

Africa Regional Brief

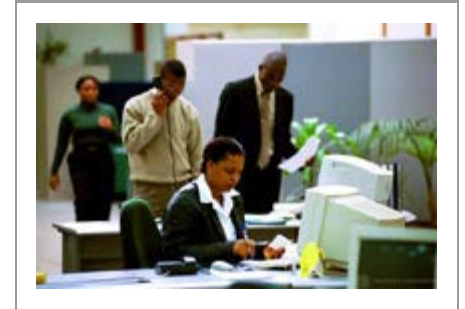
Overview

The economic outlook for Sub-Saharan Africa (SSA) is positive, with growth rising to 5.3 percent in 2012, and 5.6 percent in 2013, over the pre-crisis average level of 5 percent. This forecast would change in the event of a deteriorating global economy. Growth has been widespread, with over a third of SSA countries posting 6 percent or higher rates. Around 20 countries are expanding at rates above 2007-08 levels.

Non-resource rich countries such as Ethiopia, Rwanda and Tanzania are seeing brisk, sustained growth, but the pace of growth lags behind 2007-08 levels. Economic performance continued to be supported by higher commodity prices and exports. Oil exporting countries benefited the most from higher prices, with improved terms of trade contributing to an equivalent of 8.5 percent to GDP.

According to the World Bank's latest global poverty update, for the first time since 1981, less than half of Africa's population (47 percent) lived below \$1.25 a day in 2008. The rate was 51 percent in 1981. The \$1.25-a-day poverty rate in Sub-Saharan Africa has fallen 10 percentage points since 1999.

Despite successes, serious development challenges remain in Africa, where approximately one in every two people lives on \$1.25 a day; governance and transparency remain weak; and 645 women die during pregnancy and childbirth per 100,000 live births.



A Positive Long-Term Outlook

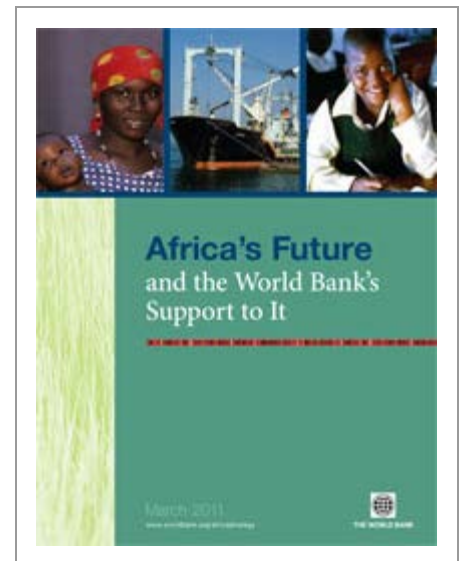
Economic and social conditions are improving in Africa. Maternal deaths fell by 26 percent between 1990 and 2009; child mortality rates are also falling; HIV infections are stabilizing; primary school completion rates are rising faster than anywhere else in the world; and the numbers of people living in extreme poverty is falling.

In 2011, foreign direct investment flows jumped 25 percent to an estimated \$35.6 billion, after declining sharply in 2009 and 2010. The business climate is improving and favorable economic prospects are attracting investment flows in the telecommunications, real estate, and retail sectors. Remittances have rebounded as well, posting a high of \$23 billion in 2011.

Africa's long-term growth will increasingly reflect interrelated social and demographic changes creating new domestic engines of growth. Key among these will be urbanization, an expanding labor force, and the rise of the African middle-class consumer. In 1980, just 28 percent of Africans lived in cities. Today, 40 percent of the continent's one billion people do—a proportion roughly comparable to China's and larger than India's. By 2030, this share is projected to rise to 50 percent, and Africa's top 18 cities will have a combined annual spending power of \$1.3 trillion.

Country: Sub-Saharan Africa	Year: 2010
Population, total (millions)	853.4
Population growth (annual %)	2.5
GDP (current US\$) (billions)	1,109.5
GDP per capita (current US\$)	1,300
GDP growth (annual %)	5.2
Life expectancy at birth, total (years)	54.3
Mortality rate, infant (per 1,000 live births)	76.4
Literacy rate, youth female (% of females ages 15-24)	67.2
Prevalence of HIV, total (% of population ages 15-49)	5.5

Source: World Development Indicators



Source URL: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES>
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Stepped Up World Bank Assistance

In fiscal year 2011 (FY11), the World Bank Group delivered an unprecedented \$7.06 billion in development financing to Africa, representing a \$400 million increase over the \$6.6 billion delivered the previous fiscal year.

Supporting Africa's Future

Endorsed by the Bank's Board of Executive Directors in March 2011, and reviewed positively 12 months later in 2012, the World Bank Strategy for Africa – the product of a wide consultation with more than 2,000 stakeholders in 36 countries— has two pillars: increasing competitiveness and employment, and reducing vulnerability and improving resilience.

These rest on a foundation of strengthened governance and public sector capacity and give prominence to partnerships, knowledge, and finance. The goal is to make sure that the Bank's development work complements that of other key partners, including African governments and communities, the private sector, civil society, think tanks, and others.

A year later, the strategy is delivering results that address the challenges. The region is strengthening partnerships, building knowledge and leveraging finance. Operational quality and results are improving, along with more work across different strategic sectors, from agriculture to education and health and infrastructure.



Lending for Results in Agriculture and Human Development

In response to rising food prices worldwide, the Bank scaled up its development financing for agriculture programs across Africa, providing \$1.3 billion in FY 2011. The Bank's work is closely aligned with the Comprehensive Africa Agriculture Development Program, an Africa-owned and Africa-led initiative for increasing productivity in agriculture.

African countries have significantly increased their primary school enrollments with millions of young students now attending school for the first time. In line with its education strategy, the Bank focus on 'Learning for All' by working with African countries, donors, community leaders, employers, and families to focus more on education that prepares young people with the right modern skills to find good-paying jobs in the workforce.

Progress has also been significant on the health front. Ethiopia, Gambia, Malawi, and Rwanda reduced child mortality by at least 25 percent over the past decade, with the rate in Rwanda falling 47 percent. Many African countries have reduced maternal mortality by 20–50 percent. Bank financing of more than \$2 billion to date for the fight against HIV/AIDS in Africa has helped to catalyze global funding for HIV/AIDS, which rose from \$1.6 billion in 2001 to more than \$16 billion in 2010.

The Bank has also been an active partner in Africa's efforts to control malaria. The Malaria Booster Program has financed 73.8 million mosquito nets across the Booster portfolio. To date, the Bank has committed \$772.8 million to 22 projects across 20 countries in Sub-Saharan Africa. The Booster program has contributed to significant progress in Benin, the Democratic Republic of Congo, Ethiopia, Nigeria, and Zambia.

Strong examples of social protection are evident in the work performed across the continent. In Ethiopia, for example, the Bank committed additional cash and food transfers for 10 million people during the global economic crisis. Social protection reduces inequality and promotes social stability.

Regional integration is critical to accelerating progress in Africa. The Bank has doubled its investment in regional integration from \$2.1 billion in 2008 to \$4.2 billion in July 2011, and it will rise to \$5.7 billion by July 2012.

Responding to Climate Change, Making Agreements Work

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Estimates show that the African continent faces an annual loss of 1-2 percent annual GDP because of climate variability. The Bank continues to encourage more investment from public and private sector bodies and governments of developing countries to stop deforestation in return for access to carbon credits. Forests are excluded under the Kyoto Protocol, although deforestation, especially in the tropics, contributes about 20 percent of man-made global carbon emissions.

The Bank supports implementation of the Accra Agenda for Action adopted at the Accra High Level Forum in September 2008 following a review of the 2005 Paris Declaration. These instruments recognize that governments must design and own development programs, and call on development partners to scale-up and provide dependable and results-oriented financial flows at the lowest costs and at levels equal to or above the 0.7 percent of GDP target set at the Monterrey Summit.

The Paris Declaration, the Accra Agenda for Action, and the Busan Partnership for Effective Development Cooperation, also require donors to better coordinate and align their programs behind the development plans of countries in order to ensure that aid works more effectively.

