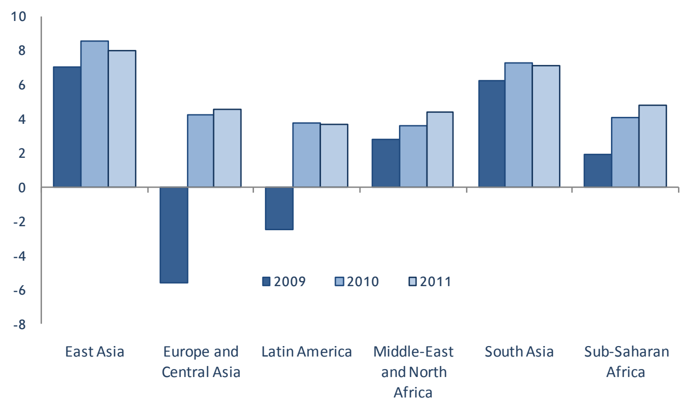
Industrial production has slowed worldwide from 10.9 percent annualized gains in the first quarter of 2010 to 9.4 percent in the second. The bounce back in global trade has come to an end as well, with growth in global merchandise trade values having decelerated from a high of 25 percent in the first quarter to just 2.5 percent in the three months ending July 2010.

[1] Forecasts produced by the Development Prospects Group, World Bank.

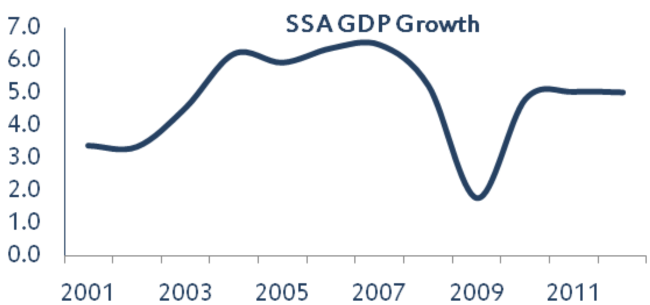
Outlook for Sub-Saharan Africa

The recovery in Sub-Saharan Africa is continuing apace. The region has shown remarkable resilience in the face of a global recession, and economic growth is projected to expand from 1.8 percent in 2009 to 4.9 percent in 2010. Growth is likely to be sustained at about 5 percent in 2011 and 2012, below the pre-crisis trend rate. Among developing regions, Sub-Saharan Africa's growth rates will be the third fastest, ahead of the MENA, ECA and LAC regions (Figure 2).

2. Growth rates 2009-1011



3. GDP Growth in Sub-Saharan Africa

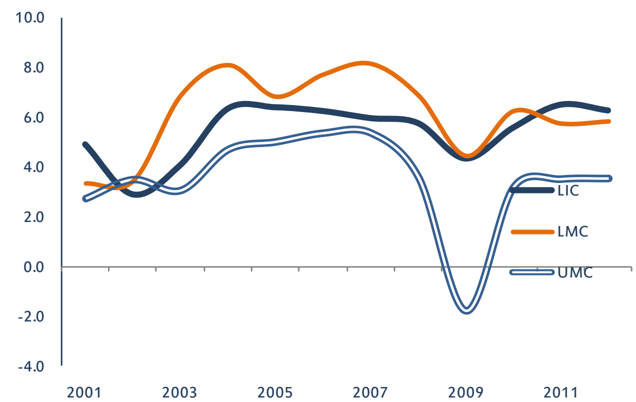


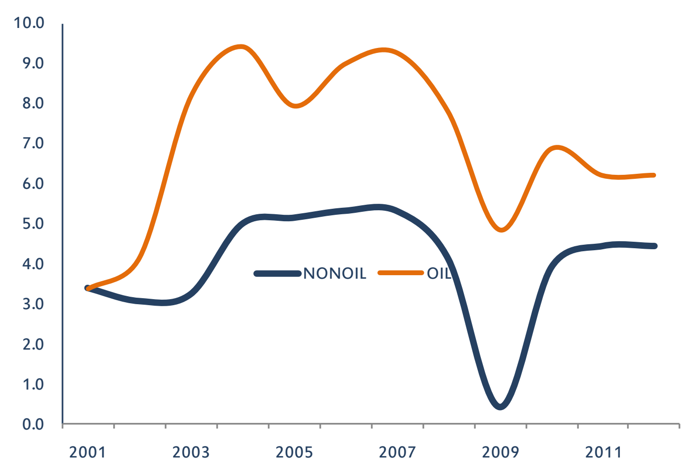
Source: Development prospects Group, World Bank

Economic growth in Sub Saharan Africa is projected to expand from 1.8 percent in 2009 to 4.9 percent in 2010. Among developing regions, Sub-Saharan Africa's growth rates will be the third fastest, ahead of Europe and Central Asia, Latin America, and the Middle East and North-Africa

While the recovery in economic activity is broad-based, there is considerable heterogeneity in Sub-Saharan African countries' growth performances. Low income and lower middle income countries are growing at a much faster pace than upper middle income countries. Overall, middle income countries, which are more integrated in global markets and which were hit harder by the crisis, are rebounding strongly. At about 7 percent, the region's group of oil-exporting countries is seeing higher growth rates than non-oil economies. On average, however, both oil and non-oil economies are showing a rebound in growth to sustainable levels. Fragile economies, which include several resource rich countries including Angola and Sudan, are growing briskly as well.

Prospects and performance by country groups (4 & 5)



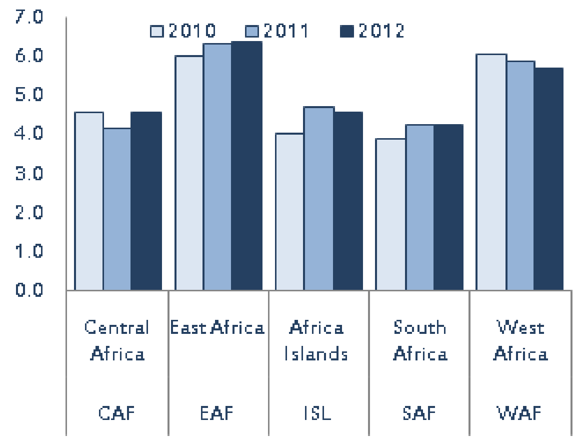


Source: Development prospects Group, World Bank

While the recovery in economic activity is broad-based, there is considerable heterogeneity in the continent. On average, however, both oil and non-oil economies are showing a rebound in growth to sustainable levels.

Among sub-regions, East and West Africa are leading the continent in growth. Central Africa, the island economies, and Southern Africa are seeing a slower pace of expansion.

6. Sub-regional performance

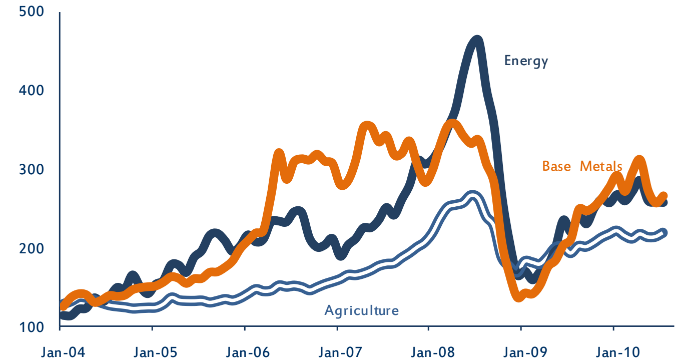


Source: Development prospects Group, World Bank

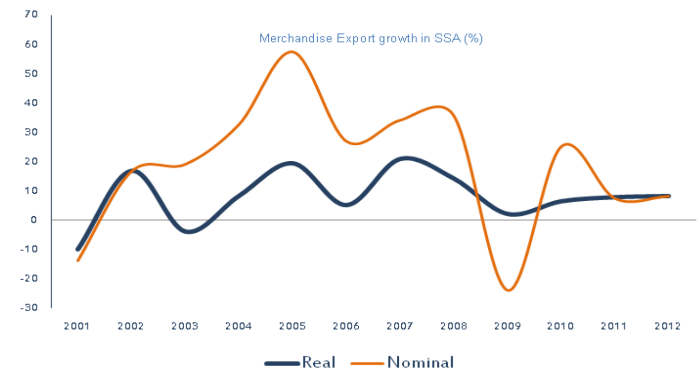
Factors driving the region's performance

Several factors have helped to fuel the recovery in Sub-Saharan Africa. Commodity prices, particularly energy and base metals have boosted growth in resource rich countries in the region. Overall, merchandise exports in the region have rebounded in parallel with global trends, although exports remain below pre-crisis levels. The boom in export growth is moderating to more sustainable levels. Services trade, specifically tourism receipts have been on the rise as well: Mauritius (8.5 percent up in the second half of 2010), Seychelles (13 percent rise in the second half of 2010); Cape Verde, Kenya and Tanzania are also seeing higher tourism receipts. However, the situation in Europe creates some uncertainty as a large share of tourist arrivals are from European countries.

7. Commodity prices



7A. Merchandise export growth in Sub-Saharan Africa

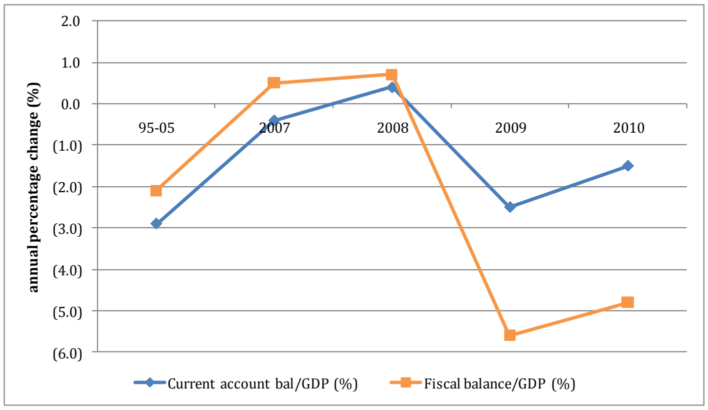


Source: Development prospects Group, World Bank

Commodity prices, particularly energy and base metals have boosted growth in resource rich countries of Sub-Saharan Africa. Overall, merchandise exports have rebounded in parallel with global trends, although exports remain below pre-crisis levels.

Several countries implemented countercyclical fiscal policies in the wake of the global financial crisis, which helped to support domestic output. African countries saw a widening of fiscal deficits by about 6 percent of GDP in 2009, as countries used fiscal policies to counter the effect of the slowdown in economic activity. Among low income countries, those with fiscal space ran modest fiscal deficits; some low income countries even contracted their deficits. External and fiscal balances, which had widened in 2009, remain large. Strengthening of private consumption is also contributing to the recovery.

8. Current account balance and fiscal deficit in Sub-Saharan Africa



Source: Development prospects Group, World Bank

African countries saw a widening of fiscal deficits by about 6 percent of GDP in 2009, as countries used fiscal policies to counter the effect of the slowdown in economic activity.

Foreign direct investment flows are also fueling growth in the region. FDI flows have increased in Sub-Saharan Africa in six out of the past ten years. Even in the crisis years of 2008 and 2009, FDI increased, by 22 and 16 percent, respectively. Angola, Nigeria and South Africa accounted for a bulk of the investment destination, nonetheless there were significant flows to the natural resource sectors of other resource rich countries. This includes, a surge in FDI flows to Ghana (recent oil discovery); Mozambique (coal, gas, aluminum); Niger (Uranium); Zambia (copper); Uganda (recent oil discovery); Liberia (iron ore); and Guinea (iron ore). Remittance flows to the region have remained relatively stable, despite the global crisis. These flows measured $20.7 billion in 2009 and $21.3 billion in 2008.

Risks to economic prospects

Developments in the global economy such as weaker growth, particularly in a major trading partner such as the European Union, pose a risk to the region's growth prospects. A disruption in grain markets also presents a downside risk. The availability of financing, especially official development assistance for poor countries, could constrain these countries' growth as well. Along with global developments, domestic factors such macroeconomic policies (including the timing and speed of withdrawal of fiscal and monetary stimulus), political events (a large number of African countries have upcoming general elections), and weather conditions can impact prospects.

Global food prices. The recent disruption in the global wheat market was a reminder of the region's vulnerability to food price shocks. After declining by 16 percent in the first half of this year, global grain prices (World Bank's grain price index) surged on the back of a sharp rise in wheat prices and knock-on effects on other key staple grains such as maize, rice, and sorghum. Wheat prices rose by 56 percent between June and August 2010. As demand for substitutes increased, prices of other grains also firmed up: the price of rice and maize was up 10 percent and 8 percent respectively in August 2010. Current global market conditions of grain supplies are very different from those during the food price crisis of 2007-08, reducing the risk of an across-the-board acceleration of prices. Nevertheless, even modest shocks in global grain markets can impact domestic markets and food security.

Based on very partial data and lags in transmission of global movements to local markets, the effect of the global increase in wheat prices on local markets in Africa appears to be limited. Higher wheat prices in local markets are reported in Kenya and Mozambique. In Mozambique, wheat price increases along with price changes for petrol, water and electricity led to unrest. These price increases were rescinded. Mauritania, which imports 100 percent of wheat consumed, saw a 55 percent jump in wheat prices between

July and August 2010. However, the country is maintaining its earlier fixed price of bread. Aid is buffering the impact of global wheat price movements in other high wheat consumption countries such as Burundi, Cape Verde, Ethiopia, and Zimbabwe.

Along with global price movements, local factors can affect local grain staple prices. Food price volatility has increased since the food price crisis, and poor countries are particularly vulnerable. Rising food prices impose a heavy burden on poor countries' already high incidence of malnutrition and hunger.

Section II Country Policy and Institutional Assessment: Results and Trends for Sub-Saharan Africa

- *The latest CPIA scores indicate that despite the impact of the global economic crisis, African policymakers continued to implement prudent policies and reforms.*
- *More than twice as many countries improved the quality of their policies and institutions than saw a decline.*
- *Countries with better policies and institutions have seen stronger growth.*

Africa region 2009 CPIA scores

The latest CPIA scores, assessing the quality of policies and institutions in 2009, show that overall African policymakers remained committed to sensible policies and reforms, even in the face of an extremely challenging economic environment.

Better policy performance in a wide range of countries. The latest results show a higher CPIA score for nearly half of all IDA eligible African countries; with the number of gainers outpacing decliners by more than 2 to 1 (the aggregate score for the region was unchanged). What is remarkable about the broad-based improvement in policies is that it occurred in a difficult economic environment. African countries were grappling with back-to-back crises: the global financial crisis of 2008, which followed on the heels of the food and fuel prices crisis of 2007. There was a concern that a decline in the payoff to economic reforms during the international economic crisis could result in a reversal on reforms. But despite its severity, African policymakers generally did not backtrack on policy reforms during the global crisis. Some countries even accelerated reforms. This prudent response means that the policy environment in Africa, which had been improving until the crisis, continued to improve during the crisis.

Box 1: What is the CPIA?

The World Bank's Country Policy and Institutional Assessment (CPIA) captures the quality of a country's policies and institutions. It has evolved into a set of 16 criteria that are grouped in four clusters: (i) economic management; (ii) structural policies; (iii) policies for social inclusion and equity; and (iv) public sector management and institutions. Ratings for each of the criteria reflect a variety of indicators, observations, and World Bank staff judgments. For each of the 16 criteria, countries are rated on a scale of 1 (low) to 6 (high). These scores are averaged within each cluster to produce the cluster score, and the overall score is derived from the cluster scores. The scores depend on the level of performance in a given year assessed against the criteria, and not on changes in performance compared to the previous year. They depend on current policies and institutions, rather than on promises or intentions.

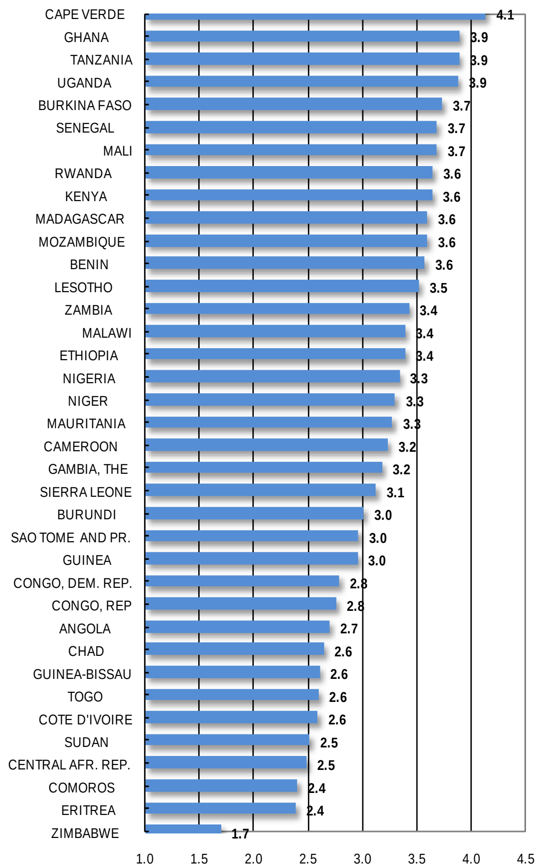
Source: CPIA Questionnaire 2009.
http://siteresources.worldbank.org/IDA/Resources/73153-1181752621336/CPIA09CriteriaB.pdf

Performance of countries varies greatly. Although the potential CPIA score can vary from 1 to 6, the CPIA scores for the thirty-seven IDA-eligible countries in Africa tend to fall between 2.4 and 4 (Figure 9). The average CPIA for IDA borrowers was 3.3 in 2009. Data from 2005-09 show that:

(i) A few countries have consistently had strong policies, with average CPIA scores clustered around 4.0: Cape Verde, Ghana, Tanzania, and Uganda. These countries have either maintained or strengthened their policies in each of the last five years. Typically, these countries have exhibited strength across the four policy clusters of the CPIA.

(ii) A handful of countries, such as Zimbabwe, Eritrea, and Comoros, have demonstrated weak policies and posted CPIA scores below 2.5 for the past five years.

9. Average CPIA ranking 2005-09



Source: Africa CPIA datasheet.

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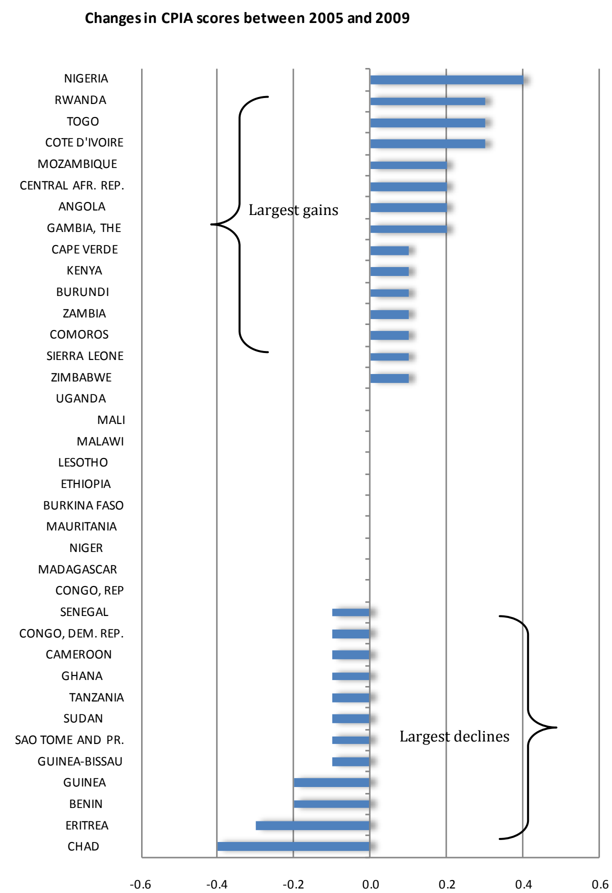
CPIA scores change only gradually, but some strong policy reformers have experienced considerable improvements and a few countries have seen a sharp worsening of their scores. Figure 10 lists countries with their cumulative gain or deterioration in CPIA scores between 2005 and 2009. Over the past five years, Rwanda and Mozambique have made significant and consistent progress in economic and institutional quality and posted relatively high scores. Over the same period, Eritrea experienced a significant deterioration in its CPIA score. Zimbabwe saw a substantial decline in its CPIA score in 2005-08 as the country slipped into hyperinflation. But a subsequent liberalization of prices and the exchange rate system is helping to reverse this decline.

10. Cumulative change in CPIA scores



Source: Africa CPIA datasheet.

Over the past five years, Rwanda and Mozambique have made significant and consistent progress in economic and institutional quality, and have relatively high CPIA scores.

Among oil exporting countries, large variations in CPIA scores have been observed. Nigeria, Côte d'Ivoire and Angola had positive changes on their CPIA scores, the remaining four countries experienced losses or no change. While Nigeria gained by 0.4 over 2005-09, another oil-exporting country, Chad, saw an equally large deterioration (i.e, -0.4) in its CPIA score. Some post-conflict countries, for example Angola and Rwanda, made substantial progress in improving economic policies.

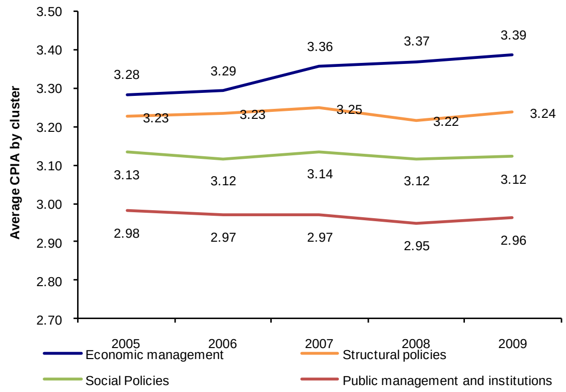
Trends in indicators: mixed performance

Improvement in economic management and structural policies is not mirrored in other areas of the CPIA. Economic management and structural policies are the areas in which African countries have shown the most strength and progress. Not surprisingly, the indicators for "economic management" have, on average, posted the highest CPIA scores in the region, along with substantial improvement. Since the mid-1990s, African countries have seen strengthening of macroeconomic management. External and internal imbalances were redressed, helped in part by debt relief, and inflation in most countries fell sharply. In 2007, median inflation was about half the level in the early 1990s. At the same time, exchange rates were maintained at competitive levels, including the one-time devaluation of the CFA franc in 1994. Over the past several years, many African countries have also moved to liberalize trade, although improvements in trade facilitation have lagged.

African countries have made progress in recent years in implementing reforms to support investment climate and to improve competitiveness. For example, the 2010 Doing Business Report finds that a typical import transaction has been reduced to 39.4 days from 58 days in 2006 (versus 11 days in OECD countries in 2010). Delays have a great impact on country's exports, especially that of perishable agricultural products. Because of reforms, Rwanda is now one of the fastest places in the world to start a business (11th overall); securing credit is very straightforward in Kenya (4th in the world); and Tanzania ranks well in enforcing contracts (31st). These same countries, however, create complexities in other areas of business that hamper overall economic development. For example, Rwanda ranks very low in terms of the time and cost of liquidating a business, and securing a construction permit in Tanzania takes 328 days -- at a cost approximating 33 times the per capita income of the country.

By contrast, the quality of governance is weak and progress has lagged. While there are indications that governance is improving in some African countries, weak governance and low capacity remain a reality for many African countries. Weak governance is particularly serious in fragile states and regions, as the costs of conflict are borne not only by those directly involved, but also by their neighbors. The public management and institutions cluster of the CPIA has, on average, the lowest score and has not posted any gains (2005-2009). Similarly, the scores on indicators for social inclusion/equity policies have remained low and relatively unchanged. This reflects slow progress on policies of social protection, labor market regulations and equity of public resource use.

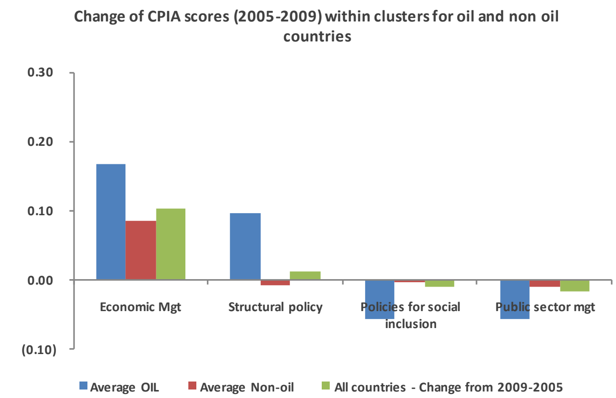
11. Average CPIA scores by cluster for African countries



Source: Africa, CPIA datasheet

The indicators for "economic management" have, on average, posted the highest scores in the region along with substantial improvement. On the other hand, the public management and institutions cluster has, on average, the lowest score and has not posted gains over the same period

12. Comparison of CPIA scores for oil and non-oil exporting countries (2005-09)



Source: Africa, CPIA datasheet

Oil countries had stronger gains in the economic management and the structural policy clusters; but in the social policies and the public management clusters, oil countries had larger declines.

Nearly half of IDA eligible African countries have recorded an improvement in economic management and a lower number have seen a strengthening of structural policies. By contrast, less than a third of countries have posted improvements in clusters 3 and 4.

When average scores are disaggregated for oil-exporting and non-oil countries, there is considerable variation in performance of these two groups: oil countries posted stronger gains in the economic management and the structural policy clusters (Figure 12); but in the social policies and the public management clusters, oil countries showed larger declines.

Box 2 Rwanda: strong policy performance

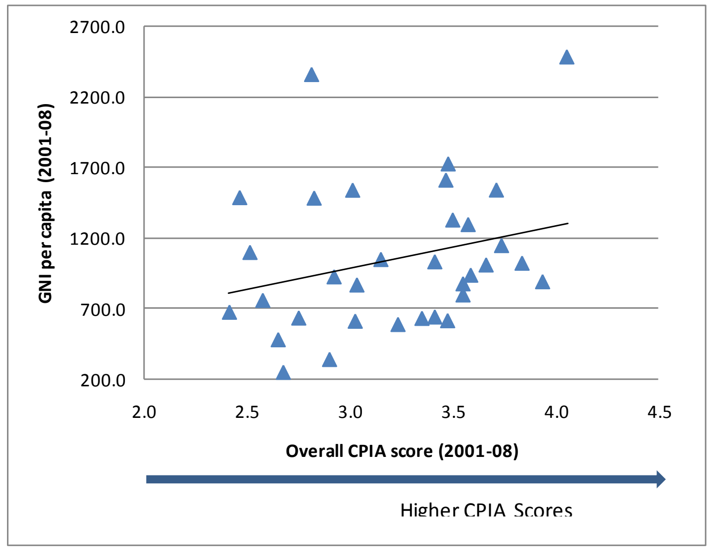
Rwanda's steady progress on reforms makes the country one of the strongest performers among sub-Saharan African countries. Sound macroeconomic management and stability, improved business environment, progress in human development, and better public sector management have contributed to Rwanda's sustained economic growth, which averaged 8 percent a year during 1998-2008. Recent efforts to improve the business environment helped Rwanda to become a top global reformer in the 2010 Doing Business report, which ranked the country at 67 out of 183 economies. Performance-based salaries and results-based financing for health facilities contributed to a dramatic improvement in health outcomes: for example, child mortality declined by a third over 2000-08. The government has taken measures to improve public sector management: linking the budget to policy priorities; better budget execution and coordination of government activities. The country's strong policy environment is reflected in its relatively high CPIA score.

> **Box 3 Madagascar: political instability is impacting the country's policy environment**
>
> The recent political crisis has impacted Madagascar, particularly its growth performance and public sector management. Prior to the March 2009 coup, the economy was growing at a rate of around 7 percent, fueled by a boom in mining and tourism. The political crisis also affected the fiscal policy as the suspension of external aid restricted public expenditures—particularly public investment, with negative implications for the delivery of social and infrastructure services. Consequently, in 2009, Madagascar's overall CPIA score declined to 3.5.

Countries with better policies have grown faster

The criteria of the CPIA map well with the policies and institutions that are identified in the literature as relevant for growth and poverty reduction. Good policies and strong institutions lead to favorable growth and poverty reduction outcomes over the medium term. A recent study (Radelet, 2010) finds that since the mid-1990s seventeen emerging African economies have achieved solid, steady growth on the back of five fundamental changes, including more sensible policies, more democratic and accountable governments and reduced debt burdens. An analysis of economic performance among African countries over 2000-08 shows that the countries with better policies and institutions also enjoyed higher GDP per capita (Figure 13). The analysis also suggests that better policies and institutions correlate well with economic and human development outcomes. Thanks to a strong policy environment, African countries posted strong growth in the decade preceding the global crisis.

13. Higher per capita income is associated with better policies



Source: World Development Indicators 2009 and CPIA Africa Data sheet for IDA Eligible countries.

Analysis shows that countries with better policies also enjoyed higher GDP per capita.

Section III Sub-Saharan Africa: Advancing toward the MDGs

- *Notable progress has been made on achieving some MDGs: poverty reduction, primary education, gender parity in primary and secondary school, and access to safe water.*
- *Progress on the health goals has lagged, even as under-5 mortality rates are falling and HIV/AIDS prevalence rate is stabilizing.*
- *Many countries have made impressive advances, others have not. Improvements in poverty reduction and human development indicators are associated with rising income.*
- *The global financial crisis has slowed progress on achieving the MDGs. Boosting economic growth will be central to regaining momentum and closing the gap on the development goals.*

As the countdown to 2015 begins, Sub-Saharan Africa is well positioned to strengthen momentum on achieving the MDGs.

Since the late-1990s, the region has made substantial progress toward the MDGs. The poverty rate has declined by about 1 percentage point a year, falling from 59 percent in 1995 to 51 percent in 2005. Primary school enrollment has seen a 14 percentage point jump, from about 59 percent in 2000 to 73 percent in 2008--the fastest improvement of any region. Gender parity in education has improved as well. The percent of people with access to safe water has grown appreciably, from about 49 percent in 1990 to over 59 percent in 2008. Even on the health goals, which have admittedly lagged, progress in absolute terms has been impressive. Child deaths have declined by 27 percent, from 181 per 1000 in 1990 to 132 per 1000 in 2009. An estimated 73 percent of infants have been vaccinated against measles, and coverage of other vaccinations has also expanded. One in six children below five years of age are sleeping under insecticide treated bed nets. Progress has also been made in reducing the number of new HIV infections and increasing the number of people receiving antiretroviral treatments (ART)—3.9 million in 2009. Overall, the best performers have often been the group of low income countries (excluding fragile states).

Despite these significant gains, most African countries are off-track on most of the goals. One reason is that the path to the MDGs has been steeper for Africa because of lower starting points. Also, Some 19 countries[2]–home to over one-fourth of the region's population—are fragile or conflict-affected. These countries have fragile political situations, weak governance, and low capacity for service delivery. Progress on the goals has been slowest in these economies, and in some cases has even slipped. Accelerating the pace of progress on the MDGs in these countries remains a challenge.

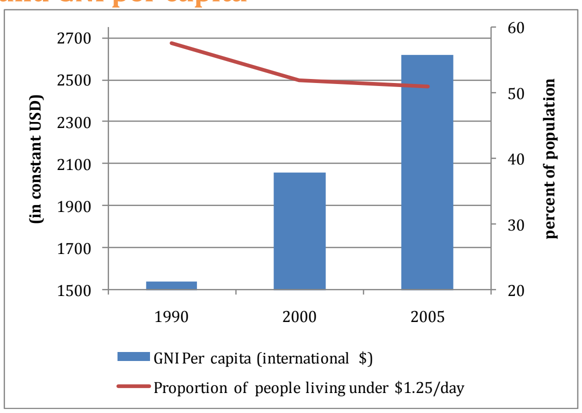
Success on some MDGs

Eradicate poverty. The proportion of people living in extreme poverty (average daily consumption of $1.25 or less) has fallen at a rapid pace, reversing the earlier stagnating trend. The poverty rate fell from 59 percent in 1995 to 51 percent in

[2] IDA eligible fragile states for FY2011: Angola, Burundi, Central African Republic, Cameroon, Chad, Comoros, Congo, Dem. Rep., Congo, Rep. The Gambia, Côte d'Ivoire, Eritrea, Guinea, Guinea-Bissau, Sierra Leone, Liberia, Sao Tome & Principé, Sudan, Togo and Zimbabwe.

2005, a decline of around one percentage point a year. A decade of strong and sustained policy-driven growth has lifted incomes and, as Figure 14 illustrates, this rise in income has been associated with a reduction in poverty. Still, Sub-Saharan Africa is the only region not on track to meet the MDG target of halving, between 1990 and 2015, the proportion of people living in extreme poverty. Nine African countries have attained or are on track to achieve the target of halving the poverty rate.

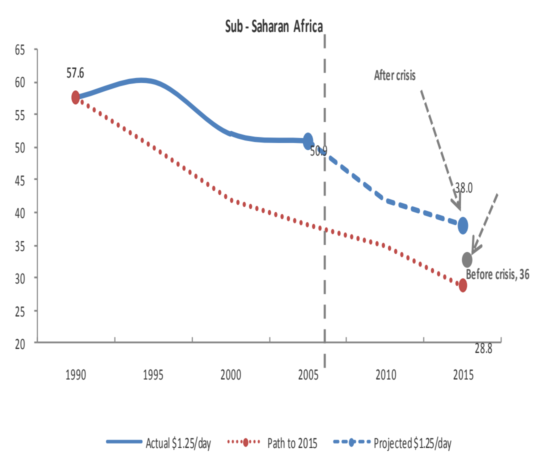
14. Proportion of people living in extreme poverty and GNI per capita



Source: World Development Indicators, World Bank

The proportion of people living in extreme poverty (average daily consumption of $1.25 or less) has fallen at a rapid pace since 1995.

15. Poverty rate in Sub-Saharan Africa 1990-2005



Source: Povcal database & Global Monitoring Report, 2010

Still, Sub-Saharan Africa is the only region not on track to meet the MDG target of poverty.

Table 1

Cut poverty rate by half	
Achieved	***On track***
	Central African Republic
Cameroon	Ethiopia
Kenya	Ghana
Mauritania	Seychelles
Senegal	Swaziland

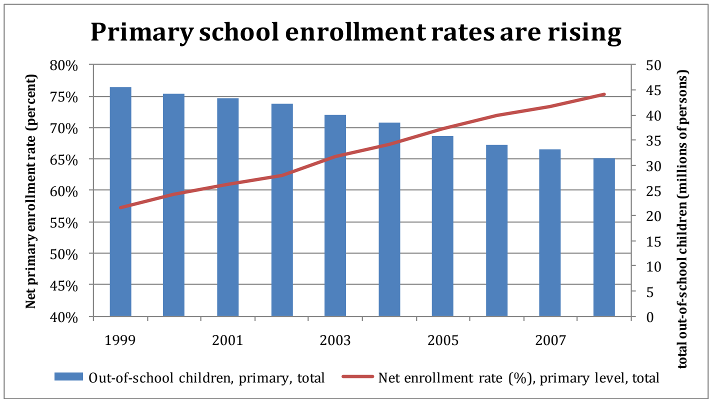
Source: World Development Indicators, World Bank

Only nine countries have attained or are on track to achieve the target of halving the poverty rate.

Universal primary education. Sub-Saharan Africa has made major strides in education. The region showed the fastest progress, despite being furthest behind, boosting primary enrollment rates by 14 percentage points to 73 percent in 2008. The primary completion rate has also surged, rising from 53 percent to 65 percent over this period. The positive trend is broad-based, with the largest improvement in low income countries. For example, between 2000 and 2008, Mozambique, Rwanda and Ethiopia saw more than a doubling in primary school enrollment rates from 16 to 43, 22 to 54 and 23 to 52 percent, respectively. Still, over 30 million primary-school-age children or almost half (45%) of the global out-of-school population are in Sub-Saharan Africa[3]. Large countries such as Nigeria and Ethiopia are home to 8.2 and 3.7 million, respectively, of these children, with girls making up the majority of school drop outs. Although enrollments in early grades have increased at a rapid rate, teacher absenteeism, weak quality of teaching, inadequate or dangerous school facilities, are among factors that contribute to children dropping out of primary school. Addressing these issues is central to enrolling all children and keeping them in school.

[3] UNESCO 2010 "Education for All Global Monitoring Report. www.efareport.unesco.org

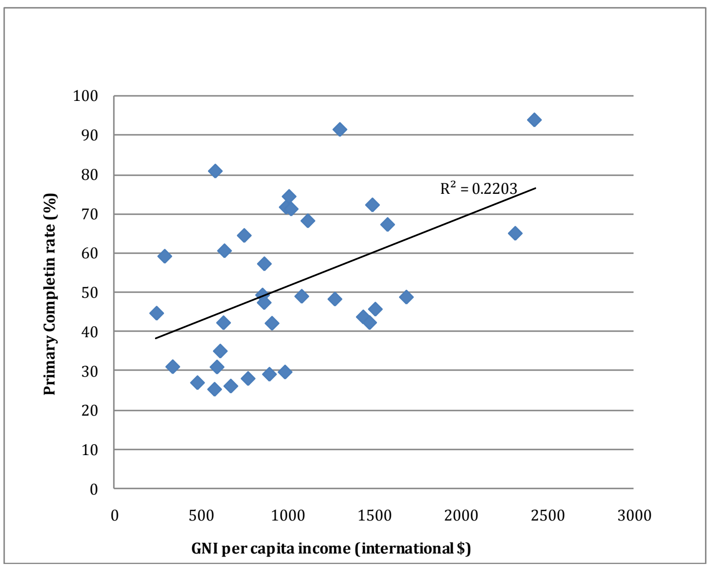
16. Primary school enrollment in Sub-Saharan Africa



Source: World Development Indicators, World Bank

Sub-Saharan Africa has achieved great progress in education, boosting primary school enrollment and completion rates. The largest improvement has occurred in low income countries.

17. Primary completion rate in Sub-Saharan Africa (average 2000-2008)



Source: Staff estimates, World Bank

Higher income per capita is positively associated with higher Primary school completion rates.

Gender equality and women's empowerment. Education opportunities for girls have expanded across the region, shrinking the gender gap. African countries are continuing to make progress toward gender parity in both primary and secondary education. The indicator of gender parity in primary school has climbed from about 85 percent in 2000 to around 91 percent in 2008. There have been gains at the secondary school level as well. Eighteen African countries have already achieved gender parity in primary education and another nine are on track to do so, but many African countries are seriously off track. Gender disparities remain, as girls from poor households and rural communities are least likely to be enrolled in school.

Table 2: Progress toward achieving gender equality in Sub-Saharan Africa

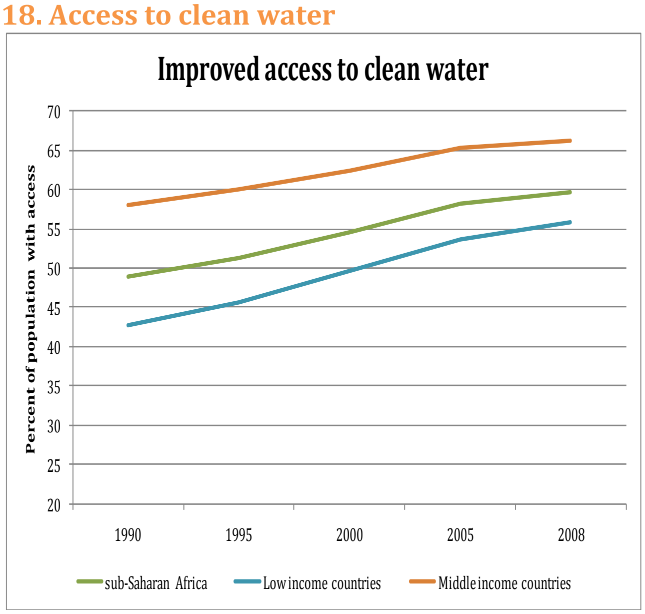
MDG 3: Promote gender equality & empower	
Gender Parity in Primary Education	
Achieved	**On track**
Botswana	
Gabon	
The Gambia	
Ghana	
Kenya	
Lesotho	
Malawi	
Mauritius	
Mauritania	
Namibia	Benin
Rwanda	Burkina Faso
Senegal	Burundi
São Tomé Principé	Comoros
Seychelles	Ethiopia
Tanzania	Guinea
Uganda	Madagascar
Zambia	Sierra Leone
Zimbabwe	Togo
Gender Parity in Secondary Education	
Achieved	**On track**
Botswana	Congo Republic
Cape Verde	The Gambia
Lesotho	Ghana
Mauritius	Malawi
Namibia	Mauritania
São Tomé & Principé	Rwanda
Seychelles	Uganda
South Africa	Zimbabwe

Source: World Development Indicators, World Bank

Education opportunities for girls have expanded across the region, shrinking the gender gap. Eighteen African countries have already achieved gender parity in primary education and another nine are on track to do so, but many African countries are seriously off track.

Ensure environmental sustainability. More people have access to an improved water source. At least 15 countries are on track to reduce by half the proportion of people lacking access to an improved water source. Ethiopia increased the number of people with access to safe water from 60 percent in 1990 to 94 percent in 2008. In addition, several other countries have reached over 90 percent coverage for improved access to safe drinking water: Botswana (95%), Comoros (95%), The Gambia (92%), Mauritius (99%), Namibia (92%) and South Africa (91%). By contrast, access to improved sanitation has proved more difficult: in 21 African countries, only 16 percent of peoples in the poorest quintile have access to improved sanitation, while for the same indicator, coverage is at 79 percent for persons in the richest quintile[4].

18. Access to clean water



Source: World Development Indicators, World Bank

More people have access to safe water sources. Nine countries have already reduced by half the proportion of people lacking access to an improved water source. At least six more are on track to do so.

Table 3

Improved water Source	
Achieved	***On track***
Burkina Faso	
Comoros	
The Gambia	
Ghana	Benin
Lesotho	Cameroon
Malawi	Guinea
Mauritius	South Africa
Namibia	Swaziland
Saõ Tomé Principé	Uganda

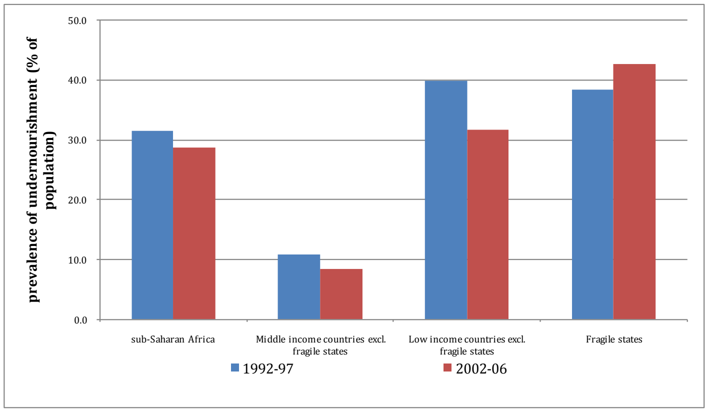
Source: World Development Indicators, World Bank

... mixed progress on others

Eradicate hunger. Malnutrition and hunger remain a challenge in Sub-Saharan Africa. Back-to-back crises have swelled the ranks of people who are hungry and malnourished. Women and children are the most vulnerable. Even before the recent food crisis, close to a third of people in Sub-Saharan Africa were malnourished. Some countries such as Ghana have made impressive strides in addressing hunger, reducing the prevalence rate of undernourished persons to 8 percent in 2006 from 34 percent in 1992 (76% reduction). Other strong performers were Congo Republic, Nigeria and Ethiopia, which reduced the prevalence of undernourishment by around 48, 47 and 38 percent, respectively. Fragile states as a group actually saw a widening of the gap on this target. Children in the poorest households are more than twice as likely to be underweight as those in the richest households. Tackling food security remains a priority for the region.

[4] "Assessing Progress in Africa toward the Millennium Development Goals" MDG report 2010.

19. People with daily nourishment



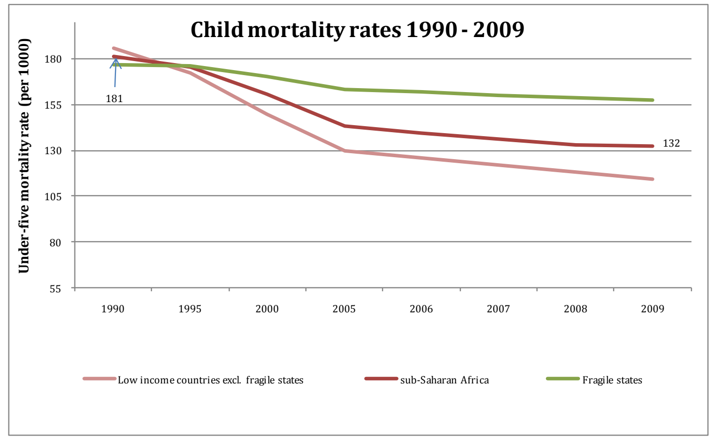
Source: World Development Indicators, World Bank

Even before the recent food crisis, close to a third of people in Sub-Saharan Africa were malnourished. Malnutrition and hunger remain a challenge in the continent. Although some countries have seen progress, the number of malnourished people rose in fragile states.

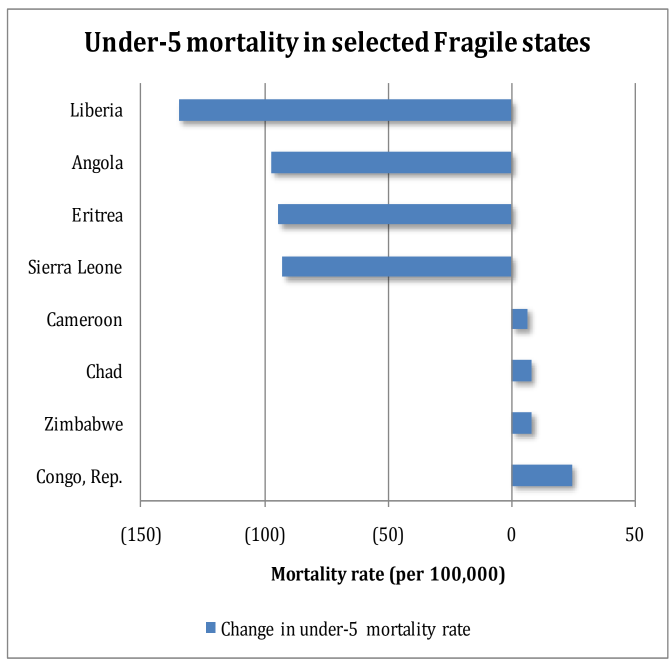
Reduce child mortality. Despite gains, the gap on the health MDGs remains large. After stagnating for several years, child mortality rates have begun to fall. Under-five mortality declined by about 27 percent, from 181 per 1000 in 1990 to 132 in 2009. Three countries are on track to achieve the target of two-thirds reduction in under-five mortality rates. Some of the poorest countries—Eritrea and Malawi—are overcoming odds to chalk up remarkable progress. Overall, the group of low income countries (excluding fragile states) posted the strongest improvement and fragile states the least. But even within the fragile states group, there was considerable variation.

Still, mortality rates in the region remain high as one in eight children die before their fifth birthday[5]. The region has 50 percent of all child deaths in the world but only 20 percent of the children under 5 years. Large disparities exist between richest and poorest children. Interventions such as immunizations, exclusive breastfeeding, and insecticide-treated nets remain priorities.

20. Child mortality



Child mortality rates fell 27 percent from 1990 to 2009 in Sub-Saharan Africa.

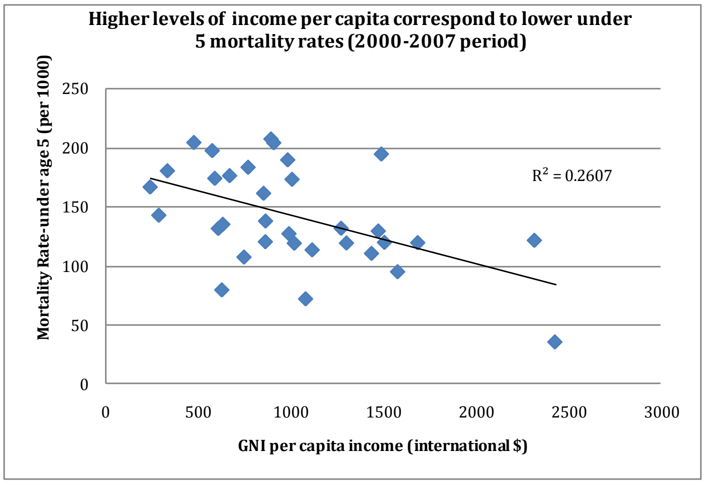


Source: World Development Indicators

Still, mortality rates in the region remain high as one in eight children die before their fifth birthday.

[5] "Levels and Trends in Child Mortality" Report 2010, Estimates Developed by UN Inter-agency Group on Child Mortality Estimation UNICEF

22. Under-5 Mortality rate in Sub-Saharan Africa 2000-2007



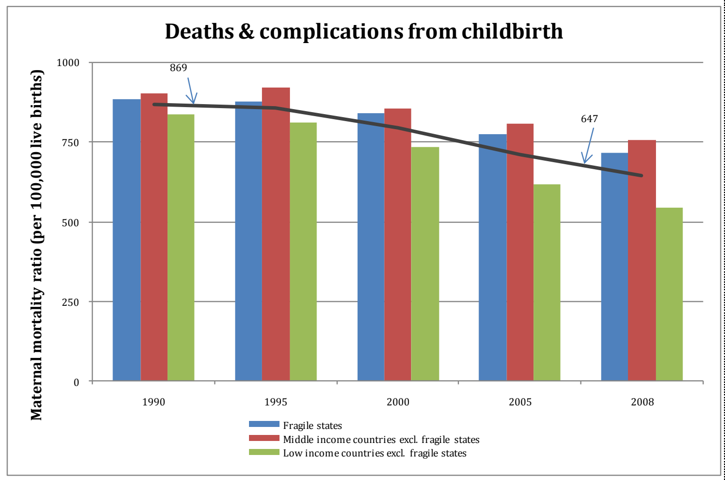
Source: Staff estimates, World Bank

Low income countries (excluding fragile states) posted the strongest improvement.

Improve maternal health. The latest data show that maternal mortality in Sub-Saharan Africa has declined by 26 percent between 1990 and 2009, short of the rate needed to achieve Goal 5. At 640 deaths per 100,000 live births, the region has the most number of deaths from complications in childbirth, over 200,000 a year.[6] Fifteen countries saw a decline of over 40 percent in maternal mortality rates between 1990 and 2008; Eritrea (70%), Cape Verde (59%), Ethiopia (53%), Rwanda (51%) and Benin (48%) posted the largest declines. Again, the largest reduction was in the group of low income countries (excluding fragile states), while performance by middle income and fragile states lagged.

Many of these deaths are preventable through attendance of skilled health-care workers at deliveries and better antenatal care from trained workers. While there has been progress, much remains to be done as more than half of all births in Sub-Saharan Africa are not attended by skilled staff, and the proportion of pregnant women who had 4 or more antenatal visits was only about 45 percent (2008). The provision of reproductive health services is advancing very slowly as well: contraceptive prevalence rate (% of women ages 15-49) has remained at little over 20 percent in Sub-Saharan Africa in 2000-08.

23. Maternal mortality ratio in Sub-Saharan Africa 1990-2008



Source: World Development Indicators, World Bank

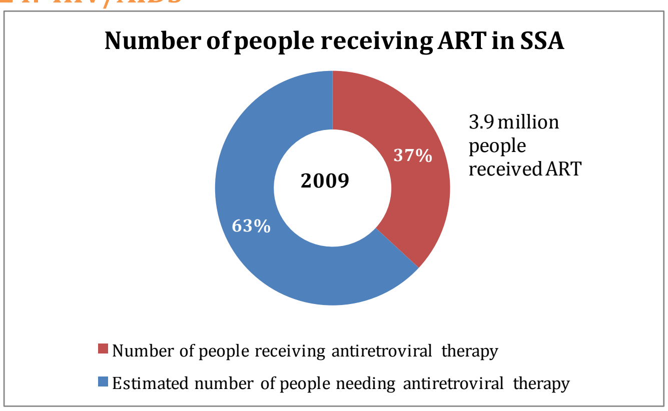
Maternal mortality in Sub-Saharan Africa has declined by 26 percent between 1990 and 2009. Low income countries (excluding fragile states) made the greatest progress, while performance by middle income and fragile states lagged. Still, more than half of all births in the continent are not attended by skilled staff.

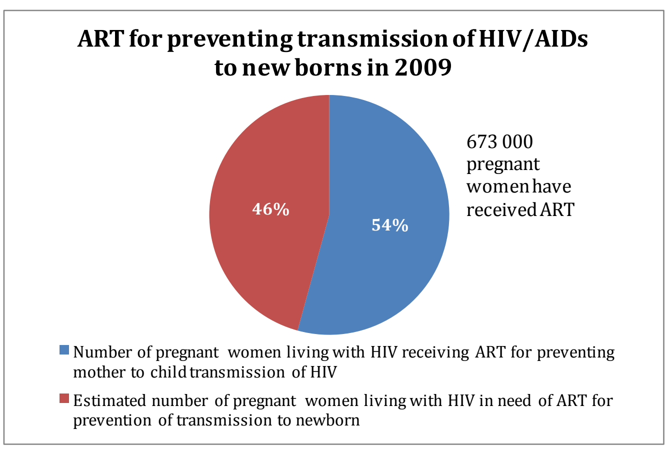
Combating communicable disease –HIV/AIDS, malaria and tuberculosis. The region is beginning to make some inroads on halting the spread of communicable diseases. The prevalence rate of HIV/AIDS has stabilized and begun to trend down. But

[6] In sub-Saharan Africa, the central and eastern regions have shown some improvement since 1990, but the southern and western regions lagged because of the number of pregnant women who died from HIV infection

the statistics are grim: some 41 million[7] people in the region are living with HIV/AIDS; two-thirds of the world's young people with HIV/AIDS are in Sub-Saharan Africa, most of them women; and nearly three-fourths of AIDS-related deaths (in 2008) were in the continent. Access to antiretroviral treatment has increased, contributing to the decline in AIDS deaths. Despite better coverage, only 37 percent of those in need receive treatment.

24. HIV/AIDS





Source: World Development Indicators, World Bank

The prevalence rate of HIV/AIDS in Sub-Saharan Africa has stabilized and begun to trend down. But the statistics are grim: some 41 million people in the region are living with HIV/AIDS. Access to antiretroviral treatment has increased, but still only 37 percent of those in need receive treatment.

Of the 1 million malaria-related deaths in the world, 90 percent occur in Sub-Saharan Africa, and most are among children. Considerable progress has been made in scaling up insecticide-treated bed net use among children, from 2 percent in 2000 to 20 percent in 2006. In Ethiopia in 2010, 90 percent of children under the age of five sleep under insecticide-treated bed nets, compared to 5 percent in 2003. Tuberculosis prevalence and mortality rates are falling in the other regions, but prevalence is still high in sub-Saharan Africa. Better health results will require strengthening health systems—improving supply chains for distribution of drugs, providing better access to health services, training more health-care workers and improving the quality of care.

Regaining momentum on the MDGs

The global financial crisis substantially increased the challenge of meeting the MDGs. The crisis has slowed the regional trend on reducing poverty: the poverty rate on current trends is now projected to fall to 38 percent by 2015, above the 36 percent that was projected before the onset of the global financial crisis--20 million fewer people will be lifted out of poverty (*Global Monitoring Report 2010*). Many millions more will suffer from hunger and undernourishment.

Although most African countries are off-track on most of the MDGs, over a decade of progress has shown that Sub-Saharan Africa can make impressive strides toward these goals. The countdown to 2015 presents a unique opportunity to intensify efforts on achieving the goals. African countries need to build on the progress they have made.

Economic growth is necessary to closing the gap on the MDGs. Evidence shows that rising income is closely associated with progress on the development goals. The positive pre-crisis trend that African

[7] Based on 2007 HIV/AID data available, WDI working database.

countries were seeing on poverty reduction and human development indicators was thanks to strong growth since the mid-1990s in these countries, fueled by prudent macroeconomic policies, far-reaching reforms, and a favorable international environment. Strong, sustained growth in the continent will require a continuation of sensible economic policies, closing of the infrastructure deficit, and good governance. The major economies of the world can help by pursuing policies that boost world growth and enhance global financial stability. More and better quality aid to support countries' reform efforts will be important as well.

Although the global economic crisis has slowed momentum toward the goals, the development community needs to set its sights on redoubling efforts and getting back on track. At the recently concluded UN Summit on the MDGs, there was a strong sense of commitment to the development goals and to accelerating progress toward the goals. As the countdown to 2015 gets underway, developing and developed countries will need to continue working in partnership to address the challenge of fulfilling these goals. Multilateral institutions such as the World Bank Group can support countries to achieve the MDGs through a range of financial, technical and knowledge services.