Folder Title:	President Wolfensohn - Briefing Materials for President's Speeches - Special Program of Assistance for Africa [SPA] - June 5, 1996
Folder ID:	30484997
Dates:	05/29/1996 – 11/30/1996
Subfonds:	Records of President James D. Wolfensohn
Fonds:	Records of the Office of the President
ISAD Reference Code:	WB IBRD/IDA EXC-13
Digitized:	03/13/2025

pls return
to Geoff Bergen

1R88

Archive Management for the President's Office

Document Log

Reference # : Archive-00588

Edit Print

A. CLASSIFICATION

- [ ] Meeting Material
- [ ] Trips
- [x] Speeches
- [ ] Annual Meetings
- [ ] Corporate Management
- [ ] Communications with Staff
- [ ] Phone Logs
- [ ] Calendar
- [ ] Press Clippings/Photos
- [ ] JDW Transcripts
- [ ] Social Events
- [ ] Other

B. SUBJECT: SPECIAL PROGRAM OF ASSISTANCE FOR AFRICA (SPA) -- JDW TO MAKE REMARKS
VENUE: JB1-080
CONTACT: ALISON ROSENBERG @ 34625 (JAYCOX'S OFFICE)
PROGRAM: 15-20 MINUTE REMARKS // 30 MINUTES Q & A
(B) FROM MADAVO & SARBIB
(B) REMARKS/SPEAKING POINTS: G. BERGEN
EXC: JOSIE

DATE: 06/05/96

C. VPU

Corporate
- [ ] CTR
- [ ] EXT
- [ ] LEG
- [ ] MPS
- [ ] OED
- [ ] SEC/Board
- [ ] TRE

Regional
- [x] AFR
- [ ] EAP
- [ ] ECA
- [ ] LAC
- [ ] MNA
- [ ] SAS

Central
- [ ] CFS
- [ ] DEC
- [ ] ESD
- [ ] FPD
- [ ] FPR
- [ ] HRO

Affilliates
- [ ] GEF
- [ ] ICSID
- [ ] IFC
- [ ] Inspection Panel
- [ ] Kennedy Center
- [ ] MIGA

D. EXTERNAL PARTNER

- [ ] IMF
- [ ] UN
- [ ] MDB/Other IO
- [ ] NGO
- [ ] Private Sector
- [ ] Part I
- [ ] Part II
- [ ] Other

E. COMMENTS:

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: May 29, 1996

TO: James D. Wolfensohn, President

THROUGH: Gautam Kaji, EXC

FROM: Callisto Madavo, AFRVP

EXTENSION: 82856

SUBJECT: **Your Speech to the SPA Donors' Meeting, Wednesday, June 5, 9:00 - 10:00, Room JB1-080**

You will address the opening session of the SPA meeting, representing the major multilateral and bilateral donors to Africa. The SPA meets semiannually. This plenary meeting, to develop an agenda for the SPA to the year 2000, will continue for a day and a half. We have developed the attached remarks in cooperation with Geoff Bergen. After your remarks, the donors would welcome an opportunity to raise questions, which will likely focus on your agenda for change at the Bank.

Background on the SPA

The SPA was created under the Bank's leadership in 1987 in response to a continent-wide debt and development crisis in Africa. It is a voluntary group to mobilize and coordinate aid for economic reform programs in debt-distressed IDA-only countries in Africa. The partnership includes the IMF, the African Development Bank, the European Union, and the 15 major bilateral donors to Africa. While mainly a donors' club, we have been struggling with an effective way to give voice to Africans. As a prelude to this meeting, donors will have a discussion with Pauline Biyong, head of a Cameroonian NGO and a leader of the African Poverty Reduction Network; and P.V. Obeng, advisor to the President of Ghana and activist in fostering the private sector role in development. SPA working groups have also featured the involvement of members of African civil society.

The SPA (Special Program of Assistance) is in essence a compact, born out of a recognition that without economic reforms to address a legacy of poor policies and management and deeper structural weaknesses, there could be no prospect of development for Africa. The donors also recognized that adequate and timely support -- in the form of quick-disbursing, non-project financing for import and expenditure requirements -- is needed if reform is to work. *Hence the compact: For those countries that undertook to launch and sustain economic reform programs, the SPA donors would in turn coordinate their efforts to fill the financing gap through quick-disbursing mechanisms.*

Most (14 of the 20) countries included in the HIPC Debt Initiative are SPA recipients. One of the major contributions of the SPA has been to incorporate systematically the debt service burdens of these countries into the assessment of their balance of payments requirements to be met by SPA resources. The Debt Initiative holds the promise of providing a durable resolution of these debt burdens, but the needs of these countries for concessional assistance for development is ongoing. The fund raising for SPA is therefore being closely coordinated with the Debt Initiative.

The SPA is completing its third 3-year phase. During this period, *creditors and donors have financed virtually all of the financing gap of performing SPA countries.* And there has been a remarkable turnaround in key areas of economic management in many SPA countries. *The combination of external finance and improved policies has led to an improvement in economic performance* in the countries that have had both. For the SPA countries, the median growth rate went from 1.5 percent per annum in 1981-87 (i.e., prior to SPA) to 2.7 percent in 1988-93, and is 3.9 percent in 1994-95 (the first two years of SPA-3). Altogether, twenty countries can be expected to record an increase in per capita GDP in 1994-95, compared to fourteen countries in 1988-90 and nine in 1991-93.

The Challenges Ahead

While the economic crisis facing Africa has been largely overcome, enormous challenges lie ahead. *Current growth rates*, while better than the free fall of a decade ago, are quite *insufficient to make a serious dent in poverty reduction.* The acceleration of growth that is needed also requires *movement on several deeper structural areas.* There is less consensus among SPA countries on these deeper areas of reform in human resource, institutional, and private sector development, but *the climate in Africa for addressing these issues has improved greatly.* At the same time, *however, the climate for assistance, and quick disbursuing aid in particular, has deteriorated* in the last few years. And despite the efforts of the international community, *the debt burden of Africa -- a primary impetus for creation of the SPA -- has grown.*

The Purpose of the Upcoming SPA Meeting

The June meeting will feature the first full-fledged discussion of an agenda for the fourth phase to begin in CY 1997. This process will culminate in a *pledging session in the fall* (after any pledging meeting for the debt initiative). A draft paper prepared by the Bank will be the basis for most of the discussions. *The meeting will occur against the backdrop of the previously-mentioned challenges:* economic progress in countries implementing reforms, but still insufficient growth rates for meaningful poverty reduction; a worsening climate for aid (especially non-project aid) in donor countries just at the time when many African countries are in a position to reduce poverty; and continuing debt overhang. The main objectives for coordination we are proposing are:

- Achieving *accelerated growth and substantial poverty reduction within five to seven years*;
- *Reaffirming a commitment to providing quick-disbursing assistance* for countries undertaking poverty reducing economic reforms, with continued focus on the intimate links between *debt* relief and SPA financing requirements;
- Integrating reform into the broader development agenda, including issues of poverty and gender;
- *Promoting consensus building and ownership*, in Africa and in donor countries, on the difficult reform agenda that lies ahead. The modalities for delivering quick-disbursing assistance are being improved to achieve *simpler and better structured conditionality;*
- Continuing our emphasis on the *broad sector investment approach* with the objective of increasing the development impact of public expenditures.

Your Role at the Meeting

The participants you will see at the conference table -- representing in most cases the highest positions for Africa in aid and finance ministries -- are committed to the importance of the SPA as, to quote one member, "the crown jewel of aid coordination." But given growing pressures on their aid budgets, and the urgent need to set our sights on attacking poverty through much higher growth rates, your appearance is particularly opportune. *It would be important for them to hear your own articulation of the continuing need for aid to Africa, the Bank's commitment to poverty reduction, and the importance of meeting the African challenge through partnerships such as the SPA.*

Beyond that, although they are generally aware of the impact you are having in the Bank, the partners would very much welcome hearing more from you about *your vision and strategy for change.*

Attachments
Your Remarks
Agenda
SPA Tables: Selected Economic Indicators
Financing Tables
Table: SPA Donor Adjustment Financing
Charts: Economic Performance of SPA Countries
GDP Growth of SPA Countries

Mr. James D. Wolfensohn

Remarks to the Special Program of Assistance (SPA)

June 5, 1996

Introduction

Thank you, Mr. Chairman, for your kind introduction. I take special pleasure in the opportunity to address this group today.

We are here today because we all care about Africa, and because large areas of Africa continue to suffer the most intolerable conditions. Around half of Sub-Saharan Africa's population lives below what we consider the threshold of absolute poverty – a bare dollar a day. And whereas other developing areas are benefiting a great deal from the huge sums of private investment money now in the global economy Africa is receiving only a minuscule fraction – less than $5 billion out of a world-wide total of $170 billion.

But we are also here because there is real hope for an African rebirth. There are tremendous differences among Africa's countries, and for all those that are suffering in poverty, many are springing ahead. At the same time, political liberalization is giving new hope to the continent's citizens.

The SPA exemplifies what can be accomplished when countries set out on the path of reasonable policy reforms and they receive the full and coordinated support of the community of bilateral and multilateral donors. I think that you stand for exactly the right kind of approach to development – one where we focus our resources and experience on behalf of countries that have had the courage to take on tough economic reforms. In doing this, we are not just cobbling together our different resources; we are increasing the *overall effectiveness* of development assistance.

The SPA approach is clearly a resounding success. The SPA stands for support of the policies in developing countries that lead to *results*. It represents the very best that can be achieved through international partnerships.

I would like to take this opportunity to recognize the role that Kim Jaycox has had in launching and nurturing this forum over the years. In his position of Vice President for Africa at the Bank, Kim was known as "Mr. Africa" for a reason: because he cared enough and had the ability to develop initiatives like the SPA.

To carry on now that Kim has retired, I have chosen two individuals, Callisto Madavo and Jean-Louis Sarbib, who are of the very highest caliber. Most of you already know Callisto and Jean-Louis.

I am looking forward to hearing from them the results of your meeting. In fact, I expect it to feed into the policy dialogue I carry on with African leaders. I want you to know that I not only support the SPA but consider it to be a model for what we should be doing more of.

People-centered Development and the Changing World Bank

I thought I would take this occasion to relate to you a bit about my personal view of development, and what I am doing about it at the World Bank.

Before I ever took this job, I was convinced that Africa is by far the area of the world that should be the number one priority of the World Bank, and of the development community. That is why I went to Africa as my first destination when I became President of the Bank just a year ago.

I traveled to Mali, Cote d'Ivoire, Uganda, Malawi and South Africa. What I saw there gives me enormous optimism for Africa's future. It was in the spirit and hope of the people I met. When I was there I asked to go to the villages and the slums – to meet the people we are supposed to be helping.

I saw at first-hand the benefits of reform policies like those the SPA supports. I heard it directly from the farmers I met in Korokoro, Mali, who told me how the devaluation of the CFA franc had improved their standard of living.

But most of all, what impressed me in Africa was the fact that the people are ready, willing and able to grasp the opportunity once policies make it possible for them to improve their lives. I met people like the woman on a street in Katwe, Uganda, who was making money by selling burned banana peels converted into charcoal. Yet she was as proud of her enterprise as any Fortune 500 CEO. Then there were the farmers of Jinja District in Uganda, small-holding landowners who were improving their production and making sure their land was not being eroded away by taking advantage of techniques introduced by agricultural extension.

It is in the enterprise, the hope and the spirit of these people that Africa's economic future lies, and it is on their behalf that we concentrate so much of our resources on Africa.

As you all know, we have been making some changes at the World Bank. I would like you to know what they are all about. The changes aim at improving the quality of the lives of *people* such as those I met in Africa. For me, this is what development is all about. And the way we will measure whether we have succeeded or not will be whether I can go back to Africa and see real improvement in conditions of those people I met.

Let me just mention some of the areas that we have been working on:

First, we have been deepening and extending our partnerships. Our partnership with the members of the SPA over nearly a decade has produced solid results.

Since becoming President of the Bank, I have been working to expand this experience to all our colleagues in development both international and local. We have now established more systematic working relations than ever before with NGOs, the UN system, the WTO, Regional Development Banks, foundations, and the private sector; and of course, we continue to work closely with the IMF. With all these partners, what we are trying to do is what we have done so well with the SPA; we are trying to increase the effectiveness and impact of assistance.

But we are not just holding meetings in Washington; we are forging links on the ground with local civic organizations and NGOs. In my trip to Africa, I met with NGOs wherever I went; and a constant refrain was the need for more regular contact and a closer working relationship with the Bank. In response, we established NGO liaison as a permanent function of our Resident Missions. In Africa we have made full time appointments to this position in 15 out of 28 missions, and have assigned the NGO liaison function to an existing member of the team in most of the others.

Second, we are increasing the speed and effectiveness of our response to Africa's needs. One thing I heard repeatedly in Africa (and elsewhere) was that the Bank was too slow, and unresponsive to its clients. We are therefore taking steps to more rapid and more effective application of our assistance. To make Bank operations quicker, with better results, we have cut back on the bureaucratic process required for project review and clearance, eliminating multiple reviews; and we are working on simpler project documentation. Another step has been the creation of the Quality Assurance Group which will strengthen accountability for quality and results by providing line managers with independent assessments of their work. We are in the process now of launching a pilot program in the Africa Region to establish strong, accountable country directors, allowing the Bank to establish much closer and more responsive working relations with our clients (we are also doing it in Latin America and elsewhere; but improving our client responsiveness in Africa is the top priority)..

Third, we are working hard to make sure there are adequate resources available for development. Perhaps the most central of the concerns I have heard from Africans has been to ensure that there is enough money available to fund the reform programs that will lead them out of poverty. I know that this has been a central concern of the SPA as well over the years.

IDA resources are of course a critical element of this funding, and we have been doing everything possible to make sure that they remain available in adequate supply to finance our clients' reforms. I am very pleased that the major donors worked out a $22 billion IDA-11 arrangement in Tokyo, and I am truly grateful to them for their desire to see that development funding remains adequate. Of course, IDA only constitutes a part of the resources that are needed for the development effort. It is also vital that we continue to mobilize quick-disbursing assistance under the SPA.

Fourth, we are working hard to address the debt issue. There are African countries that are having an extremely hard time getting traction in their development programs because of the burden of debt repayments. I know that dealing with Africa's debt crisis has been among the SPA's top concerns for many years. I entirely share this concern, and as you know the Bank has been working with the IMF to develop a set of proposals for reducing the debt of highly-indebted countries that are trying to reform. The proposal is comprehensive. It relies on a sharing of responsibility for debt reduction between bilateral and multilateral donors. It establishes that to qualify for debt reduction there must be a track record of good performance; but it also provides for ample donor support for qualifying countries to make sure they develop the capacity to stay out of debt trouble once the debt has been reduced.

I very much hope that you are supportive of this effort to relieve the debt burden for reforming countries, and that in your own countries you will help by discussing the importance of the initiative with your colleagues.

Fifth, we are integrating gender into the core of the Bank's approach to development. I am also aware that the SPA has recognized how critical gender issues are to the development agenda. I thoroughly share your concern about conditions facing Africa's women and girls.

As it happens, I recently met with a group of 13 women's NGOs, the *External Gender Consultative Group*, which we established in the wake of the Beijing conference to discuss how the Bank could do a better job in addressing the needs of women in developing countries. What I said to this group was that we are doing quite a bit, but that we need to do more and do it better. Women's issues are increasingly being integrated into the core of the Bank's work; for example, we are now identifying gender concerns within Country Assistance Strategies. We are also targeting our resources more towards direct support for women – we commit $5 billion a year to investment projects that contain specific actions targeting women. And of the $2.2 billion we committed to education last year, $900 million was earmarked specifically for girls' education, and our goal is to see universal girls education by the year 2010.

A Capacity-building Approach to Development

Lastly, I would like to note that **building the human and institutional capacity of African countries is going to be at the very core of the way we approach our work on behalf of African development**. Capacity is the missing link in Sub-Saharan Africa's development; without capacity, neither government nor the private sector can adequately perform the tasks that make an economy function.

The SPA has played a central role in drawing attention to the need to build Africa's human and institutional capacity. I personally consider this to be a top priority for Africa. African countries continue to depend on technical assistance from outside donors to perform tasks which could be done by qualified professionals living in their countries.

When I met with the African Governors at the Bank's last Annual Meetings their message to me was that the issue for them was no longer policy reform – they agree with the reform agenda. The issue instead was that they lacked the capacity to implement the necessary reforms, and to absorb the assistance we provide in support of them. In response, I asked Kim Jaycox to form a team, which has been working in collaboration with the African Finance Ministers to develop an action plan for improved capacity building in Africa, while identifying the best methods of international support for the effort. Based on their preliminary work, I met with a group of African Finance Ministers in February, and we agreed to go ahead with a set of consultative meetings in Africa and national capacity studies of selected African countries.

This process is now drawing to a close, and we expect to develop a set of proposals for solid action by the time of the Annual Meetings. One of the crowning features of the present initiative is that it would have a country focus, responding to the specific capacity needs of individual African countries; and it would be premised on Africans taking the lead in identifying, planning and implementing programs.

I think it is essential that we place capacity building at the core of our approach to development. In addition to what we are doing specifically in Africa, I have committed to expanding the size and role of our *Economic Development Institute*. Through the EDI's specialized training and information services, we can contribute to our clients' capacity by expanding training in key areas of development and by making new ideas and concepts rapidly available through our information network. The EDI's capacity building approach will be more closely integrated into all aspects of the Bank's work.

Conclusion

I mention all this about the steps we are taking at the World Bank, because I truly believe it complements and supports the SPA's agenda. But, as I mentioned, I am very much interested in hearing back from you – as experts in African development – whether you think we're doing it the right way.

I do want you to know that as far as I am concerned the first 3 rounds of the SPA have been a resounding success. In a profession obsessed with finding "best practice" to apply from one area to the other, the SPA partnership in support of good economic policy is about the best practice I can think of. If you ask me what I would like to see, it would be for the SPA effort to be reinforced, intensified, and expanded not only within Africa, but to other parts of the developing world.

I wish you the best for a productive meeting, and I promise my fullest support for your efforts.

Thank you.

EXC
C:\DOC\MAY96\SPA2.doc
05/29/96 2:51 PM

AGENDA

SPA DONORS' MEETING
June 3-6, 1996

World Bank Headquarters
"J" Building, Room JB1-080
701 18th Street, N.W.
Washington, DC 20433

Chairman: Mr. Callisto E. Madavo
Vice President, Africa Region

Monday, June 3rd

0900 - 1230	Meeting: SPA Working Group on Economic Reform in the Context of Political Liberalization
Afternoon	Country Meetings (Schedule Attached)

Tuesday, June 4

Morning	Country Meetings (Schedule Attached)
1230 - 1400	Working Lunch: SPA Working Group on Poverty and Social Policy (Room J5-050)
1500 - 1700	Presentation to the Plenary by African Speakers
1900 - 2100	Dinner for Delegations in Honor of E.V.K. Jaycox, "E" Building Gallery

Wednesday, June 5

0900 - 1000	**Opening of Plenary** **Featured Speaker: James D. Wolfensohn, President of the World Bank**
1000 - 1030	**Chairman's Statement**
1030 - 1100	**Coffee Break**
1100 - 1200	**Update: SPA-3 Economic Performance and Financing Requirements**

DISCUSSION OF DRAFT SPA-4 PAPER

1200 - 1300	**Overview and the SPA Record (Sections I and II of draft paper)**
1300 - 1430	**Buffet Lunch for Delegations**
1430 - 1600	**SPA-4 Agenda (Section III, pp. 21-26)** • **Sustaining macroeconomic stability;** • **Strengthening capacity and the development impact of public expenditures (including SIPs);** • **Strengthening linkages between reform, growth, poverty reduction, and gender concerns**
1600 - 1630	**Coffee Break**
1630 - 1800	**SPA-4 Financing Issues (Section IV)**

Thursday, June 6

DISCUSSION OF DRAFT SPA-4 PAPER, continued

0830 - 1000	**SPA-4 Process (Section III, pp. 27-30; and Report of Meeting of Leaders of SPA Working Groups and Workshops)**

- **Future role of working groups;**
- **Monitoring;**
- **Linkages to CGs and RTs;**
- **Stakeholders;**
- **Other institutional linkages**

1000 - 1030	**Coffee Break**

NEW APPROACHES IN SUPPORT OF THE ECONOMIC REFORM PROCESS

1030 - 1130	**Report and Recommendations: SPA Working Group on Economic Reform in the Context of Political Liberalization**
1130 - 1230	**Update on Bank Adjustment Operations**
1230 - 1300	**Chairman's Summary**

Plenary Adjourns

***

SPA Meeting
Schedule for Individual Country Meetings
World Bank Headquarters
Washington, D.C. 20433

MONDAY, JUNE 3, 1996

"J" Building, Room JB1-080
(French Interpretation)

Time	Country	Chairperson	Department Coordinators
2:00 to 3:30	Burkina Faso, Côte d'Ivoire, Ghana	Olivier Lafourcade AF4DR	Theodore Ahlers, AF4CO 473-8438 Charles Humphreys, AF4DR 473-7635
3:30 to 5:00	Benin, Niger, Togo	Olivier Lafourcade AF4DR	Theodore Ahlers, AF4CO 473-8438 Charles Humphreys, AF4DR 473-7635

"J" Building Room, JB1-075
(NO Interpretation)

2:00 to 5:00	Malawi, Mozambique, Zambia, Zimbabwe, South Africa, Angola	Katherine Marshall AF1DR	Gene Tidrick, AF1DR 473-3341 473-3341 Lucy Keough, AF1DR 473-4956

TUESDAY, JUNE 4, 1996

"J" Building, Room JB1-080
(French Interpretation)

Time	Country	Chairperson	Department Coordinators
9:00 to 10:30	Cameroon, Chad, CAR, Congo	Andrew Rogerson AF3DR	Jérôme Chevallier, AF3C1 473-4487
10:30 to 12:00	Madagascar Rwanda, Burundi, Comoros	Andrew Rogerson AF3DR	Michael Sarris, AF3C2 473-4009

"J" Building, Room JB1-075
(NO Interpretation)

Time	Country	Chairperson	Department Coordinators
8:30 to 10:30	Kenya, Tanzania, Uganda, Eritrea, Ethiopia, Djibouti	James Adams AF2DR	David Yuravlivker, AF2CO 473-6070
10:30 to 12:00	The Gambia, Sierra Leone, Guinea	Birger Fredriksen AF5DR	Hasan Tuluy, AF5CO 473-2506

* * *

Selected Economic Indicators

(prepared for the June 1996 SPA multidonor meeting)

	GDP Growth (percent)					Export Growth (percent)					Import Growth (percent)				
	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96
1 BENIN	4.0	3.4	6.1	5.3	4.9	15.6	4.9	0.1	34.4	13.1	8.9	-32.1	38.9	1.5	2.8
2 BURKINA FASO	3.9	1.2	4.5	5.0	3.6	0.7	14.1	8.6	7.4	10.0	-0.9	-1.2	15.7	9.0	7.9
3 BURUNDI	0.6	-6.7	-3.7	3.5	-2.3	1.0	-5.5	2.2	-6.8	-3.4	11.5	1.7	-8.9	1.6	-1.9
4 CAMEROON	-4.6	-3.8	3.3	3.3	0.9	-2.9	9.0	3.0	2.1	4.7	-4.1	-2.2	10.2	0.5	2.8
5 CENTRAL AFRICAN REP.	-2.1	7.4	2.9	4.6	5.0	0.6	19.8	-2.0	11.5	9.8	-13.1	1.9	12.5	4.4	6.3
6 CHAD	-0.5	5.2	5.5	5.3	5.3	-0.2	-13.5	26.2	13.3	8.7	-4.3	-28.6	25.5	11.5	2.8
7 COMOROS	1.7	0.8	0.6	1.0	0.8	25.5	-5.4	1.0	14.7	3.4	-2.1	-10.3	10.0	0.9	0.2
8 CONGO	1.2	-6.7	0.9	6.0	0.1	2.0	6.1	22.4	5.3	11.3	5.4	-36.9	-13.2	-1.9	-17.4
9 COTE D'IVOIRE	-0.1	1.8	7.1	6.5	5.1	-6.2	4.7	12.2	6.8	7.9	1.8	-9.5	29.6	7.7	9.3
10 EQUATORIAL GUINEA	6.3	6.8	11.2	15.7	11.2	18.5	15.4	..	..	..	6.7	-19.0	..	..	..
11 ERITREA	-2.5	9.8	6.0	6.0	7.3	..	..	..	..	..	..	..	..	..	..
12 ETHIOPIA	0.7	1.7	4.9	6.4	4.3	4.4	42.3	10.4	8.6	20.4	4.5	-12.7	11.3	8.9	2.5
13 GAMBIA, THE	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
14 GHANA	4.7	3.8	4.5	5.0	4.4	9.7	0.4	3.4	17.1	7.0	11.2	-8.2	1.3	11.2	1.4
15 GUINEA	3.4	4.0	4.6	4.7	4.4	2.7	-6.4	7.8	8.9	3.4	1.3	-10.7	7.2	6.4	1.0
16 GUINEA-BISSAU	2.8	4.9	4.3	4.1	4.4	-1.2	133.3	-23.2	4.7	38.3	-3.6	-6.5	-2.3	-0.8	-3.2
17 KENYA	0.3	3.9	5.0	5.0	4.6	0.7	-1.3	8.9	2.4	3.3	-5.7	30.3	7.5	-4.0	11.3
18 MADAGASCAR	-1.0	0.0	2.0	2.5	1.5	3.5	10.1	6.8	1.6	6.1	0.2	0.3	6.5	6.6	4.5
19 MALAWI	2.8	-10.2	9.9	10.5	3.4	-0.9	10.8	7.1	11.6	9.8	1.6	-28.3	-7.8	4.6	-10.5
20 MALI	1.7	2.3	6.0	4.0	4.1	6.2	-6.3	19.8	5.9	6.5	0.6	-7.8	16.1	-1.3	2.3
21 MAURITANIA	3.3	4.6	4.6	4.7	4.6	-1.2	-15.2	25.7	-0.6	3.3	-3.5	-9.7	2.7	-2.3	-3.1
22 MOZAMBIQUE	7.8	5.0	3.0	4.0	4.0	9.9	7.3	16.0	10.6	11.3	1.5	4.1	-18.1	-4.6	-6.2
23 NIGER	-0.9	4.0	3.2	4.2	3.8	-5.3	-4.2	3.0	3.2	0.7	-6.1	-3.5	5.0	2.1	1.2
24 RWANDA	-1.9	-50.0	25.0	11.0	-4.7	-5.9	-33.7	96.5	29.6	30.8	3.8	118.5	17.6	7.7	48.0
25 SAO TOME & PRINCIPE	1.5	2.2	2.0	2.2	2.1	6.6	-27.8	-33.1	4.1	-18.9	-1.0	-0.4	2.5	17.9	6.7
26 SENEGAL	0.0	2.0	4.5	4.5	3.6	-2.9	3.2	9.1	4.4	5.6	-0.8	-7.4	7.1	3.2	1.0
27 SIERRA LEONE	-0.3	3.6	-2.6	-7.8	-2.3	9.5	-7.0	-37.7	-17.2	-20.6	6.3	0.8	-13.0	9.0	-1.1
28 TANZANIA	3.0	3.7	4.0	4.0	3.9	4.9	12.8	5.2	5.2	7.7	-0.3	22.6	-0.8	0.2	7.3
29 TOGO	-7.6	13.9	8.3	6.8	9.7	-13.6	-1.3	4.9	1.5	1.7	-16.4	-17.8	22.7	10.8	5.2
30 UGANDA	6.3	6.5	10.6	6.1	7.8	1.7	18.8	19.9	-9.1	9.9	-3.1	7.1	42.8	19.2	23.1
31 ZAMBIA	1.3	-3.1	-3.9	8.3	0.4	16.9	1.6	-6.2	8.9	1.4	3.0	2.4	16.1	-2.8	5.3
Average (weighted)	**2.8**	**2.9**	**7.0**	**5.4**	**5.1**	**-1.5**	**5.6**	**12.1**	**2.8**	**6.8**	**-1.8**	**2.2**	**24.5**	**10.9**	**12.5**
Average (unweighted)	**1.2**	**0.7**	**4.8**	**5.1**	**3.5**	**3.5**	**6.4**	**7.8**	**6.8**	**6.9**	**0.1**	**-2.2**	**8.7**	**4.5**	**3.9**
Median	**1.3**	**3.5**	**4.5**	**4.8**	**4.1**	**1.7**	**3.2**	**7.0**	**5.6**	**6.7**	**0.2**	**-6.5**	**7.4**	**3.8**	**2.6**

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.

8-May-96

Selected Economic Indicators

(prepared for the June 1996 SPA multidonor meeting)

	Savings Rate (as a percentage of GDP)					Investement Rate (as a percentage of GDP)					Private Investment (as a percentage of GDP)				
	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96
1 BENIN	5.1	10.0	11.3	12.1	11.2	14.4	14.2	21.6	19.0	18.3	9.1	7.3	6.7	7.8	7.3
2 BURKINA FASO	6.4	6.1	6.9	8.1	7.1	20.5	22.1	22.8	23.7	22.9	12.4	14.1	16.0	16.3	15.5
3 BURUNDI	-3.2	-9.9	-7.1	-8.5	-8.5	16.6	9.3	11.0	12.7	11.0	2.9	1.4	1.3	1.7	1.5
4 CAMEROON	16.0	19.5	22.0	21.2	20.9	15.3	14.2	15.5	16.1	15.3	12.4	13.2	14.5	14.2	14.0
5 CENTRAL AFRICAN REP.	1.8	9.2	7.6	8.4	8.4	10.8	13.5	14.6	14.6	14.2	2.8	6.0	6.8	7.0	6.6
6 CHAD	-11.1	-5.5	-3.4	-2.7	-3.9	8.9	15.1	15.4	16.0	15.5	0.6	1.1	1.4	2.6	1.7
7 COMOROS	-0.7	4.5	3.3	5.7	4.5	16.4	21.3	21.5	21.9	21.6	8.0	9.8	13.7	14.0	12.5
8 CONGO	20.1	20.2	30.0	33.5	27.9	20.4	49.8	29.3	28.6	35.9	18.2	47.0	26.2	25.6	32.9
9 COTE D'IVOIRE	9.7	23.5	23.1	22.2	22.9	8.3	11.0	12.5	15.0	12.8	4.7	7.0	7.7	10.3	8.3
10 EQUATORIAL GUINEA	-1.4	17.1	..	..	..	30.9	24.0	..	..	..	..	..	..	..	..
11 ERITREA	-5.9	-14.6	-16.4	-14.3	-15.1	11.8	13.1	20.5	26.4	20.0	1.0	4.2	8.6	14.0	8.9
12 ETHIOPIA	2.2	5.7	6.6	6.6	6.3	9.7	15.0	15.6	19.0	16.5	5.1	5.8	8.7	11.9	8.8
13 GAMBIA, THE	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
14 GHANA	2.9	4.5	10.1	6.2	7.0	14.5	15.9	18.6	16.7	17.1	5.8	4.4	5.4	6.2	5.3
15 GUINEA	5.9	4.4	6.2	7.7	6.1	16.4	13.6	14.8	15.3	14.6	8.9	7.5	8.3	8.1	8.0
16 GUINEA-BISSAU	-6.4	3.3	1.1	1.6	2.0	29.6	21.4	24.9	23.3	23.2	2.9	1.3	7.1	9.4	6.0
17 KENYA	19.7	23.7	21.7	24.0	23.1	19.0	20.9	22.9	22.9	22.2	10.1	10.1	14.5	14.7	13.1
18 MADAGASCAR	1.4	3.2	3.2	3.3	3.2	10.3	10.9	11.6	12.5	11.7	4.0	4.7	5.5	4.4	4.9
19 MALAWI	2.1	-0.5	4.1	9.0	4.2	17.0	13.2	15.8	16.0	15.0	12.1	7.0	9.4	9.6	8.7
20 MALI	6.1	6.0	8.2	10.5	8.2	22.2	26.5	26.0	26.0	26.2	11.9	13.5	13.5	14.0	13.7
21 MAURITANIA	9.0	7.2	11.1	16.5	11.6	20.6	16.1	14.5	18.4	16.3	15.5	10.3	9.1	12.8	10.7
22 MOZAMBIQUE	2.9	6.5	17.5	18.5	14.2	53.8	62.2	53.9	47.3	54.4	32.2	37.7	32.7	28.0	32.8
23 NIGER	3.3	1.7	2.1	2.9	2.3	6.8	10.4	7.5	12.6	10.1	1.9	2.3	1.8	4.8	3.0
24 RWANDA	-6.5	3.0	-1.0	-1.0	0.3	13.9	11.7	15.0	12.0	12.9	7.7	2.9	8.0	5.0	5.3
25 SAO TOME & PRINCIPE	-16.4	-16.9	-24.0	-26.5	-22.5	41.7	41.1	53.1	64.2	52.8	16.7	14.2	16.9	21.3	17.5
26 SENEGAL	7.7	8.3	11.0	12.8	10.7	13.2	13.7	15.6	16.9	15.4	8.9	9.0	10.8	12.0	10.6
27 SIERRA LEONE	9.1	4.2	-0.7	-6.0	-0.9	10.9	9.0	7.2	7.7	7.9	5.8	4.4	3.6	4.7	4.2
28 TANZANIA	4.7	3.3	4.7	5.4	4.5	32.8	31.3	31.0	31.1	31.1	20.1	19.6	22.9	23.0	21.8
29 TOGO	2.5	7.8	8.5	10.0	8.8	10.9	11.6	13.6	15.7	13.6	10.4	6.3	7.8	9.1	7.7
30 UGANDA	0.3	4.1	6.5	2.3	4.3	15.3	14.5	14.0	17.2	15.2	8.6	9.0	8.8	11.8	9.9
31 ZAMBIA	10.1	2.9	2.9	3.1	2.9	11.1	6.9	11.7	11.9	10.2	5.1	3.3	8.2	8.2	6.5
Average	**3.2**	**5.4**	**6.1**	**6.6**	**5.9**	**18.1**	**19.1**	**19.7**	**20.7**	**19.8**	**9.2**	**9.8**	**10.6**	**11.5**	**10.6**
Median	**2.9**	**4.5**	**6.5**	**6.6**	**6.1**	**15.3**	**14.4**	**15.6**	**16.9**	**15.5**	**8.6**	**7.0**	**8.6**	**10.3**	**8.7**

Selected Economic Indicators

(prepared for the June 1996 SPA multidonor meeting)

	Agriculture Value Added Growth (percent)					Consumption Per Capita Growth (percent)					Government Revenue, excl. Grants (as a percentage of GDP)					Reserves (in months of imports*)				
	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96
1 BENIN	4.6	6.5	8.0	6.1	6.9	..	..	..	..	..	12.2	12.5	13.8	12.8	13.0	4.0	6.1	6.4	8.8	7.1
2 BURKINA FASO	7.7	-0.2	4.1	4.9	2.9	1.2	-5.4	3.0	1.5	-0.3	12.5	11.0	11.6	12.2	11.6	4.9	5.8	7.6	7.0	6.8
3 BURUNDI	-0.7	-10.6	-5.2	8.0	-2.6	-1.4	0.9	-10.8	1.9	-2.7	22.8	19.1	21.1	17.5	19.2	6.0	7.4	7.9	7.1	7.5
4 CAMEROON	-0.8	-3.8	4.0	5.0	1.7	-7.3	-11.9	1.4	-1.5	-4.0	15.3	10.4	11.9	13.7	12.0	0.2	0.1	0.1	0.7	0.3
5 CENTRAL AFRICAN REP.	0.2	5.0	0.9	2.8	2.9	-6.7	-0.8	-1.4	1.0	-0.4	9.3	7.2	9.2	9.8	8.7	3.7	9.0	7.2	7.1	7.8
6 CHAD	9.1	13.3	5.7	4.7	7.9	-1.6	-5.7	4.9	2.3	0.5	9.2	7.4	9.0	9.7	8.7	2.1	3.0	2.7	3.2	3.0
7 COMOROS	0.5	1.3	1.5	2.2	1.7	-3.2	-8.4	-5.4	-3.5	-5.7	15.2	12.6	12.5	13.5	12.8	4.3	6.7	5.4	5.9	6.0
8 CONGO	-3.5	3.9	2.3	1.0	2.4	-1.2	-29.7	41.3	-40.3	-9.6	24.0	22.8	24.8	28.7	25.5	0.1	0.3	0.2	0.5	0.4
9 COTE D'IVOIRE	-1.8	2.1	5.5	5.5	4.4	-3.2	-6.2	3.9	1.3	-0.3	17.1	20.7	22.3	22.1	21.7	0.1	0.8	1.4	1.6	1.3
10 EQUATORIAL GUINEA	-3.5	5.3	..	..	..	-0.5	-5.5	..	..	..	20.9	17.6.	..	..	..	0.8	3.3	2.7	3.2	3.1
11 ERITREA	..	..	..	..	..	..	..	..	..	..	30.0	34.3	32.2	31.4	32.6	1.8	5.1	5.5	5.3	5.3
12 ETHIOPIA	1.5	-5.3	4.0	3.5	0.7	-5.0	0.7	1.0	4.6	2.1	12.1	13.7	18.4	16.5	16.2	2.4	6.1	5.7	5.1	5.6
13 GAMBIA, THE	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
14 GHANA	2.3	2.6	4.2	3.8	3.5	2.4	-0.2	-0.7	3.1	0.7	13.8	23.7	-3.6	-3.3	5.6	3.2	3.4	4.1	3.9	3.8
15 GUINEA	4.1	5.1	5.0	5.0	5.0	0.7	1.8	-0.3	-0.7	0.3	13.2	10.4	11.0	12.9	11.4	1.9	2.1	2.2	2.2	2.1
16 GUINEA-BISSAU	4.2	5.5	7.4	4.6	5.8	-0.8	5.0	0.3	2.2	2.5	11.9	12.2	12.5	13.5	12.7	1.5	2.2	2.1	2.6	2.3
17 KENYA	-2.4	3.1	5.9	4.0	4.3	-2.9	8.1	0.0	-0.1	2.7	28.6	32.6	35.7	32.9	33.7	1.3	2.6	1.6	2.2	2.1
18 MADAGASCAR	1.8	-0.5	2.7	2.2	1.5	-2.5	-2.6	-1.2	0.0	-1.3	9.3	8.3	8.3	8.2	8.3	1.2	1.1	1.6	1.0	1.2
19 MALAWI	13.6	-29.3	28.3	20.1	6.4	2.7	-22.3	3.3	3.4	-5.2	18.5	19.2	18.1	13.8	17.0	2.3	0.4	2.0	3.3	1.9
20 MALI	0.5	7.5	8.5	0.1	5.4	-2.2	-7.6	3.9	-1.6	-1.7	14.4	13.5	14.4	13.8	13.9	4.4	3.4	3.8	4.6	3.9
21 MAURITANIA	5.2	3.0	5.0	5.3	4.4	-2.2	13.3	-5.2	-3.7	1.5	22.5	23.2	24.0	25.2	24.1	1.1	0.9	1.7	3.1	1.9
22 MOZAMBIQUE	2.0	5.0	5.4	..	..	-1.2	0.4	-7.3	0.3	-2.2	40.0	39.1	33.3	30.8	34.4	3.3	3.7	4.8	5.6	4.7
23 NIGER	-3.4	10.2	1.7	3.7	5.2	-2.1	-3.5	0.9	-0.7	-1.1	8.0	6.0	7.5	8.7	7.4	5.7	5.8	5.6	5.2	5.5
24 RWANDA	-1.7	-50.0	17.9	13.2	-6.3	-4.3	-1.2	32.8	17.1	16.2	12.6	4.7	5.9	7.7	6.1	2.5	1.2	3.5	2.5	2.4
25 SAO TOME & PRINCIPE	..	..	..	..	..	-3.0	-5.5	35.4	5.1	11.6	18.5	13.3	16.5	15.5	15.1	3.6	2.6	2.3	2.3	2.4
26 SENEGAL	-2.1	11.5	1.8	6.1	6.5	-1.8	-1.6	-2.9	-0.5	-1.7	17.9	14.0	15.3	15.5	14.9	0.1	0.2	0.4	1.3	0.6
27 SIERRA LEONE	-1.2	9.3	..	..	..	-2.2	2.0	0.3	-6.3	-1.4	12.7	13.9	11.1	10.7	11.9	0.5	1.5	1.1	0.9	1.1
28 TANZANIA	6.6	3.5	4.0	3.9	3.8	..	..	..	..	..	15.2	15.0	14.5	12.4	14.0	1.9	1.7	1.4	1.3	1.4
29 TOGO	3.3	-13.5	5.5	4.6	-1.1	-2.6	-8.2	6.2	3.6	0.5	15.0	12.5	14.7	16.7	14.6	5.1	4.8	4.4	4.8	4.6
30 UGANDA	3.7	1.6	6.0	4.3	4.0	1.3	2.8	10.9	8.1	7.3	7.2	8.3	9.9	10.5	9.6	1.3	2.7	3.2	4.1	3.4
31 ZAMBIA	17.2	-19.9	-13.2	15.0	-6.0	-1.0	2.8	-3.0	0.0	-0.1	17.2	18.1	16.9	15.2	16.7	1.5	2.0	1.3	2.0	1.8
Average	**2.4**	**-1.0**	**4.9**	**5.6**	**2.9**	**-1.9**	**-3.3**	**4.3**	**-0.1**	**0.3**	**16.6**	**15.9**	**15.6**	**15.5**	**15.6**	**2.4**	**3.2**	**3.3**	**3.6**	**3.4**
Median	**1.7**	**3.0**	**4.6**	**4.6**	**3.8**	**-2.1**	**-1.6**	**0.6**	**0.7**	**-0.3**	**15.1**	**13.6**	**14.4**	**13.7**	**13.9**	**2.0**	**2.7**	**2.7**	**3.2**	**2.7**

* Imports of goods and services.

8-May-96

Note: Ethiopia, Malawi and Zambia were affected by drought in 1994, and Rwanda was affected by civil war in 1994.

SUMMARY OF SPA-3 FINANCING, 1994-1996

(prepared for the June 1996 SPA multidonor meeting)
(millions of US dollars)

	1994	1995	1996	1994-96
Requirements:	**56,959**	**57,581**	**59,889**	**144,575**
Imports of goods & non interest services	26,773	30,846	32,429	90,048
Debt service due	9,400	9,596	9,221	28,218
Stock of arrears (beginning of period)	16,959	14,412	15,442	16,959
Reserves build up	2,783	1,376	1,435	5,594
Current transfer payments	1,044	1,351	1,361	3,756
Resources:	**32,304**	**35,544**	**37,183**	**105,030**
Exports of goods and services	20,294	24,865	26,016	71,175
Current transfer receipts	3,646	3,638	3,848	11,132
Project financing	6,167	6,534	6,647	19,348
Non-adjustment non-proj financing	1,102	838	809	2,750
Net short-term borrowing & other capital flows	1,095	-332	-138	625
Financing gap before SPA	**24,656**	**22,038**	**22,706**	**39,545**
Debt relief (including arrears)	5,736	3,086	8,807	17,629
IDA financing	1,451	905	1,088	3,444
IMF financing	699	601	846	2,145
IDA 5th Dimension	253	255	174	682
SPA-2 carryover	765	335	150	1,250
Other [1]	162	39	21	222
SPA co-financing requirements (disbursements)	**15,590**	**16,815**	**11,621**	**14,172**
Arrears - stock end-period	14,412	15,442	8,876	8,876
Disbursements from donor allocations	1,180	1,375	1,422	3,977
Residual Gap	**0**	**0**	**1,323**	**1,323**

[1] Includes Sixth dimension, other concessional financing, and nonconcessional financing.

8-May-96
10:56 AM

FINANCING TABLE FOR SPA COUNTRIES, 1994-96

(prepared for the June 1996 SPA multidonor meeting)

(millions of US dollars)

8-May-96

SPA-ELIGIBLE COUNTRIES	FINANCING GAP BEFORE SPA (before debt relief and adjustment support) (column 20 minus column 27)	NET REDUCTION IN DEBT SERVICE a/ (including arrears): Total	of which: Official bilateral: conces-sional	of which: Official bilateral: noncon-cessional	of which: Commer-cial debt	POTENTIAL ADJUSTMENT FINANCING: IDA	IMF support: SAF/ ESAF	IMF support: Non-concess-ional	Cofinancing and coordinated financing for SPA: DISBURSEMENTS c/ from agreements signed during 1991-93	Cofinancing and coordinated financing for SPA: DISBURSEMENTS c/ from agreements signed during 1994-96	Supplemental IDA credits and donor's contribution - " Fifth Dimension " -: Total	Supplemental IDA credits and donor's contribution - " Fifth Dimension " -: of which- donors' contri-bution	Debt reduction facility grants "Sixth Dimension"	Non-con-cessional disburse-ments and other con-cessional financing	End-1996 Stock of Arrears	RESIDUAL FINANCING GAP 1994-96 Column 1 minus columns 2 through 11	ADDITIONAL COMMITMENTS REQUIRED 1994-96	MEMO ITEMS /b: SPA allocations for 1994-96 Total	MEMO ITEMS /b: o/w SPA-3
	(1)	(2)	(2a)	(2b)	(2c)	(3)	(4)	(5)	(6)	(7)	(8)	(8a)	(9)	(10)	(11)	(12)	(13)	(A)	(B)
1 BENIN	353	87	54	33	0	40	63	0	44	91	0	0	0	0	0	27	33	172	134
2 BURKINA FASO	414	25	25	0	0	123	72	0	30	133	0	0	0	8	0	24	30	183	183
3 BURUNDI	88	0	0	0	0	15	0	0	24	0	0	0	0	0	0	49	61	25	25
4 CAMEROON*	3,670	2,458	0	2,458	0	175	0	74	0	523	114	0	0	14	312	0	0	439	439
5 CENTRAL AFRICAN REP.	258	105	41	64	0	37	24	15	12	32	0	0	0	2	0	31	39	43	43
6 CHAD	267	62	55	5	2	50	38	15	18	63	0	0	0	0	0	22	28	79	79
7 COMOROS	77	51	51	0	0	4	2	0	0	10	0	0	0	0	0	11	14	17	17
8 CONGO	4,065	3,588	2,706	745	137	110	0	36	0	190	6	0	0	135	0	0	0	108	108
9 COTE D'IVOIRE	10,595	1,856	0	1,856	0	580	484	0	0	733	305	0	0	0	6,585	53	66	711	711
10 EQUATORIAL GUINEA	89	53	53	0	0	0	0	0	0	0	0	0	0	0	24	12	15	27	18
11 ERITREA	43	0	0	0	0	0	0	0	0	17	0	0	0	0	0	26	33	34	34
12 ETHIOPIA*	1,777	1,147	671	0	476	260	48	0	119	159	5	0	4	0	0	35	43	319	293
13 GAMBIA, THE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11	11
14 GHANA	553	0	0	0	0	132	125	0	57	172	20	3	0	0	0	48	60	305	305
15 GUINEA	399	249	249	0	0	27	43	0	21	7	0	0	0	0	0	52	65	52	52
16 GUINEA-BISSAU	420	352	313	0	39	7	9	0	10	32	0	0	0	0	0	10	12	84	84
17 KENYA	963	596	0	501	95	79	107	0	19	46	81	0	0	0	0	35	44	111	77
18 MADAGASCAR	2,509	1,991	1,991	0	0	70	20	0	22	54	1	0	0	0	0	352	440	100	100
19 MALAWI	624	0	0	0	0	153	36	0	120	298	19	5	0	0	0	0	0	236	236
20 MALI	743	264	264	0	0	118	116	0	30	190	0	0	0	8	0	16	20	247	247
21 MAURITANIA	463	208	165	0	43	47	68	0	14	74	6	4	0	0	0	48	60	79	79
22 MOZAMBIQUE	2,405	1,836	1,836	0	0	276	37	0	139	116	0	0	0	0	0	0	0	308	308
23 NIGER*	719	190	190	0	0	35	0	16	57	122	0	0	0	0	0	299	374	159	159
24 RWANDA*	178	0	0	0	0	2	0	14	16	11	0	0	0	0	61	75	94	34	34
25 SAO TOME & PRINCIPE*	127	42	0	32	11	5	0	0	1	0	0	0	0	0	73	7	9	32	32
26 SENEGAL	1,116	516	344	110	62	123	169	46	46	189	7	0	0	0	0	21	26	229	206
27 SIERRA LEONE*	891	442	39	5	398	51	176	0	31	47	0	0	28	0	88	29	36	13	13
28 TANZANIA*	2,597	323	0	323	0	122	73	0	165	132	25	7	7	0	1,735	15	19	296	244
29 TOGO	556	322	257	0	66	56	82	0	31	29	0	0	10	0	0	26	32	33	33
30 UGANDA*	964	280	29	150	100	239	138	0	58	231	13	12	6	0	0	0	1	304	301
31 ZAMBIA	1,622	587	587	0	0	509	0	0	167	279	81	40	0	0	0	0	0	275	275
TOTAL	**39,545**	**17,629**	**9,919**	**6,281**	**1,429**	**3,444**	**1,929**	**216**	**1,250**	**3,977**	**682**	**71**	**55**	**167**	**8,876**	**1,323**	**1,653**	**5,064**	**4,879**

Note: * Data reported on a fiscal year basis.

a/ The total in column 2 includes net reduction in scheduled debt service and in the stock of arrears resulting from signed and possible future debt relief agreements.

b/ The total SPA allocations in column (A) include the SPA-3 allocations shown in column (B) plus the carry-in of unsigned allocations from SPA-2 as of December 31, 1993. Figures in column (B) are based on donor reports as of December 31, 1995.

c/ In some countries, disbursements might exceed the allocations reported by donors as of December 31, 1995 in column B, as they reflect more recent information.

FINANCING TABLE FOR SPA COUNTRIES, 1994-96

(prepared for the June 1996 SPA multidonor meeting)

(millions of US dollars)

REQUIREMENTS (1994-96)

SPA-ELIGIBLE COUNTRIES	Imports of goods and non-interest services	Total scheduled debt service obligations before debt relief: Total	Multilateral creditors: Total	of which IBRD	of which IDA	of which IMF	Bilateral creditors	End-1993 arrears: Total stock	of which cash payment on arrears	Reserves build-up	Current transfer payments	Total
	(14)	(15)	(16a)	(16b)	(16c)	(16d)	(16e)	(16)	(17a)	(17)	(18)	(19)
1 BENIN	1,912	264	88	0	19	7	177	6	6	313	37	2,531
2 BURKINA FASO	2,049	210	169	0	0	2	40	42	42	78	126	2,503
3 BURUNDI	1,007	157	108	0	23	25	39	0	9	45	7	1,216
4 CAMEROON*	6,738	4,280	745	415	23	28	2,452	1,341	1,138	221	401	12,981
5 CENTRAL AFRICAN REP.	907	137	69	0	15	15	0	115	61	100	85	1,344
6 CHAD	1,279	81	49	0	10	13	31	47	30	137	84	1,628
7 COMOROS	250	38	20	0	3	0	16	26	0	2	61	378
8 CONGO	4,358	2,952	286	82	6	5	1,417	2,278	217	101	104	9,793
9 COTE D'IVOIRE	10,075	4,929	1,663	982	14	234	1,893	6,123	0	1,401	1,599	24,127
10 EQUATORIAL GUINEA	343	62	6	0	2	4	50	44	0	19	2	470
11 ERITREA	1,428	0	0	0	0	0	0	0	0	177	41	1,646
12 ETHIOPIA*	3,934	865	188	4	82	2	677	735	0	306	1	5,840
13 GAMBIA, THE	0	0	0	0	0	0	0	0	0	0	0	0
14 GHANA	6,571	1,367	612	48	85	349	354	0	0	321	20	8,279
15 GUINEA	2,996	699	51	0	24	27	..	79	3	18	254	4,046
16 GUINEA-BISSAU	280	152	3	0	8	3	..	275	13	7	4	718
17 KENYA	8,630	2,594	1,021	419	70	123	593	585	0	88	198	12,095
18 MADAGASCAR	3,002	1,188	313	15	68	44	369	1,251	0	29	71	5,541
19 MALAWI	1,821	307	191	39	48	3	50	0	0	115	43	2,284
20 MALI	2,747	502	164	0	40	30	..	36	36	284	0	3,569
21 MAURITANIA	1,676	415	224	15	13	28	..	195	146	108	110	2,504
22 MOZAMBIQUE	3,362	1,358	178	0	23	46	1,130	823	0	209	0	5,751
23 NIGER*	1,261	291	141	0	26	35	156	173	147	-7	174	1,893
24 RWANDA*	1,271	110	49	0	24	3	50	26	13	31	7	1,445
25 SAO TOME & PRINCIPE*	140	31	1	0	1	1	7	100	5	2	0	272
26 SENEGAL	5,465	1,022	468	47	42	137	425	315	122	532	173	7,506
27 SIERRA LEONE*	800	237	34	1	9	13	115	585	142	-4	0	1,618
28 TANZANIA*	6,142	1,494	314	123	77	54	1,163	1,297	30	229	60	9,222
29 TOGO	1,308	315	80	0	0	28	185	108	0	169	38	1,938
30 UGANDA*	3,735	528	263	14	67	89	194	279	67	397	0	4,938
31 ZAMBIA	4,564	1,636	794	192	67	85	798	76	0	165	55	6,496
TOTAL	**90.048**	**28.218**	**8.292**	**2.396**	**889**	**1.432**	**12.382**	**16.959**	**2.227**	**5.594**	**3.756**	**144.575**

RESOURCES (1994-96)

SPA-ELIGIBLE COUNTRIES	Exports of goods and services	Current transfer receipts	Project financing: Total	of which IDA	of which Other ODA	of which IBRD	of which Direct foreign invest.	of which Commercial banks	of which Other	Non-adjustment non-project financing	Net short-term borrowing & other capital flows	Errors and omissions	Total before SPA and reduction in debt service
	(20)	(21)	(22)	(23a)	(23b)	(23c)	(23d)	(23e)	(23f)	(23)	(24)	(25)	(26)
1 BENIN	1,486	209	397	83	314	0	0	0	0	35	51	0	2,178
2 BURKINA FASO	1,013	310	531	130	391	0	10	0	0	243	-136	129	2,089
3 BURUNDI	411	521	190	54	137	0	0	0	0	7	18	-18	1,129
4 CAMEROON*	7,673	543	667	68	117	125	357	0	0	118	175	135	9,311
5 CENTRAL AFRICAN REP.	678	27	280	80	194	0	6	0	0	128	-23	-4	1,086
6 CHAD	762	46	408	59	339	0	10	0	0	135	-29	39	1,361
7 COMOROS	138	108	68	14	40	0	1	0	13	0	3	-16	301
8 CONGO	3,749	128	1,439	1	17	2	1,359	60	0	11	399	2	5,728
9 COTE D'IVOIRE	12,605	533	883	58	495	50	280	0	0	138	-286	-339	13,533
10 EQUATORIAL GUINEA	285	21	73	0	15	0	58	0	0	6	-2	-2	381
11 ERITREA	477	882	52	27	26	0	0	0	0	232	1	-42	1,603
12 ETHIOPIA*	2,237	1,162	607	331	270	0	6	0	0	333	-210	-66	4,064
13 GAMBIA, THE	0	0	0	0	0	0	0	0	0	0	0	0	0
14 GHANA	4,769	807	2,142	509	869	0	85	294	385	37	73	-102	7,726
15 GUINEA	2,366	141	1,078	220	594	0	264	0	0	12	55	-6	3,647
16 GUINEA-BISSAU	155	5	163	22	142	0	0	0	0	17	0	-42	299
17 KENYA	8,670	603	1,337	292	868	0	32	145	0	14	507	0	11,132
18 MADAGASCAR	2,176	313	539	211	0	0	30	0	0	0	-31	34	3,032
19 MALAWI	1,316	52	230	108	105	0	0	16	0	66	-4	0	1,660
20 MALI	1,513	278	970	156	729	0	85	0	0	64	0	1	2,826
21 MAURITANIA	1,524	102	305	73	217	0	14	0	0	196	-75	-11	2,041
22 MOZAMBIQUE	1,385	338	1,134	238	761	0	135	0	0	436	48	6	3,347
23 NIGER*	849	41	302	95	203	0	4	0	0	78	-10	-85	1,174
24 RWANDA*	237	974	94	89	0	0	5	0	0	21	-42	-18	1,267
25 SAO TOME & PRINCIPE*	32	4	97	12	77	0	8	0	0	11	2	0	145
26 SENEGAL	4,744	337	1,076	179	775	0	101	21	0	248	10	-24	6,391
27 SIERRA LEONE*	462	2	207	44	110	0	54	0	0	4	52	0	726
28 TANZANIA*	3,068	1,409	1,759	445	1,114	0	201	0	0	0	0	390	6,625
29 TOGO	1,131	44	144	48	85	0	11	0	0	55	7	0	1,382
30 UGANDA*	1,528	1,193	1,225	311	898	0	16	0	0	24	-63	68	3,974
31 ZAMBIA	3,735	0	948	138	617	0	193	0	0	81	271	-162	4,873
TOTAL	**71.175**	**11.132**	**19.348**	**4.096**	**10.518**	**176**	**3.326**	**536**	**397**	**2.750**	**759**	**-134**	**105.030**

Note: * Data reported on a fiscal year basis.

FINANCING TABLE FOR SPA COUNTRIES, 1996

(prepared for the June 1996 SPA multidonor meeting)

(millions of US dollars)

8-May-96

REQUIREMENTS (1996)

SPA-ELIGIBLE COUNTRIES	Imports of goods and non-interest services	Total scheduled debt service obligations before debt relief: Total	Multilateral creditors: Total	Multilateral, of which: IBRD	Multilateral, of which: IDA	Multilateral, of which: IMF	Bilateral creditors	End-1995 arrears: Total stock	End-1995 arrears: of which cash payment on arrears	Reserves build-up	Current transfer payments	Total
	(14)	(15)	(16a)	(16b)	(16c)	(16d)	(16e)	(16)	(17a)	(17)	(18)	(19)
1 BENIN	726	94	30	0	7	3	65	0	0	103	14	938
2 BURKINA FASO	782	76	62	0	0	2	15	0	0	7	45	910
3 BURUNDI	341	55	39	0	9	9	15	9	0	-18	3	390
4 CAMEROON*	2,327	1,502	253	135	9	6	672	528	112	147	137	4,641
5 CENTRAL AFRICAN REP.	341	49	29	0	5	6	0	105	59	13	29	536
6 CHAD	494	27	16	0	4	5	10	45	29	35	21	622
7 COMOROS	90	15	7	0	1	0	6	42	0	5	22	173
8 CONGO	1,330	907	76	28	2	0	480	1,888	0	31	35	4,191
9 COTE D'IVOIRE	4,029	1,686	509	303	7	56	647	6,097	0	149	623	12,584
10 EQUATORIAL GUINEA	143	16	3	0	1	2	9	24	0	9	1	193
11 ERITREA	546	0	0	0	0	0	0	0	0	41	14	601
12 ETHIOPIA*	1,519	278	68	0	33	1	210	868	0	20	0	2,685
13 GAMBIA, THE	..	..	..	..	..	..	..	..	..	..	..	..
14 GHANA	2,425	421	228	14	32	135	89	0	0	52	7	2,905
15 GUINEA	1,091	232	19	0	9	10	..	3	3	14	86	1,426
16 GUINEA-BISSAU	94	54	1	0	3	1	..	144	0	8	1	302
17 KENYA	2,970	861	389	120	25	66	209	95	0	138	68	4,131
18 MADAGASCAR	1,105	382	192	5	37	17	152	2,038	0	-6	29	3,548
19 MALAWI	625	98	69	14	18	1	21	0	0	56	13	792
20 MALI	984	165	54	0	16	9	..	0	0	68	0	1,217
21 MAURITANIA	572	149	85	3	5	11	..	146	97	70	39	976
22 MOZAMBIQUE	1,051	407	73	0	10	19	317	1,179	0	90	0	2,727
23 NIGER*	492	87	55	0	10	13	43	147	147	0	62	787
24 RWANDA*	459	39	28	0	9	2	11	59	0	0	3	559
25 SAO TOME & PRINCIPE*	53	9	0	0	1	0	3	77	5	0	0	139
26 SENEGAL	1,980	334	164	17	12	55	126	0	0	92	61	2,467
27 SIERRA LEONE*	283	58	13	0	4	5	35	110	22	2	0	453
28 TANZANIA*	2,061	491	90	38	26	22	383	1,535	0	44	20	4,152
29 TOGO	509	103	31	0	0	12	53	76	0	57	11	756
30 UGANDA*	1,433	176	97	0	25	46	60	228	20	120	0	1,956
31 ZAMBIA	1,575	452	260	56	28	12	178	0	0	87	18	2,132
TOTAL	**32,429**	**9,221**	**2,941**	**733**	**349**	**527**	**3,809**	**15,442**	**494**	**1,435**	**1,361**	**59,889**

RESOURCES (1996)

SPA-ELIGIBLE COUNTRIES	Exports of goods and services	Current transfer receipts	Project financing: Total	Project financing, of which: IDA	Other ODA	IBRD	Direct foreign invest.	Com-mercial banks	Other	Non-adjust-ment non-project financing	Net short-term borrow-ing & other capital flows	Errors and omis-sions	Total before SPA and reduction in debt service
	(20)	(21)	(22)	(23a)	(23b)	(23c)	(23d)	(23e)	(23f)	(23)	(24)	(25)	(26)
1 BENIN	576	75	138	32	106	0	0	0	0	12	-6	0	794
2 BURKINA FASO	391	111	218	62	153	0	4	0	0	83	16	0	820
3 BURUNDI	114	160	52	30	23	0	0	0	0	0	0	0	327
4 CAMEROON*	2,759	208	263	10	109	25	119	0	0	94	55	0	3,379
5 CENTRAL AFRICAN REP.	254	11	102	27	72	0	3	0	0	39	-29	0	378
6 CHAD	303	9	141	17	122	0	2	0	0	56	0	0	508
7 COMOROS	52	39	26	3	13	0	0	0	9	0	0	0	116
8 CONGO	1,380	21	282	1	8	1	243	29	0	0	54	0	1,736
9 COTE D'IVOIRE	4,730	201	347	37	200	10	100	0	0	0	-235	0	5,043
10 EQUATORIAL GUINEA	119	8	28	0	5	0	23	0	0	2	0	0	157
11 ERITREA	171	305	14	3	11	0	0	0	0	76	0	0	565
12 ETHIOPIA*	846	413	197	108	86	0	3	0	0	86	16	0	1,558
13 GAMBIA, THE	..	..	..	..	..	..	..	..	..	..	..	..	..
14 GHANA	1,778	311	644	200	239	0	20	75	110	8	-119	0	2,623
15 GUINEA	883	49	399	65	249	0	86	0	0	7	36	0	1,374
16 GUINEA-BISSAU	51	3	46	8	38	0	0	0	0	4	0	0	104
17 KENYA	3,026	197	540	127	345	0	15	53	0	0	38	0	3,799
18 MADAGASCAR	770	89	214	75	0	0	15	0	0	0	0	0	1,074
19 MALAWI	490	8	85	35	42	0	0	8	0	9	2	0	595
20 MALI	570	99	326	55	261	0	10	0	0	20	0	0	1,014
21 MAURITANIA	551	41	125	40	80	0	5	0	0	66	-23	0	760
22 MOZAMBIQUE	520	100	363	100	208	0	55	0	0	79	0	0	1,062
23 NIGER*	301	14	126	44	82	0	0	0	0	29	-3	-40	426
24 RWANDA*	89	283	46	43	0	0	3	0	0	0	0	0	417
25 SAO TOME & PRINCIPE*	10	2	39	5	30	0	4	0	0	2	1	0	54
26 SENEGAL	1,738	116	359	87	243	0	20	9	0	83	-14	0	2,283
27 SIERRA LEONE*	157	0	88	21	48	0	18	0	0	0	17	0	262
28 TANZANIA*	1,141	467	593	234	288	0	71	0	0	0	0	0	2,201
29 TOGO	430	14	70	20	47	0	3	0	0	17	0	0	532
30 UGANDA*	559	496	423	127	286	0	10	0	0	10	14	0	1,502
31 ZAMBIA	1,257	0	353	50	225	0	78	0	0	28	80	0	1,719
TOTAL	**26,016**	**3,848**	**6,647**	**1,664**	**3,619**	**36**	**909**	**174**	**119**	**809**	**-99**	**-40**	**37,183**

Note: * Data reported on a fiscal year basis.

FINANCING TABLE FOR SPA COUNTRIES, 1996

(prepared for the June 1996 SPA multidonor meeting)

(millions of US dollars)

8-May-96

SPA-ELIGIBLE COUNTRIES	FINANCING GAP BEFORE SPA (before debt relief and adjustment support) (column 20 minus column 27)	NET REDUCTION IN DEBT SERVICE a/ (including arrears) Total	------- of which ------ Official bilateral conces-sional	noncon-cessional	Commer-cial debt	POTENTIAL ADJUSTMENT FINANCING IDA	IMF support SAF/ ESAF	Non-concess-ional	Cofinancing and coordinated financing for SPA DISBURSEMENTS from agreements signed during 1991-93	1994-96	Supplemental IDA credits and donor's contribution - " Fifth Dimension " - Total	-of which- donors' contri-bution	Debt reduction facility grants "Sixth Dimension"	Non-con-cessional disburse-ments and other con-cessional financing	End-1996 Stock of Arrears	RESIDUAL FINANCING GAP 1996 Column 1 minus columns 2 through 11	ADDITIONAL COMMITMENTS REQUIRED 1996
	(1)	(2)	(2a)	(2b)	(2c)	(3)	(4)	(5)	(6)	(7)	(8)	(8a)	(9)	(10)	(11)	(12)	(13)
1 BENIN	144	4	4	0	0	20	23	0	17	54	0	0	0	0	0	27	33
2 BURKINA FASO	91	0	0	0	0	28	19	0	2	18	0	0	0	0	0	24	30
3 BURUNDI	63	0	0	0	0	3	0	0	12	0	0	0	0	0	0	49	61
4 CAMEROON*	1,262	670	0	670	0	50	0	44	0	156	31	0	0	0	312	0	-1
5 CENTRAL AFRICAN REP.	159	62	5	57	0	20	24	0	0	22	0	0	0	0	0	31	38
6 CHAD	114	18	15	2	1	30	25	0	0	20	0	0	0	0	0	22	27
7 COMOROS	57	42	42	0	0	0	0	0	0	5	0	0	0	0	0	11	14
8 CONGO	2,455	2,315	2,178	0	137	10	0	21	0	103	6	0	0	0	0	0	1
9 COTE D'IVOIRE	7,540	404	0	404	0	165	139	0	0	130	64	0	0	0	6,585	53	67
10 EQUATORIAL GUINEA	36	0	0	0	0	0	0	0	0	0	0	0	0	0	24	12	15
11 ERITREA	36	0	0	0	0	0	0	0	0	10	0	0	0	0	0	26	33
12 ETHIOPIA*	1,127	936	460	0	476	82	0	0	16	55	0	0	4	0	0	35	44
13 GAMBIA, THE	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	0	0
14 GHANA	282	0	0	0	0	45	83	0	0	98	8	3	0	0	0	48	61
15 GUINEA	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	52	65
16 GUINEA-BISSAU	197	158	133	0	25	0	6	0	5	18	0	0	0	0	0	10	12
17 KENYA	331	95	0	0	95	45	75	0	0	42	39	0	0	0	0	36	45
18 MADAGASCAR	2,474	1,991	1,991	0	0	70	20	0	18	22	1	0	0	0	0	352	440
19 MALAWI	197	0	0	0	0	70	24	0	0	97	7	2	0	0	0	-1	-1
20 MALI	202	81	81	0	0	40	31	0	0	34	0	0	0	0	0	16	21
21 MAURITANIA	216	82	39	0	43	16	22	0	0	48	1	0	0	0	0	48	60
22 MOZAMBIQUE	1,665	1,438	1,438	0	0	85	37	0	6	98	0	0	0	0	0	0	0
23 NIGER*	361	0	0	0	0	0	0	0	16	47	0	0	0	0	0	299	374
24 RWANDA*	142	0	0	0	0	0	0	0	5	0	0	0	0	0	61	76	95
25 SAO TOME & PRINCIPE*	84	0	0	0	0	4	0	0	1	0	0	0	0	0	73	7	9
26 SENEGAL	184	71	56	9	7	22	63	0	0	8	0	0	0	0	0	20	25
27 SIERRA LEONE*	191	3	0	0	3	18	23	0	0	30	0	0	0	0	88	29	36
28 TANZANIA*	1,952	0	0	0	0	0	73	0	32	83	6	0	7	0	1,735	15	19
29 TOGO	224	104	39	0	66	36	33	0	9	7	0	0	10	0	0	26	32
30 UGANDA*	454	222	14	134	74	40	60	0	5	128	0	0	0	0	0	0	0
31 ZAMBIA	413	113	113	0	0	189	0	0	8	92	12	0	0	0	0	0	-1
TOTAL	**22,706**	**8,807**	**6,605**	**1,275**	**927**	**1,088**	**781**	**65**	**150**	**1,422**	**174**	**5**	**21**	**0**	**8,876**	**1,323**	**1,653**

Note: * Data reported on a fiscal year basis.

a/ The total in column 2 includes net reduction in scheduled debt service and in the stock of arrears resulting from signed and possible future debt relief agreements

SPA-3 SUMMARY OF DONORS ALLOCATIONS AND DISBURSEMENTS OF COFINANCING AND COORDINATED FINANCING AS OF DECEMBER 31, 1995

(in Millions) /a

	ORIGINAL INDICATIVE PLEDGES	TOTAL COUNTRY-SPECIFIC ALLOCATIONS	AGREEMENTS SIGNED	DISBURSED	ALLOCATIONS AS PERCENTAGE OF INDICATIVE PLEDGES	DISBURSEMENTS AS PERCENTAGE OF ALLOCATIONS
AFDF	$700	$761	$144	$126	109%	17%
BELGIUM	1,500	1,500	300	0	100%	0%
CANADA	220	148	148	65	67%	44%
DENMARK	$90	$54	$29	$28	60%	53%
EC	1,000	855	694	498	86%	58%
FINLAND	85	55	9	9	65%	15%
FRANCE	7,100	5,221	5,221	4,800	74%	92%
GERMANY	350	241	159	84	69%	35%
ITALY	0	0	0	0		
JAPAN	$1,200	$439	$323	$233	37%	53%
NETHERLANDS	600	392	392	349	65%	89%
NORWAY	1,077	608	540	493	56%	81%
PORTUGAL	10,460	10,454	10,084	8,804	100%	84%
SWEDEN	2,400	490	494	371	20%	76%
SWITZERLAND	230	224	134	113	97%	50%
UK	300	176	156	100	59%	57%
USA	$450	$318	$190	$69	71%	22%
TOTAL DONORS	$6,677 /b	$4,868	$3,581	$2,774	73%	57%
IDA		3,094.8	2,556.4	1,918.6		62%

a/ Unless shown with $ sign, numbers are in the donor currency.

b/ Reflects exchange rates at the time of pledging.

SUMMARY OF DONORS DETAILED REPORTING
SPA-3 TOTAL ALLOCATIONS BY COUNTRY

(US$ Millions)

	AFDF	BELGIUM	CANADA	DENMARK	EC	FINLAND	FRANCE	GERMANY	ITALY	JAPAN	NETHLD	NORWAY	PORTUGAL	SWEDEN	SWITZLD	UK	USA	TOTAL	IDA
BENIN	7.0	6.8		5.1	12.4		9.2			44.9	2.7				15.3		30.2	133.7	40.0
BURKINA FASO	7.4	6.4		6.3	54.8		61.0	7.0		5.3	19.0				15.8			183.0	25.0
BURUNDI	22.8				1.3												1.2	25.3	
CAMEROON	74.2				187.5		168.5								9.1			439.2	389.4
CAR	11.4				17.4		6.1			7.8								42.8	
CHAD	22.3				22.0		30.7										4.0	79.0	50.0
COMOROS	7.3				4.8		4.8											16.9	
CONGO	3.3				25.0		72.0	7.4										107.7	100.0
COTE D'IVOIRE	9.5	6.8	6.3		178.2		462.5	19.8		19.6					8.5			711.1	916.5
EQ.GUINEA	14.3				3.9													18.2	
ERITREA		5.1		7.1	9.2			3.5			0.6	0.5			7.6			33.6	
ETHIOPIA	86.1	5.1			15.3			11.6		21.3	40.0	4.7		18.3	17.3	23.4	49.5	292.6	0.7
GAMBIA					1.4													1.4	
GHANA	25.3		29.6		66.3			30.0		95.6	11.7						46.2	304.7	85.5
GUINEA	13.4				24.9					9.8							4.0	52.0	18.0
GUINEA BISSAU	31.4				2.2						4.2		36.9		9.4			84.1	
KENYA	22.3				20.1					21.3	4.4						2.0	70.1	169.0
MADAGASCAR	56.4				18.8							5.2			9.2		10.0	99.7	
MALAWI	27.3		12.1	7.2	23.5			19.3		5.3	4.0	8.2			1.5	49.5	78.0	235.9	155.3
MALI	47.9	6.4	11.5		36.7		54.8			54.9	30.4				0.2		4.0	246.8	135.0
MAURITANIA	8.9				19.7		7.7	5.5		34.2					3.0			79.2	46.1
MOZAMBIQUE	45.5		24.9	23.8	32.7	4.3	1.2	16.6		21.3	11.1	20.1	5.0	5.2	48.9	31.0	15.8	307.5	200.0
NIGER	48.5	6.4	9.6	4.2	43.8		24.2			9.8							12.6	159.1	43.2
RWANDA	21.8									2.9	4.6			0.5	0.7		3.0	33.6	
SAO TOME	9.9				1.2								21.4					32.4	
SENEGAL		6.4	7.3		63.9		71.1			24.5	2.0				3.5		32.8	211.4	116.0
SIERRA LEONE					8.4											4.6		12.9	50.8
TANZANIA	61.5				68.0	5.3		0.3		15.9	31.1	3.8		13.5	15.5	23.1	6.3	244.4	
TOGO	12.8				11.9		8.2											32.9	50.0
UGANDA	40.8				62.1					10.6	45.9	17.8		21.0	14.4	70.5	18.0	301.2	81.7
ZAMBIA	21.4		6.9		29.1	2.7		39.4		34.2	22.8	30.8		17.7	1.2	69.1		275.3	422.6
TOTAL	760.6	49.3	108.3	53.7	1,066.6	12.3	982.1	160.5		439.3	234.7	91.1	63.2	76.3	181.2	271.1	317.6	4,867.7	3,094.8

NB Details may not add up to totals due to rounding.

SUMMARY OF DONORS DETAILED REPORTING
SPA-3 TOTAL DISBURSEMENTS BY COUNTRY

(US$ Millions)

	AFDF	BELGIUM	CANADA	DENMARK	EC	FINLAND	FRANCE	GERMANY	ITALY	JAPAN	NETHLD	NORWAY	PORTUGAL	SWEDEN	SWITZL	UK	USA	TOTAL	IDA
BENIN				3.1	1.2		9.2			4.9	2.7				11.0		3.0	35.1	
BURKINA FASO				3.6	43.5		61.0	0.8			18.7				7.6			135.2	25.0
BURUNDI																			
CAMEROON	56.7				139.6		168.5								2.6			367.3	208.8
CAR					8.0		6.1			2.9								17.1	
CHAD					22.7		10.6										4.0	37.3	20.0
COMOROS					1.3		4.3											5.6	
CONGO	3.3				11.4		72.0											86.8	100.0
COTE D'IVOIRE	2.1		0.9		153.3		462.5	20.6		19.6					7.3			666.3	646.5
EQ.GUINEA																			
ERITREA				6.2							0.6	0.5						7.3	
ETHIOPIA					15.6			1.8			36.8	4.7		9.8	8.9	15.5	16.4	109.5	0.7
GAMBIA																			
GHANA			10.6		42.1					19.6	11.7						12.5	96.5	40.7
GUINEA					15.2					9.8								25.0	9.0
GUINEA BISSAU	3.3										4.2		29.6		10.7			47.8	
KENYA										19.6	4.4							24.0	42.0
MADAGASCAR	27.3											3.3			0.8			31.4	
MALAWI			6.3		23.5			13.1		4.9	4.0	8.2			1.5	40.3	20.0	121.8	45.9
MALI	33.0		9.1		19.9		54.8			24.9	24.2				0.2			166.0	55.0
MAURITANIA					2.3		4.6	0.8		18.0								25.7	16.3
MOZAMBIQUE			10.0	13.1		1.4	1.2			21.3	6.6	13.7	3.2	4.9	25.4	15.7		116.5	140.0
NIGER			7.0	2.4	29.0		24.2			9.8							3.0	75.4	32.6
RWANDA										2.9	4.6			0.5	0.7		2.5	11.3	
SAO TOME													20.6					20.6	
SENEGAL			3.7		63.9		71.1			24.5	2.0				1.8			166.9	86.0
SIERRA LEONE																4.6		4.6	35.8
TANZANIA						0.2		0.3		15.9	31.1	0.1		7.0	1.5			56.1	
TOGO							8.2											8.2	
UGANDA											36.0	17.8		10.5	8.5	40.3	8.0	121.1	81.7
ZAMBIA					26.4			20.9		34.2	23.7	24.0		18.4	1.2	38.8		187.6	332.6
TOTAL	125.8		47.4	28.3	618.8	1.6	958.5	58.4		232.8	211.4	72.3	53.3	51.1	89.5	155.1	69.4	2,773.7	1,918.6

NB Details may not add up to totals due to rounding.

IDA ADJUSTMENT OPERATIONS
(IDA-10 Commitments and Releases of Funds as of December 1995)

(IN US$ MILLIONS)

IDA ADJUSTMENT LENDING					AMOUNT			IDA		TRANCHE RELEASES						SPA-3	
NB: For the purpose of biannual reporting, credits approved in 3-yr period from July 1994 thru June 1996 will be counted as IDA's contribution to SPA-3.					SPA-3		SPA 1&2 /a	CREDIT		First		Second		Third		Disbursements (Funds Released)	
ELIGIBLE COUNTRY	OPERATION	HYBRID	PLANNED APPRAISAL	BOARD APPROVAL	ALLOCATED	COMMITTED	COMMITMENT	NUMBER	SOURCE	DATE	AMT.	DATE	AMT.	DATE	AMT.	Actual @ 12/95	Total FY 94-96
BENIN	SAL II			Jun-91			55.0	2283-0		Oct-91	25.0	May-93	15.0	Aug-94	15.0		
BENIN	SAL III			May-95	40.0	40.0		2727-0	IDA10	Feb-96	20.0	Mar-97	20.0				20.0
BENIN Total					40.0	40.0	55.0										20.0
BURKINA FASO	SAL I			Jun-91			80.0	2281-0	IDA9	Oct-91	40.0	Feb-94	20.0	Mar-95	20.0		
BURKINA FASO	TRANSPORT SECAL	*		Feb-92			30.0	2332-0	IDA9	Feb-93	14.0	Jan-96	8.0	Mar-96	8.0		
BURKINA FASO	AG. SECAL			Jun-92			28.0	2381-0	IDA9	Aug-93	10.0	Nov-95	10.0	Mar-96	8.0		
BURKINA FASO	ECONOMIC RECOVERY			Mar-94	25.0	25.0		2590-0	IDA10	Jun-94	25.0					25.0	25.0
BURKINA FASO	AG. SECAL II		Jun-96	Dec-96	(25.0)				IDA11								
BURKINA FASO Total					25.0	25.0	138.0									25.0	25.0
BURUNDI	NIL																
BURUNDI Total																	
CAMEROON	SAC I			Mar-94	50.0	50.0		2576-0	IDA10	Apr-94	50.0					50.0	50.0
CAMEROON	SAC I SUPPLEMENT			Mar-94	51.0	51.0		2576-1	FIFTH	Apr-94	51.0					51.0	51.0
CAMEROON	ECONOMIC RECOVERY			Jun-94	75.0	75.0		2627-0	IDA10	Aug-94	75.0					75.0	75.0
CAMEROON	ECONOMIC RECOVERY SUPPLEMENT			Dec-94	32.8	32.8		2627-1	FIFTH	Jan-95	32.8					32.8	32.8
CAMEROON	SAC II			Apr-96	150.0	150.0		2813-0	IDA10	Apr-96	50.0	FLOATING	50.0	Oct-96	50.0		50.0
CAMEROON	SAC II SUPPLEMENT			Apr-96	30.6	30 .6		2813-1	FIFTH	Apr-96	30.6						30.6
CAMEROON	FY97 FIFTH DIMENSION			TBD	(22.5)				FIFTH	Dec-96	(22.5)						
CAMEROON Total					389.4	358.8										208.8	289.4

* Hybrid operations, of which amts. indicated pertain only to quick disbursing component.
a/ With remaining tranches in SPA-3 period.

IDA ADJUSTMENT OPERATIONS
(IDA-10 Commitments and Releases of Funds as of December 1995)

(IN US$ MILLIONS)

IDA ADJUSTMENT LENDING					AMOUNT			IDA		TRANCHE RELEASES						SPA-3	
NB: For the purpose of biannual reporting, credits approved in 3-yr period from July 1994 thru June 1996 will be counted as IDA's contribution to SPA-3.					SPA-3		SPA 1&2 /a	CREDIT		First		Second		Third		Disbursements (Funds Released)	
ELIGIBLE COUNTRY	OPERATION	HYBRID	PLANNED APPRAISAL	BOARD APPROVAL	ALLOCATED	COMMITTED	COMMITMENT	NUMBER	SOURCE	DATE	AMT.	DATE	AMT.	DATE	AMT.	Actual @ 12/95	Total FY 94-96
CAR	NATURAL RSC. MGT.	*		May-90			3.0	2138-0	IDA8	Aug-90	1.0	Jun-94	2.0				
CAR	SAL III			Jun-90			45.0	2162-0	IDA8	Aug-90	29.0	Jun-94	16.0				
CAR	SAC IV		Sep-96	Nov-96	(30.0)				IDA11								
CAR Total							48.0										
CHAD	ECONOMIC RECOVERY			Mar-94	20.0	20.0		2587-0	IDA10	Apr-94	10.0	May-95	10.0			20.0	20.0
CHAD	SAC I			Feb-96	30.0			2817-0	IDA10	Feb-96	30.0						30.0
CHAD Total					50.0	20.0										20.0	50.0
COMOROS	MACRO ECON REFORM	*		Jun-91			6.0	2270-0	IDA9	Dec-92	3.0	Nov-94	3.0				
COMOROS	SAC			Nov-96	(8.0)				IDA11								
COMOROS Total							6.0										
CONGO	ECONOMIC RECOVERY			Jun-94	100.0	100.0		2635-0	IDA10	Aug-94	100.0					100.0	100.0
CONGO	SAC		Jul-96	Dec-96	(20.0)				IDA11								
CONGO	FY97 FIFTH DIMENSION			TBD	(5.2)				FIFTH	Dec-96	(5.2)						
CONGO Total					100.0	100.0										100.0	100.0

* Hybrid operations, of which amts. indicated pertain only to quick disbursing component.
a/ With remaining tranches in SPA-3 period.

IDA ADJUSTMENT OPERATIONS
(IDA-10 Commitments and Releases of Funds as of December 1995)

(IN US$ MILLIONS)

IDA ADJUSTMENT LENDING					AMOUNT			IDA		TRANCHE RELEASES						SPA-3	
NB: For the purpose of biannual reporting, credits approved in 3-yr period from July 1994 thru June 1996 will be counted as IDA's contribution to SPA-3.					SPA-3		SPA 1&2 /a	CREDIT		First		Second		Third		Disbursements (Funds Released)	
ELIGIBLE COUNTRY	OPERATION	PERIOD	PLANNED APPRAISAL	BOARD APPROVAL	ALLOCATED	COMMITTED	COMMITMENT	NUMBER	SOURCE	DATE	AMT.	DATE	AMT.	DATE	AMT.	Actual @ 12/95	Total FY 94-96
COTE D'IVOIRE	FIN SECTOR SUPPLEMENT			Feb-94	100.0	100.0		2303-0	IDA10			Feb-94	100.0			100.0	100.0
COTE D'IVOIRE	HRS SECTOR			Feb-94	100.0	100.0		2323-1	IDA10			Feb-94	100.0			100.0	100.0
COTE D'IVOIRE	HRS SECTOR			Feb-94	85.0	85.0		2323-2	FIFTH			Feb-94	45.0	Jun-94	40.0	85.0	85.0
COTE D'IVOIRE	REGULATORY REFORM			Feb-94	50.0	50.0		2324-1	IDA10			Sep-94	50.0			50.0	50.0
COTE D'IVOIRE	ECON RECOVERY			Oct-94	100.0	100.0		2656-0	IDA10	Nov-94	100.0					100.0	100.0
COTE D'IVOIRE	ECON RECOVERY SUPPLEMENT			Dec-94	77.9	77.9		2656-1	FIFTH	May-95	77.9					77.9	77.9
COTE D'IVOIRE	AG SECTOR			Sep-95	150.0	150.0		2779-0	IDA10	Sep-95	60.0	Apr-96	45.0	Jan-97	45.0	60.0	105.0
COTE D'IVOIRE	AG SECTOR SUPPLEMENT			Dec-95	73.6	73.6		2779-1	FIFTH	Dec-95	73.6					73.6	73.6
COTE D'IVOIRE	PRIVATE SECTOR DEV			Feb-96	180.0	180.0		2843-0	IDA10	Feb-96	90.0	Sep-96	90.0				90.0
COTE D'IVOIRE	FY97 FIFTH DIMENSION			TBD	(48.3)				FIFTH	Sep-96	(48.3)						
COTE D'IVOIRE	TRANSPORT SECTOR		Jun-96	Dec-96	(100.0)				IDA-11								
COTE D'IVOIRE Total					916.5	916.5										646.5	781.5
EQATORIAL GUINEA	NIL																
EQATORIAL GUINEA Total																	
ERITREA	NIL																
ERITREA Total																	
ETHIOPIA	SAC I			Jun-93			250.0	2526-0	IDA9	Jul-93	150.0	May-95	100.0				
ETHIOPIA	SAC I SUPPLEMENT			Jan-94	0.5	0.5		2526-1	FIFTH	Jan-95	0.5					0.5	0.5
ETHIOPIA	SAC I SUPPLEMENT			Dec-94	0.2	0.2		2526-2	FIFTH	Apr-95	0.2					0.2	0.2
ETHIOPIA Total					0.7	0.7	250.0									0.7	0.7
GAMBIA	NIL																
GAMBIA Total																	

* Hybrid operations, of which amts. indicated pertain only to quick disbursing component.
a/ With remaining tranches in SPA-3 period.

IDA ADJUSTMENT OPERATIONS
(IDA-10 Commitments and Releases of Funds as of December 1995)

(IN US$ MILLIONS)

IDA ADJUSTMENT LENDING					AMOUNT			IDA		TRANCHE RELEASES						SPA-3	
NB: For the purpose of biannual reporting, credits approved in 3-yr period from July 1994 thru June 1996 will be counted as IDA's contribution to SPA-3.					SPA-3		SPA 1&2 /a	CREDIT		First		Second		Third		Disbursements (Funds Released)	
ELIGIBLE COUNTRY	OPERATION	HYBRID	PLANNED APPRAISAL	BOARD APPROVAL	ALLOCATED	COMMITTED	COMMITMENT	NUMBER	SOURCE	DATE	AMT.	DATE	AMT.	DATE	AMT.	Actual @ 12/95	Total FY 94-96
GHANA	FINANCIAL SECTOR			Dec-91			82.0	2318-0	IDA9	Apr-92	25.0	Jun-93	29.0	Sep-96	28.0		
GHANA	AGRIC SECTOR			Mar-92			80.0	2345-0	IDA9	Apr-92	30.0	Mar-94	30.0	Sep-95	20.0		
GHANA	AGRIC SECTOR SUPPLEMENT			Jan-94	5.7	5.7		2345-1	FIFTH	Jan-95	5.7					5.7	5.7
GHANA	AGRIC SECTOR SUPPLEMENT			Dec-94	5.0	5.0		2345-2	FIFTH	May-95	5.0					5.0	5.0
GHANA	PSAC I			May-95	70.0	70.0		2718-0	IDA10	Oct-95	30.0	Oct-96	15.0	Jul-97	25.0	30.0	30.0
GHANA	PSAC I SUPPLEMENT			Dec-95	4.8	4.8		2718-1	FIFTH	Jan-96	4.8						4.8
GHANA	FY97 FIFTH DIMENSION			TBD	(3.0)				FIFTH	TBD	3.0						
GHANA Total					85.5	85.5	162.0									40.7	45.5
GUINEA	EDUCATION SECTOR	*		Jun-90			20.0	2155-0	IDA8	Jan-90	7.0	Jan-93	7.0	Apr-94	6.0		
GUINEA	FINANCIAL SECTOR	*		Oct-94	18.0	18.0		2653-0	IDA10	Mar-95	9.0	TBD	9.0			9.0	9.0
GUINEA Total					18.0	18.0	20.0									9.0	9.0
GUINEA BISSAU	SAL II			May-89			23.0	2019-0	IDA8	Aug-89	9.5	Jan-91	6.5	Jul-93	7.0		
GUINEA BISSAU Total							23.0										

* Hybrid operations, of which amts. indicated pertain only to quick disbursing component.
a/ With remaining tranches in SPA-3 period.

IDA ADJUSTMENT OPERATIONS
(IDA-10 Commitments and Releases of Funds as of December 1995)

(IN US$ MILLIONS)

IDA ADJUSTMENT LENDING					AMOUNT			IDA		TRANCHE RELEASES						SPA-3	
NB: For the purpose of biannual reporting, credits approved in 3-yr period from July 1994 thru June 1996 will be counted as IDA's contribution to SPA-3.					SPA-3		SPA 1&2 /a	CREDIT		First		Second		Third		Disbursements (Funds Released)	
ELIGIBLE COUNTRY	OPERATION	HYBRID	PLANNED APPRAISAL	BOARD APPROVAL	ALLOCATED	COMMITTED	COMMITMENT	NUMBER	SOURCE	DATE	AMT.	DATE	AMT.	DATE	AMT.	Actual @ 12/95	Total FY 94-96
KENYA	EDUCATION SECTOR			Sep-91			100.0	2295-0	IDA9	Sep-91	33.0	Dec-93	33.0	Dec-94	34.0		
KENYA	EXPORT DEVELOPMENT SUPPLMENT			Nov-91			49.2	2197-1	FIFTH	May-93	49.2						
KENYA	EDUCATION SECTOR SUPPLEMENT			Dec-92			52.1	2295-1	FIFTH	Dec-93	52.1						
KENYA	EDUCATION SECTOR SUPPLEMENT			Jan-94	42.2	42.2		2295-2	FIFTH	Dec-94	42.2					42.0	42.0
KENYA	SAC I			Jun-96	90.0				IDA10	Jun-96	45.0	FY97	45.0				45.0
KENYA	SAC I SUPPLEMENT			Jun-96	36.8				FIFTH	Jun-96	36.8						36.8
KENYA	FY97 FIFTH DIMENSION			TBD	(23.3)				FIFTH		23.3						
KENYA Total					169.0	42.2	201.3									42.0	123.8
MADAGASCAR	SAC I		Jul-96	Oct-96	(70.0)				IDA11								
MADAGASCAR	FY97 FIFTH DIMENSION			TBD	(0.5)				FIFTH	Jul-96	0.5						
MADAGASCAR Total																	
MALAWI	ENTREPRENEURSHIP/CAPACITY			Jun-92			120.0	2396-0	IDA9	Jul-92	80.0	Sep-93	40.0				
MALAWI	ENTREPRENEURSHIP/CAPACITY SUPP			Jan-94	4.3	4.3		2396-2	FIFTH	Mar-94	1.3					1.3	1.3
MALAWI	ENT/CAP (DROUGHT EMERGENCY)			Nov-94	40.0	40.0		2396-3	IDA10	Nov-94	40.0					40.0	40.0
MALAWI	ENTREPRENEURSHIP/CAPACITY SUPP			Dec-94	4.6	4.6		2396-4	FIFTH	Mar-95	4.6					4.6	4.6
MALAWI	FISCAL RESTRUCTURING & DEREGULATION PRO			Apr-96	102.0			2853-0	IDA10	May-96	70.0	FLOATING	30.2				70.0
MALAWI	FRDP SUPPLEMENT			Apr-96	4.4			2853-1	FIFTH	Apr-96	4.4						4.4
MALAWI	FY97 FIFTH DIMENSION			TBD	(3.0)				FIFTH	TBD	3.0						
MALAWI Total					155.3	48.9	120.0									45.9	120.3

* Hybrid operations, of which amts. indicated pertain only to quick disbursing component.
a/ With remaining tranches in SPA-3 period.

IDA ADJUSTMENT OPERATIONS
(IDA-10 Commitments and Releases of Funds as of December 1995)

(IN US$ MILLIONS)

IDA ADJUSTMENT LENDING					AMOUNT			IDA		TRANCHE RELEASES						SPA-3	
NB: For the purpose of biannual reporting, credits approved in 3-yr period from July 1994 thru June 1996 will be counted as IDA's contribution to SPA-3.					SPA-3		SPA 1&2 /a	CREDIT		First		Second		Third		Disbursements (Funds Released)	
ELIGIBLE COUNTRY	OPERATION	HYBRID	PLANNED APPRAISAL	BOARD APPROVAL	ALLOCATED	COMMITTED	COMMITMENT	NUMBER	SOURCE	DATE	AMT.	DATE	AMT.	DATE	AMT.	Actual @ 12/95	Total FY 94-96
MALI	SAL I			Dec-90			66.0	2188-0	IDA9	Mar-91	22.0	Dec-92	22.0	Jan-94	22.0		
MALI	ECONOMIC RECOVERY			Mar-94	25.0	25.0		2580-0	IDA10	May-94	25.0					25.0	25.0
MALI	EDUCATION SECTOR			Jan-95	50.0	50.0		2673-0	IDA10	Feb-95	30.0	Apr-96	20.0			30.0	50.0
MALI	ECONOMIC MANAGEMENT			Jun-96	60.0				IDA10	Sep-96	20.0	Sep-97	20.0	Sep-98	20.0		
MALI Total					135.0	75.0	66.0									55.0	75.0
MAURITANIA	AGRIC SECTOR	*		Feb-90			18.0	2093-0	IDA8	Apr-90	9.0	May-94	9.0				
MAURITANIA	PUBLIC ENTERPRISE SECTOR			Jun-90			40.0	2166-0	IDA8	Aug-90	18.0	Jan-93	12.0	Jan-94	10.0		
MAURITANIA	PUBLIC ENTERPRISE SECTOR SUPPL			Jan-94	1.3	1.3		2166-4	FIFTH	Jun-94	1.3					1.3	1.3
MAURITANIA	PRIVATE SECTOR DEV.			May-95	30.0			2726-0	IDA10	Jul-95	15.0	May-96	7.5	May-97	7.5	15.0	22.5
MAURITANIA	PRIVATE SECTOR DEV.SUPPLEMENT			Dec-95	0.8	0.8		2726-1	FIFTH	May-96	0.8						0.8
MAURITANIA	PUBLIC RESOURCE MGT.			Jun-96	14.0				IDA10	FY97	2.0	FY97	3.0	FY98	3.0		
MAURITANIA	FY97 FIFTH DIMENSION			TBD	(0.5)				TBD	Sep-96	0.5						
MAURITANIA Total					46.1	2.1	58.0									16.3	24.6
MOZAMBIQUE	ECONOMIC RECOVERY	*		Jun-92			175.0	2384-0	IDA9	Aug-92	87.5	Sep-93	87.5				
MOZAMBIQUE	SECOND ECONOMIC RECOVERY			Jun-94	200.0	200.0		2628-0	IDA10	Sep-94	80.0	Jul-95	60.0	Feb-96	60.0	140.0	200.0
MOZAMBIQUE	THIRD ECONOMIC RECOVERY		Jun-96	Nov-96	(100.0)				IDA11								
MOZAMBIQUE Total					200.0	200.0	175.0									140.0	200.0

* Hybrid operations, of which amts. indicated pertain only to quick disbursing component.
a/ With remaining tranches in SPA-3 period.

IDA ADJUSTMENT OPERATIONS
(IDA-10 Commitments and Releases of Funds as of December 1995)

(IN US$ MILLIONS)

IDA ADJUSTMENT LENDING					AMOUNT			IDA		TRANCHE RELEASES						SPA-3	
NB: For the purpose of biannual reporting, credits approved in 3-yr period from July 1994 thru June 1996 will be counted as IDA's contribution to SPA-3.					SPA-3		SPA 1&2 /a	CREDIT		First		Second		Third		Disbursements (Funds Released)	
ELIGIBLE COUNTRY	OPERATION	HYBRID	PLANNED APPRAISAL	BOARD APPROVAL	ALLO-CATED	COM-MITTED	COMMIT-MENT	NUMBER	SOURCE	DATE	AMT.	DATE	AMT.	DATE	AMT.	Actual @ 12/95	Total FY 94-96
NIGER	ECONOMIC REHABILITATION			Mar-94	25.0	25.0		2581-0	IDA10	May-94	25.0					25.0	25.0
NIGER	EDUCATION III	*		May-94	18.2	18.2		2618-0	IDA10	Sep-95	7.6	TBD	10.6			7.6	7.6
NIGER	SAC II		Jun-96	Dec-96	(60.0)				IDA11								
NIGER Total					43.2	43.2										32.6	32.6
RWANDA	NIL																
RWANDA Total																	
SAO TOME & PRINCIP	SAL II			Jun-90			10.0	2165-0	IDA8	Sep-91	3.0	Nov-92	4.0	Jan-96	3.0		
SAO TOME & PRINCIPE Total							10.0										
SENEGAL	TRANSPORT SECTOR	*		Jun-91			8.0	2266-0	IDA9	Feb-92	2.0	CANCELLED		Nov-95	6.0		
SENEGAL	ECONOMIC RECOVERY			Mar-94	25.0	25.0		2582-0	IDA10	Apr-94	25.0					25.0	25.0
SENEGAL	ECONOMIC RECOVERY SUPPLEMENT			Dec-94	3.2	3.2		2582-1	FIFTH	Dec-94	3.2					3.2	3.2
SENEGAL	PSD & COMPETITIVENESS			Feb-95	40.0	40.0		2681-0	IDA10	Feb-95	30.0	Feb-96	10.0			30.0	40.0
SENEGAL	AGRIC SECTOR			May-95	45.0	45.0		2738-0	IDA10	Sep-95	25.0	Sep-96	20.0			25.0	25.0
SENEGAL	AGRIC SECTOR SUPPLEMENT			Dec-95	2.8	2.8		2738-1	FIFTH	Dec-95	2.8					2.8	2.8
SENEGAL	FY97 FIFTH DIMENSION			TBD	(2.3)				FIFTH	TBD	2.3						
SENEGAL Total					116.0	116.0	8.0									86.0	96.0

* Hybrid operations, of which amts. indicated pertain only to quick disbursing component.
a/ With remaining tranches in SPA-3 period.

IDA ADJUSTMENT OPERATIONS
(IDA-10 Commitments and Releases of Funds as of December 1995)

(IN US$ MILLIONS)

IDA ADJUSTMENT LENDING					AMOUNT			IDA		TRANCHE RELEASES						SPA-3	
NB: For the purpose of biannual reporting, credits approved in 3-yr period from July 1994 thru June 1996 will be counted as IDA's contribution to SPA-3.					SPA-3		SPA 1&2 /a	CREDIT		First		Second		Third		Disbursements (Funds Released)	
ELIGIBLE COUNTRY	OPERATION	HYBRID	PLANNED APPRAISAL	BOARD APPROVAL	ALLO-CATED	COM-MITTED	COMMIT-MENT	NUMBER	SOURCE	DATE	AMT.	DATE	AMT.	DATE	AMT.	Actual @ 12/95	Total FY 94-96
SIERRA LEONE	SAC I			Oct-93	50.0			2546-0	IDA10	Oct-93	20.0	Feb-95	15.0	Mar-96	15.0	35.0	50.0
SIERRA LEONE	SAC I SUPPLEMENT			Jan-94	0.2	0.2		2546-1	FIFTH	Mar-94	0.2					0.2	0.2
SIERRA LEONE	SAC I SUPPLEMENT			Dec-94	0.3			2546-2	FIFTH	May-95	0.3					0.3	0.3
SIERRA LEONE	SAC I SUPPLEMENT			Dec-95	0.3			2546-3	FIFTH	Dec-95	0.3					0.3	0.3
SIERRA LEONE	FY97 FIFTH DIMENSION			TBD	(0.2)				FIFTH	TBD	0.2						
SIERRA LEONE Total					50.8	0.2										35.8	50.8
TANZANIA	FIN SECTOR RESTRUCTURING			Nov-91			200.0	2308-0	IDA9	Nov-91	100.0	Jul-93	100.0				
TANZANIA	FIN SECTOR RESTRUCTURING SUPPL			Dec-92			11.3	2308-1	FIFTH	Jul-93	11.3						
TANZANIA	SAC I		Jul-96	Nov-96	(100.0)				IDA11								
TANZANIA	FY97 FIFTH DIMENSION			TBD	(3.5)				FIFTH	TBD	3.5						
TANZANIA Total							211.3										
TOGO	SAL IV			Dec-90			40.0	2194-0	IDA9	Feb-90	25.0	Jul-94	15.0				
TOGO	HEALTH POPULATION			Feb-91			14.2	2211-0	IDA9	Apr-92	4.0	May-94	4.0	Nov-95	4.0	($2.2m 4th tr96)	
TOGO	ERAC			Apr-96	50.0	50.0		2849-0	IDA10	Jun-96	30.0	Jun-97	20.0				30.0
TOGO Total					50.0	50.0	54.2										30.0

* Hybrid operations, of which amts. indicated pertain only to quick disbursing component.
a/ With remaining tranches in SPA-3 period.

IDA ADJUSTMENT OPERATIONS
(IDA-10 Commitments and Releases of Funds as of December 1995)

(IN US$ MILLIONS)

IDA ADJUSTMENT LENDING					AMOUNT			IDA		TRANCHE RELEASES						SPA-3	
NB: For the purpose of biannual reporting, credits approved in 3-yr period from July 1994 thru June 1996 will be counted as IDA's contribution to SPA-3.					SPA-3		SPA 1&2 /a	CREDIT		First		Second		Third		Disbursements (Funds Released)	
ELIGIBLE COUNTRY	OPERATION	HYBRID	PLANNED APPRAISAL	BOARD APPROVAL	ALLO-CATED	COM-MITTED	COMMIT-MENT	NUMBER	SOURCE	DATE	AMT.	DATE	AMT.	DATE	AMT.	Actual @ 12/95	Total FY 94-96
UGANDA	AGRIC.SECTOR ADJ.			Dec-90			100.0	2190-1	IDA9	Jan-91	50.0	Jun-93	50.0				
UGANDA	FINANCIAL SECTOR			May-93			100.0	2496-0	IDA9	Jun-93	50.0	Sep-96	50.0				
UGANDA	FINANCIAL SECTOR SUPPLEMENT			Jan-94	1.1	1.1		2496-1	FIFTH	Aug-94	1.1					1.1	1.1
UGANDA	SAC II			May-94	80.0	80.0		2608-0	IDA10	Nov-94	40.0	Dec-95	40.0			80.0	80.0
UGANDA	SAC II SUPPLEMENT			Dec-94	0.6	0.6		2608-1	FIFTH	Jun-95	0.6					0.6	0.6
UGANDA	SAC III		Jun-96	Dec-96	(100.0)				IDA11								
UGANDA Total					81.7	81.7	200.0									81.7	81.7
ZAMBIA	PIRC I			Jun-92			200.0	2405-0	IDA9	Jul-92	100.0	Mar-93	50.0	Dec-93	50.0		
ZAMBIA	PIRC I SUPPLEMENT			Dec-92			20.9	2405-1	FIFTH	Jun-93	20.9						
ZAMBIA	PIRC II			Jun-93			100.0	2523-0	IDA9	Dec-93	40.0	Sep-94	30.0	Jul-95	30.0		
ZAMBIA	PIRC I SUPPLEMENT			Jan-94	16.8	16.8		2405-2	FIFTH	Mar-94	16.8					16.8	16.8
ZAMBIA	ECONOMIC & SOCIAL REFORM			Mar-94	150.0	150.0		2577-0	IDA10	May-94	75.0	Jan-95	75.0			150.0	150.0
ZAMBIA	ECON & SOCIAL REFORM SUPP			Dec-94	13.7	13.7		2577-1	FIFTH	Aug-95	13.7					13.7	13.7
ZAMBIA	ECN RECOVERY & INVESTMENT			Jul-95	140.0	140.0		2764-0	IDA10	Oct-95	70.0	Dec-95	70.0			140.0	140.0
ZAMBIA	ECN RECOVERY & INVESTMENT SUPPLEMENT			Dec-95	12.1	12.1		2764-1	FIFTH	Dec-95	12.1					12.1	12.1
ZAMBIA	ECONOMIC & SOCIAL ADJUSTMENT II			Jun-96	90.0				IDA10	Jun-96	45.0	Dec-96	45.0				45.0
ZAMBIA	FY97 FIFTH DIMENSION			TBD	(6.9)				FIFTH	TBD	6.9						
ZAMBIA Total					422.6	332.6	320.9									332.6	377.6
Grand Total					3,094.8	2,556.4	2,126.7									1,918.6	2,533.5

* Hybrid operations, of which amts. indicated pertain only to quick disbursing component.
a/ With remaining tranches in SPA-3 period.

SPA DONOR ADJUSTMENT FINANCING

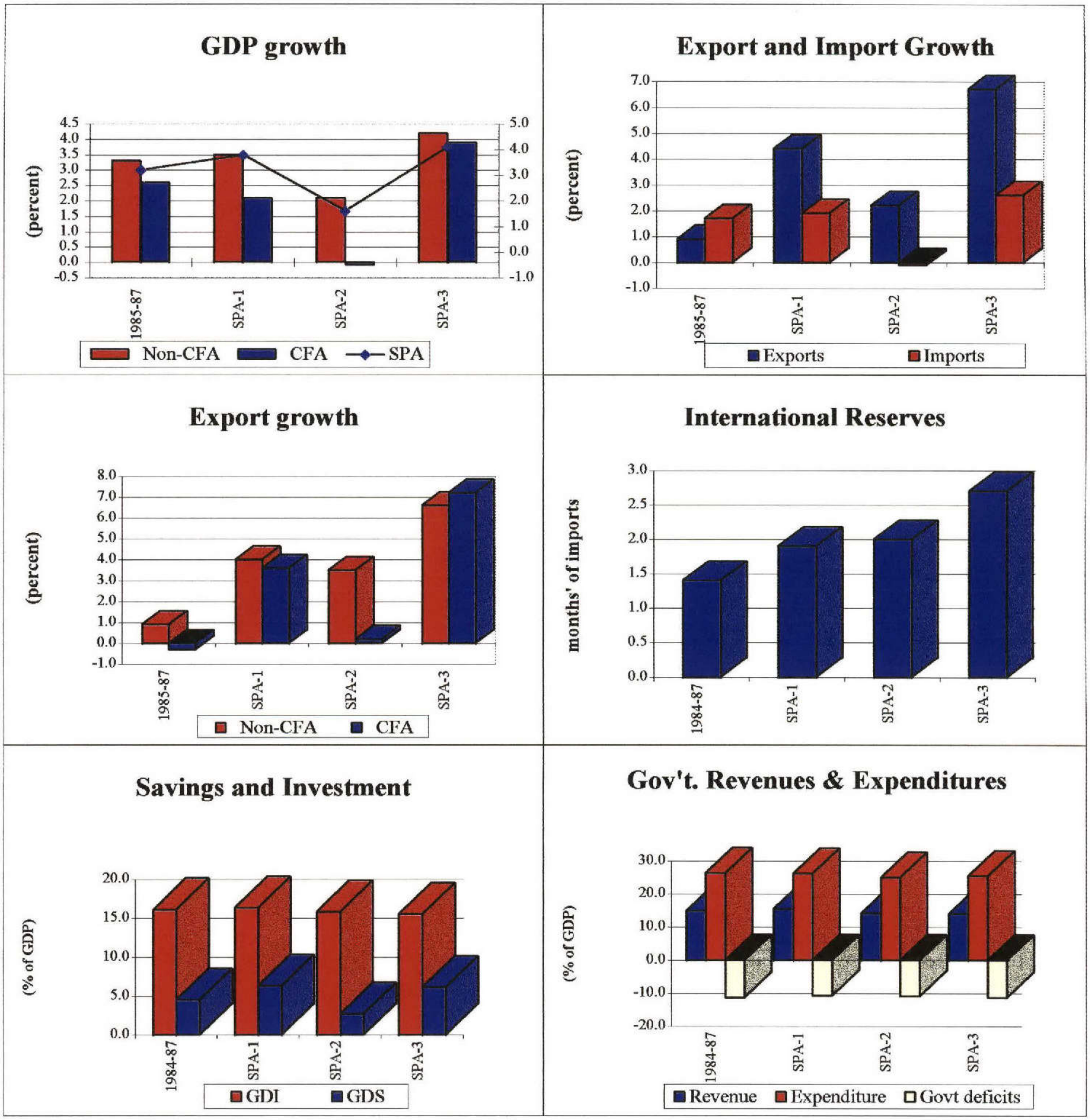
(US$ Million Equivalent)

DONORS /a	SPA1	SPA2	SPA3 Estimate	Total 3-phases	Share % of Total
JAPAN	727	929	1,200	2,856	16.2
EC	606	757	1,157	2,520	14.3
FRANCE	730	444	1,200	2,374	13.5
AfDF	509	700	700	1,909	10.8
USA	401	506	450	1,357	7.7
UK	446	354	449	1,249	7.1
SWEDEN	417	301	316	1,034	5.9
NETHERLANDS	353	320	326	999	5.7
GERMANY	335	311	215	861	4.9
CANADA	241	228	160	629	3.6
NORWAY	222	178	130	530	3.0
SWITZERLAND	134	133	160	427	2.4
DENMARK	129	65	90	284	1.6
ITALY	186	57		243	1.4
FINLAND	107	14	15	136	0.8
BELGIUM	31	36	42	109	0.6
PORTUGAL			65	65	0.4
KUWAIT FUND		20		20	0.1
SPAIN	20			20	0.1
Total	5,594	5,353	6,675	17,622	100.0

a / Portugal joined during SPA-3; Spain withdrew after SPA-1; and Kuwait Fund joined only SPA-2.

5/22/96

Economic Performance of SPA Countries, 1984-1996

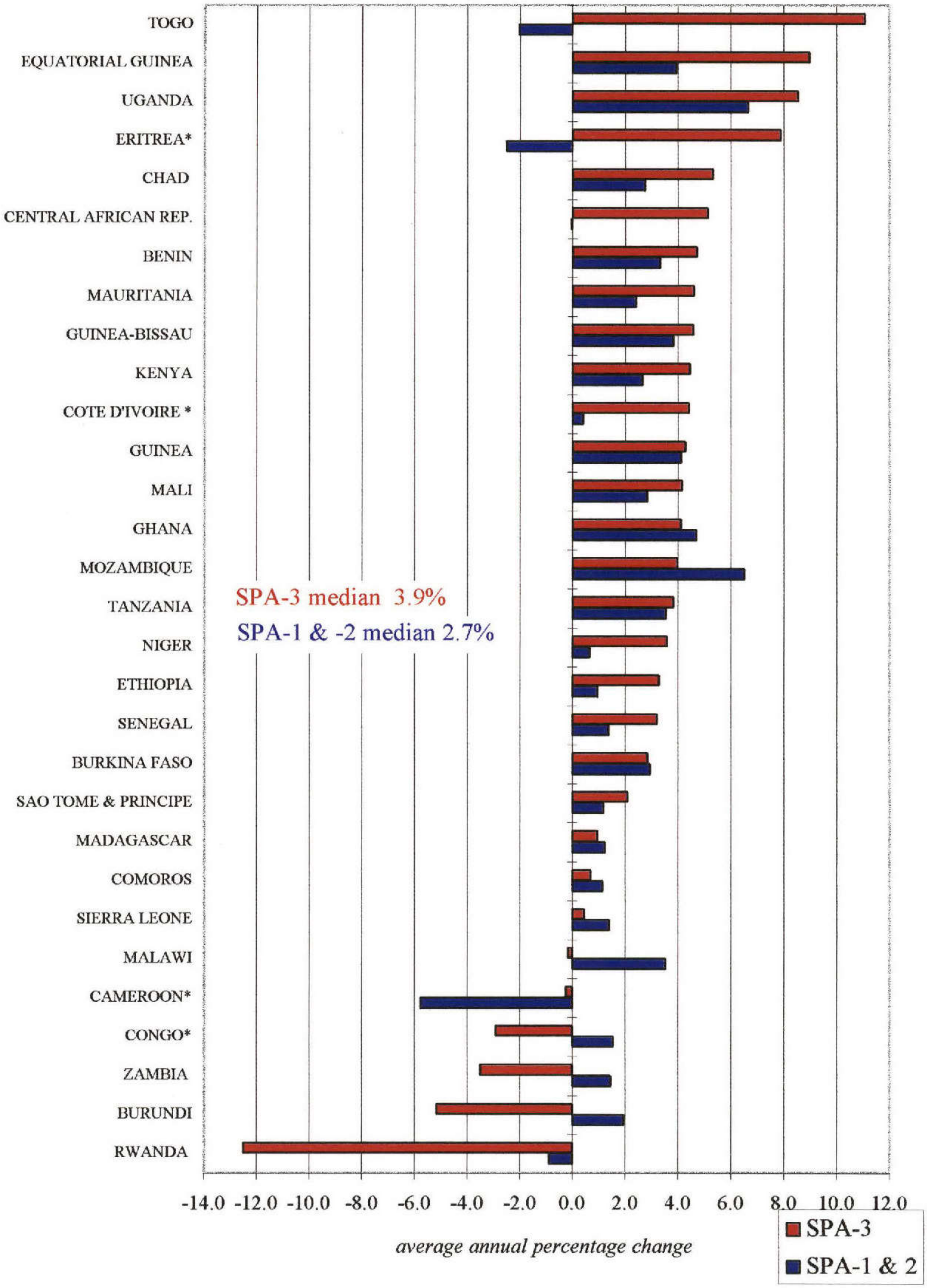


Note: Data are in medians. Figures for SPA-1 (1988-90) and SPA-2 (1991-93) are actuals. Figures for SPA-3 (1994-96) include projections for 1996.

CFA refers to SPA countries that are part of the CFA Franc Zone.

GDP Growth of SPA Countries

is accelerating in SPA-3 (1994-95, in red) from SPA-1 and -2 (1988-93, in blue)...



Note: Countries are ranked by SPA-3 performance; countries with "*" became SPA-eligible in 1994.

Japan

Contribution

Japan is the largest donor, providing more than 16% of the total. The share has been steadily increasing--\$727m or 13% for SPA-1, \$929m or 17% for SPA-2, and \$1,200 m or 18% (pledges) for SPA-3. The Japanese contribution consists of fully untied non-project grants administered by the Ministry of Foreign Affairs (MOFA) and fully untied concessional loans in cofinancing of IDA adjustment operations, of which level has been equal to the respective IDA funding.

Eligible Countries Supported:

OECF Loans: Ghana, Malawi, Mali, Mauritania, Benin, Togo
MOFA non-project grants: Almost all on-track countries.

Issues

Japan has been suffering from SPA-fatigue, and it is necessary to re-energize their support for balance of payment support for Africa and the SPA partnership. In March 1996, Japan announced its difficulty and indicated that only annual allocations (instead of 3-year pledges) would be possible for SPA-4. This is a bold statement of general difficulties for Japan. Politically it is becoming more difficult to continue to justify non-project type funding for Africa, which they have done for more than 10 years.

The debt issue affects the pace and size of the flow of new money in the form of OECF loans to Africa. Japan holds firmly to the principle that no new money is provided to recipients who opt for debt reductions. As a result, only a handful of SPA eligible countries receive OECF loans, as shown above, under the framework of SPA-3. The proposal of the Bank/IMF multilateral debt facility is beginning to further impact the flow of new money. Furthermore, the total amount of MOFA non-project grants for Africa is also declining, mainly because "structural adjustment" is not appreciated by Japanese ambassadors to Africa, and because of difficulties in collecting counter-part fund in Africa.

It is likely the Japanese could scale down their SPA-3 contributions.

SPA Representation

A high-level official of the International Finance Bureau, Ministry of Finance heads the delegation--usually, Director of the Development Finance Division. For extra-ordinary occasions such as pledging, the Deputy Director-General (or IDA deputy) or the Executive Director becomes the delegation head. MOFA also sends officials to SPA meetings, one from the Economic Cooperation Bureau, and another from Africa Bureau. The non-ministerial attendees include OECF's director of African Operations and local (Washington or Paris) representatives, and representatives of JICA and JEXIM as observers.

European Commission (of the EU)

Contribution

EC is the second largest donor, and pledged Ecu 1 billion for both SPA-3. Its overall share is 14.3%. Under SPA-3, all SPA eligible countries except Rwanda are receiving adjustment assistance from the EC, which is broadly untied - its members and ACP countries are eligible sources.

Positions/Issues

Since SPA's inception, the EC has been very supportive. A new division was established in the Commission in 1988 to provide adjustment assistance headed by Mr. Bernard Petit, who also became EC representative to the SPA meetings.

EC chaired the SPA Working Group which provided guidelines for improving counterpart funds management and co-chairs the current Working Group on Economic Reform in the Context of Political Liberalization.

EC was particularly active with regard to calling for changes in the structure of adjustment operations so as to generate a higher impact and more flexibility by better sequencing of conditions. EC also supports greater focus on the performance of public expenditure programs as a basis for donor assistance.

SPA Representation

For the first eight years, Mr. Bernard Petit, Chief Economic Adviser and Head of the Department for Programming, Aid Coordination and Structural Adjustment in the Development Directorate of the Commission was the EC representative. He was one of the pillars of the SPA partnership. Now the EC is represented by Mr. Jean-Louis Lacube, Administrator Principal, Appui au Politique d'adjustement Structurel.

France

Contributions

- During SPA-1 and SPA-2, France contributed an average of US $570 million. For SPA-3, France increased its pledge significantly to about US $1.2 billion concomitant with Cote d'Ivoire, Cameroon, and Congo becoming SPA eligible countries and the devaluation of CFA franc. France is the third largest SPA donor, accounting for 13.5% of donor adjustment financing. Under SPA-3, France is providing adjustment assistance to 13 French speaking African countries plus Mozambique. Cote d'Ivoire, and the Cameroons receive above half of France's adjustment assistance.

- French aid is not used to finance imports in the CFA franc countries, but is in effect a cash transfer. France and the countries agree on the allocation of the CFA franc counterpart funds generated by the cash transfers.

Positions/Issues

- France maintains its conservative position - that is, SPA should stick to its basic mandate of providing balance of payments support of adjustment programs. France opposes any efforts to expand SPA's mandate to mobilize project assistance; however, they appear supportive of sector investment programs.

SPA Representation

France has recently been represented by the Ministry of Economy/Finance (Trésor) either by Mr. Bertrand de Mazierès, Sous-Directeur, Endettement et Developpement or Mr. Bruno Deletré, Chef du Bureau, Afrique Zone Franc. These Treasury representatives are very much concerned with SPA's position on debt issues and are basically more interested in financial/stabilization issues rather than developmental issues. France, as well as Japan (Ministry of Finance), objects to discussions of bilateral debt issues outside of the Paris Club.

African Development Bank (AfDF)

Contribution

We count only the contributions by the African Development Fund (AfDF). The size of previous contributions were approximately $700 million for 3 years, or approximately 11% of the total. However, due to the difficulty in AfDF replenishment, less than 20% has been disbursed, made possible largely by reallocations. Now that the replenishment has been approved, there could be further movement.

Positions/Issues

SPA provided a framework for AfDF to support policy reform programs in sub-Saharan Africa which its non-regional shareholders felt were badly needed. However, more coordination and dialogue would be desirable in cofinancing of adjustment operations.

SPA Representation

For many years, the AfDF representative was Mr. Cheik I. Fall, Director, Country Programmes Department, Southern Region. Mr. Fall participated actively and was supportive of SPA objectives and its efforts to improve donor coordination. Since then, the representation has not been consistent but the constructive AfDB role does continue.

U.S.A.

Contributions

- U.S. contribution averaged about $450 million during each of the three SPA periods and accounts for about 8% of the total adjustment financing. U.S. adjustment financing is untied; under SPA-3, provided to 15 countries -- the five largest recipients include Malawi, Ethiopia, Ghana, Senegal, and Benin.

- U.S. is now facing major cuts in its foreign aid appropriations.

Positions/Issues

- Strong supporter of SPA as an effective aid coordination mechanism.

- Major interest in promoting political as well as economic liberalization.

- Supports more flexibility in adjustment programs to get higher impact, to redress poverty and gender problems without compromising need to sustain macro-economic stability.

SPA Representation

- Ms. Carol Peasley, Deputy Assistant Administrator for Africa AID. She is an experienced professional, with field experience. She also serves as co-chair with the EU on the Working Group on Economic Reform in the Context of Political Liberalization.

U.K.

Contributions

- U.K. contribution has remained constant around 300 million pounds during SPA-1 through SPA-3, and accounts for about 7% of total adjustment financing. UK adjustment assistance is untied and under SPA-3 is concentrated on Zambia, Uganda, Malawi, Mozambique, Tanzania, and Ethiopia.

- U.K. is a strong advocate for further concessional debt relief.

Positions/Issues

- Since the inception of SPA, U.K. has been one of the intellectual leaders of the SPA partnership in promoting new ideas.

- From the beginning, U.K. pushed for improving the quality of quick-disbursing assistance and chaired the Working Group which developed the Guidelines on Improving Import Support Programs.

- U.K. was the first donor to call for broadening the rationale for quick-disbursing assistance to cover fiscal as well as balance of payment gaps and to advocate that the country's performance in its public expenditure program, including both investment and recurring budgets, should be the key focus for donor assistance. U.K. is pursuing this approach in Zambia and Uganda.

SPA Representation

Mr. Barrie R. Ireton, Under Secretary for Africa, ODA - worthy successor to Barrie Hudson and Bob Aiskow. Mr. Ireton is articulate and well prepared on all of the major objectives outlined for SPA-4. At this meeting, the new head of delegation will be Peter Freeman.

Sweden

Contribution

- Sweden's contribution dropped by some 15% between SPA-2 and SPA-3 because of budget cuts. Overall, Sweden provided about 6% of total adjustment financing. Sweden's assistance is untied and under SPA-3, five countries: Ethiopia, Zambia, Uganda, Tanzania, and Mozambique received Swedish adjustment financing. Sweden since the inception of SPA has called for more concessional debt relief and was instrumental in establishing the so-called Fifth Dimension (support to service IBRD debt). Sweden has also contributed to the Sixth Dimension -- commercial debt buy-backs.

Positions/Issues

- Sweden is very supportive on poverty reduction and gender issues, and participates actively in the SPA Working Groups on these issues.

- Sweden is also supportive on giving more emphasis to public expenditure planning and budgeting and providing assistance for sector programs.

SPA Representation

Until recently, Ms. Inga Bjork-Klevby, Assistant Under-Secretary, Department for International Development Cooperation, Ministry of Foreign Affairs, represented Sweden and she was a very strong supporter of SPA. She has been replaced by Ambassador Jan Cedergren who has the exact same position and title as Ms. Bjork-Klevby. Cedergren participated in the very first SPA meetings -- he is more reserved and more of the "you've got to convince me" type.

Netherlands

Contribution

Netherlands' contribution to SPA-3 was approximately US $350 million, down from an SPA-2 contribution of US $465 million. However, under SPA-3, Netherlands untied fully its assistance. Overall, the Netherlands contributions amount to about 6% of total adjustment financing. Under SPA-3 eleven countries received Dutch adjustment assistance - the four largest recipients are Ethiopia, Uganda, Mozambique and Zambia. The Netherlands has also financed the Fifth and Sixth Dimensions - that is servicing of IBRD loans, and commercial debt buy-backs operations.

Positions/Issues

The Netherlands has been a constant, solid supporter of SPA, including SPA efforts to expand the development aspects of adjustment programs to address poverty and gender issues.

SPA Representation

Dr. Bernard S.M. Berendsen, Director for Development Cooperation with Africa and Middle East, Ministry of Foreign Affairs is the Dutch representative.

Germany

Contribution

- The German contribution averaged about DM 425 million for SPA-1 and SPA-2 but is down to DM 350 for SPA-3. Germany's SPA assistance is provided by KfW and is untied and amounts to about 5% of total SPA adjustment financing. Under SPA-3, nine countries benefit from Germany's adjustment financing - the largest recipients include: Zambia, Malawi, Cote d'Ivoire, and Ghana.

The reduction in Germany's contribution to SPA-3 was explained as largely due to severe budget constraints as a result of the unification. Furthermore, like other European bilateral donors, more and more aid resources from Germany are channeled through the E.U.

Positions/Issues

Germany generally gives its assent to SPA objectives without any real enthusiasm or support. In providing its import financing, which is managed by KFW, not much effort has been made to liberalize its procedures and although German aid is untied it still uses procurement procedures designed for investment projects! Germany prefers providing project financing and technical assistance over balance of payments support.

SPA Representation

Since the beginning of SPA in 1988 and up to recently - Dr. Herbert Linhart represented Germany and was an active supporter. The new representative is Dr. Rainer Barthelt, Regional Director for sub-Saharan Africa, Federal Ministry for Economic Cooperation. Usually, KfW and GTZ also send participants.

Canada

Contribution

Canada's contribution to SPA-3 was cut sharply from Canadian $360 million in SPA-2 to Canadian $220 million because of major cuts in its foreign aid budget. The prospects for Canada's pledge for SPA-4 therefore, are not too encouraging. Overall, Canada has provided about 3.6% of total SPA adjustment financing. Under SPA-3, some eight countries receive Canada's adjustment assistance. The biggest recipients by far are Ghana and Mozambique, followed by Malawi and Zambia. About half of Canada's adjustment assistance is tied.

Positions/Issues

Canada has been among one of the most outspoken SPA donors on the need to expand the developmental impact of adjustment operations to help address gender issues.

Canada supports more flexibility in the design of adjustment programs and the use of quick disbursing assistance in support of fiscal gaps arising when major policy or structural reforms are implemented.

SPA Representation

Canada is represented by Ms. Carolyn McAskie, Vice President, Africa and Middle East, CIDA. She is very articulate, experienced, and has made many positive contributions to the SPA meetings.

Norway

Contribution

Norway's contribution, which averaged US $220 million during SPA-1 and SPA-2, fell by about 25% to US $165 million for SPA-3. Given Norway's history as one of the best ODA performers, these figures indicate that even Norway is experiencing serious cuts in its foreign aid budget. Overall, Norway's SPA contributions amount to about 3% of total adjustment financing. Under SPA-3, eight countries are receiving Norway's adjustment financing, which is untied, with Zambia by far the largest recipient, followed by Uganda and Tanzania. Norway is providing Fifth Dimension assistance and has enabled Uganda to pay off its IBRD loans.

Positions/Issues

Norway from the outset of SPA has been one of its strongest advocates. It has pushed for improving the quality of donor adjustment assistance and liberalizing donor procedures and is an active participant in SPA Working Groups.

Norway has also been very active in expanding the scope of adjustment programs into a broader development context including poverty reduction, gender issues, etc.

Norway is also supportive of strengthening country's public expenditure programs and utilizing sector investment programs.

Norway is often concerned over slow disbursements of its funds administered by the Bank.

SPA Representation

For the first seven or eight years of SPA's existence, Mr. Helge Semb represented Norway and was extremely active and supportive of SPA. Now Norway is represented by Ms. Aud Kolberg, Assistant Director-General, Department of Multilateral Development Cooperation, Royal Ministry of Foreign Affairs.

Switzerland

Contributions

- Swiss contributions have averaged about SF 200 million for each of the three SPA's. Overall, Switzerland has provided about 2.4% of total SPA adjustment financing. Switzerland is providing adjustment assistance to thirteen countries - the largest recipients are Mozambique, Benin, Burkina Faso, Ethiopia and Cameroon.

- Their adjustment assistance is delivered with typical Swiss efficiency - untied grants, well focused and timely.

- Switzerland as a strong advocate for further concessional debt relief and has supported both the Fifth and Sixth Dimensions.

Positions/Issues

- Swiss are calling for an independent evaluation of adjustment programs in sub-Saharan Africa.

- They, like U.K., recognize that given the progress in flexible exchange rates and higher foreign exchange reserves, donor funding should focus less on external imbalances and more on the fiscal gap, -- i.e., budget deficits resulting from implementing adjustment programs.

- Swiss want adjustment assistance to be more performance oriented.

- They support sector lending, and led other donors, including the Bank, to help Government prepare Mozambique Health Sector Program, and a few other operations.

SPA Representation

Switzerland is represented by both the Swiss Development Cooperation, their aid agency, and by the Federal Office for Foreign Economic Affairs.

Ms. Kathryn Imboden of the Swiss Development Cooperation often attends. She has participated in SPA since its establishment and is a very strong supporter. Mr. Matthias Meyer, Chief and Deputy Director, Development Division of the Federal Office has also attended many SPA plenary meetings. He is an ex-Bank employee and is very knowledgeable.

Denmark

Contribution

Denmark is a relatively small donor - its SPA-3 pledge is US $90 million, slightly higher than its SPA-2 contribution of about $75 million. Overall, Denmark has provided 1.6% of the total adjustment financing mobilized during the three SPA periods. Under SPA-3, the two major beneficiaries of Danish adjustment assistance are Eritrea and Mozambique. Part of Danish adjustment assistance is tied. Denmark is providing Fifth Dimension assistance

Positions/Issues

Denmark has been supportive of SPA policies and objectives since its inception. Denmark's support is steady -- no frills. Denmark, as all members of the Nordic Group supports the Nordic position on most issues, such as emphasis on gender, poverty, and environment.

SPA Representation

Mr. Ole Molgaard Andersen, Chief Advisor, Development Economics, Ministry of Foreign Affairs is the current representative.

Italy

Contributions

Under SPA-1 and SPA-2, Italy contributed the equivalent of US $240 million in adjustment financing. The major recipients were Ethiopia, Somalia (when it was still a SPA-eligible country), Mozambique, Senegal, Kenya and Tanzania. For SPA-3, Italy made no pledge. In October 1995, Italy indicated that it had earmarked US $27.5 million for Eritrea. However, we need to clarify if this is non-project assistance and qualifies for inclusion under SPA adjustment financing. Italian adjustment assistance is tied.

Italy represents a major problem for SPA because from the outset, the Bank established the ground rules that to be a member of SPA, a donor had to provide bop financing. Except for the assistance to Eritrea, which may not fully qualify as adjustment assistance, Italy has not provided any resources for SPA-3. The Italians' "excuse" is their recurrent Government crisis.

We need to communicate to Italy that if they do not contribute to SPA-4 they run the risk of being "excommunicated" from SPA. We cannot allow the Italians to go six years without providing any financial support to SPA.

Positions/Issues

Italy has generally supported SPA objectives and initiatives.

SPA Representation

Minister Alessio Carissimo, Directorate General for Development Cooperation, Ministry of Foreign Affairs. Carissimo always explains Italy's difficulties in providing resources for SPA and expresses hope that the situation will improve, but nothing or very little happens.

Finland

Contribution

Finland is one of the smaller contributors, providing less than 1% of total adjustment financing and pledged US $18 million for SPA-3. Under SPA-1, Finland provided about $100 million in adjustment financing. However, with the fall of the Soviet Union, Finland's major trading partner - the Finnish economy went into a deep recession and their foreign aid budget was severely curtailed. Under SPA-3, three countries - Tanzania, Mozambique and Zambia received Finnish adjustment assistance which is untied. Finland also provides small amounts of assistance under the Fifth Dimension.

Positions/Issues

Finland is supportive of SPA objectives and its role as an aid coordination partnership.

SPA Representation

Finnish Representative is usually Mr. Jorma Paukku, Deputy Director, General Bilateral Functions - FINNIDA is one of the long-standing participants in SPA meetings. He likes to make a great deal of interventions - somewhat circuitous in content but in the end supportive of SPA objectives.

Belgium

Contribution

Belgium's contribution has averaged about US $40-50 million for each of the three SPA's and amounts to less than 1% of total adjustment financing. Under SPA-1 and SPA-2, their SPA financing was concentrated in Zaire, Rwanda, and Burundi. However, Zaire became ineligible and with the civil war in Rwanda, Belgium changed its country coverage. Under SPA-3, coverage included: Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger, and Senegal, plus Ethiopia and Eritrea; small amounts $5 to $6 million in adjustment assistance is provided to each of these countries. Half of Belgium's adjustment assistance is untied.

Positions/Issues

Belgium almost always calls for setting higher performance standards in allocating adjustment assistance, and is fairly conservative in terms of expanding SPA's mandate beyond providing quick-disbursing assistance in support of adjustment operations.

SPA Representation

Belgium representation is not constant. Mr. Dany Ghekerie, Head of Cooperation for World Bank Group/European Union, Ministry of Foreign Affairs, has attended recent meetings.

Portugal

Contribution

Portugal joined during the SPA-3 period and pledged about US $60 million for three Lusophone countries - Guinea Bissau, Mozambique, and Sao Tome.

Positions/Issues

Portugal is enthusiastic in supporting SPA and seems to be proud to be a member.

SPA Representation

Mrs. Grace Montalvao, Director of International Cooperation, Services, Directorate General of the Treasury. Ms. Cordeiro, Alternate ED, is also a regular participant.

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: May 29, 1996

TO: James D. Wolfensohn, President

THROUGH: Gautam Kaji, EXC

FROM: Callisto Madavo, AFRVP

EXTENSION: 82856

SUBJECT: **Your Speech to the SPA Donors' Meeting, Wednesday, June 5, 9:00 - 10:00, Room JB1-080**

You will address the opening session of the SPA meeting, representing the major multilateral and bilateral donors to Africa. The SPA meets semiannually. This plenary meeting, to develop an agenda for the SPA to the year 2000, will continue for a day and a half. We have developed the attached remarks in cooperation with Geoff Bergen. After your remarks, the donors would welcome an opportunity to raise questions, which will likely focus on your agenda for change at the Bank.

Background on the SPA

The SPA was created under the Bank's leadership in 1987 in response to a continent-wide debt and development crisis in Africa. It is a voluntary group to mobilize and coordinate aid for economic reform programs in debt-distressed IDA-only countries in Africa. The partnership includes the IMF, the African Development Bank, the European Union, and the 15 major bilateral donors to Africa. While mainly a donors' club, we have been struggling with an effective way to give voice to Africans. As a prelude to this meeting, donors will have a discussion with Pauline Biyong, head of a Cameroonian NGO and a leader of the African Poverty Reduction Network; and P.V. Obeng, advisor to the President of Ghana and activist in fostering the private sector role in development. SPA working groups have also featured the involvement of members of African civil society.

The SPA (Special Program of Assistance) is in essence a compact, born out of a recognition that without economic reforms to address a legacy of poor policies and management and deeper structural weaknesses, there could be no prospect of development for Africa. The donors also recognized that adequate and timely support -- in the form of quick-disbursing, non-project financing for import and expenditure requirements -- is needed if reform is to work. *Hence the compact: For those countries that undertook to launch and sustain economic reform programs, the SPA donors would in turn coordinate their efforts to fill the financing gap through quick-disbursing mechanisms.*

Most (14 of the 20) countries included in the HIPC Debt Initiative are SPA recipients. One of the major contributions of the SPA has been to incorporate systematically the debt service burdens of these countries into the assessment of their balance of payments requirements to be met by SPA resources. The Debt Initiative holds the promise of providing a durable resolution of these debt burdens, but the needs of these countries for concessional assistance for development is ongoing. The fund raising for SPA is therefore being closely coordinated with the Debt Initiative.

The SPA is completing its third 3-year phase. During this period, *creditors and donors have financed virtually all of the financing gap of performing SPA countries.* And there has been a remarkable turnaround in key areas of economic management in many SPA countries. *The combination of external finance and improved policies has led to an improvement in economic performance* in the countries that have had both. For the SPA countries, the median growth rate went from 1.5 percent per annum in 1981-87 (i.e., prior to SPA) to 2.7 percent in 1988-93, and is 3.9 percent in 1994-95 (the first two years of SPA-3). Altogether, twenty countries can be expected to record an increase in per capita GDP in 1994-95, compared to fourteen countries in 1988-90 and nine in 1991-93.

The Challenges Ahead

While the economic crisis facing Africa has been largely overcome, enormous challenges lie ahead. *Current growth rates*, while better than the free fall of a decade ago, are quite *insufficient to make a serious dent in poverty reduction.* The acceleration of growth that is needed also requires *movement on several deeper structural areas.* There is less consensus among SPA countries on these deeper areas of reform in human resource, institutional, and private sector development, but *the climate in Africa for addressing these issues has improved greatly.* At the same time, *however, the climate for assistance, and quick disbursing aid in particular, has deteriorated* in the last few years. And despite the efforts of the international community, *the debt burden of Africa -- a primary impetus for creation of the SPA -- has grown.*

The Purpose of the Upcoming SPA Meeting

The June meeting will feature the first full-fledged discussion of an agenda for the fourth phase to begin in CY 1997. This process will culminate in a *pledging session in the fall* (after any pledging meeting for the debt initiative). A draft paper prepared by the Bank will be the basis for most of the discussions. *The meeting will occur against the backdrop of the previously-mentioned challenges:* economic progress in countries implementing reforms, but still insufficient growth rates for meaningful poverty reduction; a worsening climate for aid (especially non-project aid) in donor countries just at the time when many African countries are in a position to reduce poverty; and continuing debt overhang. The main objectives for coordination we are proposing are:

- Achieving *accelerated growth and substantial poverty reduction within five to seven years*;
- *Reaffirming a commitment to providing quick-disbursing assistance* for countries undertaking poverty reducing economic reforms, with continued focus on the intimate links between *debt* relief and SPA financing requirements;
- Integrating reform into the broader development agenda, including issues of poverty and gender;
- *Promoting consensus building and ownership*, in Africa and in donor countries, on the difficult reform agenda that lies ahead. The modalities for delivering quick-disbursing assistance are being improved to achieve *simpler and better structured conditionality;*
- Continuing our emphasis on the *broad sector investment approach* with the objective of increasing the development impact of public expenditures.

Your Role at the Meeting

The participants you will see at the conference table -- representing in most cases the highest positions for Africa in aid and finance ministries -- are committed to the importance of the SPA as, to quote one member, "the crown jewel of aid coordination." But given growing pressures on their aid budgets, and the urgent need to set our sights on attacking poverty through much higher growth rates, your appearance is particularly opportune. *It would be important for them to hear your own articulation of the continuing need for aid to Africa, the Bank's commitment to poverty reduction, and the importance of meeting the African challenge through partnerships such as the SPA.*

Beyond that, although they are generally aware of the impact you are having in the Bank, the partners would very much welcome hearing more from you about *your vision and strategy for change.*

Attachments
Your Remarks
Agenda
SPA Tables: Selected Economic Indicators
Financing Tables
Table: SPA Donor Adjustment Financing
Charts: Economic Performance of SPA Countries
GDP Growth of SPA Countries

Mr. James D. Wolfensohn

Remarks to the Special Program of Assistance (SPA)

June 5, 1996

Introduction

Thank you, Mr. Chairman, for your kind introduction. I take special pleasure in the opportunity to address this group today.

We are here today because we all care about Africa, and because large areas of Africa continue to suffer the most intolerable conditions. Around half of Sub-Saharan Africa's population lives below what we consider the threshold of absolute poverty – a bare dollar a day. And whereas other developing areas are benefiting a great deal from the huge sums of private investment money now in the global economy Africa is receiving only a minuscule fraction – less than $5 billion out of a world-wide total of $170 billion.

But we are also here because there is real hope for an African rebirth. There are tremendous differences among Africa's countries, and for all those that are suffering in poverty, many are springing ahead. At the same time, political liberalization is giving new hope to the continent's citizens.

The SPA exemplifies what can be accomplished when countries set out on the path of reasonable policy reforms and they receive the full and coordinated support of the community of bilateral and multilateral donors. I think that you stand for exactly the right kind of approach to development – one where we focus our resources and experience on behalf of countries that have had the courage to take on tough economic reforms. In doing this, we are not just cobbling together our different resources; we are increasing the *overall effectiveness* of development assistance.

The SPA approach is clearly a resounding success. The SPA stands for support of the policies in developing countries that lead to *results*. It represents the very best that can be achieved through international partnerships.

I would like to take this opportunity to recognize the role that Kim Jaycox has had in launching and nurturing this forum over the years. In his position of Vice President for Africa at the Bank, Kim was known as "Mr. Africa" for a reason: because he cared enough and had the ability to develop initiatives like the SPA.

To carry on now that Kim has retired, I have chosen two individuals, Callisto Madavo and Jean-Louis Sarbib, who are of the very highest caliber. Most of you already know Callisto and Jean-Louis.

I am looking forward to hearing from them the results of your meeting. In fact, I expect it to feed into the policy dialogue I carry on with African leaders. I want you to know that I not only support the SPA but consider it to be a model for what we should be doing more of.

People-centered Development and the Changing World Bank

I thought I would take this occasion to relate to you a bit about my personal view of development, and what I am doing about it at the World Bank.

Before I ever took this job, I was convinced that Africa is by far the area of the world that should be the number one priority of the World Bank, and of the development community. That is why I went to Africa as my first destination when I became President of the Bank just a year ago.

I traveled to Mali, Cote d'Ivoire, Uganda, Malawi and South Africa. What I saw there gives me enormous optimism for Africa's future. It was in the spirit and hope of the people I met. When I was there I asked to go to the villages and the slums – to meet the people we are supposed to be helping.

I saw at first-hand the benefits of reform policies like those the SPA supports. I heard it directly from the farmers I met in Korokoro, Mali, who told me how the devaluation of the CFA franc had improved their standard of living.

But most of all, what impressed me in Africa was the fact that the people are ready, willing and able to grasp the opportunity once policies make it possible for them to improve their lives. I met people like the woman on a street in Katwe, Uganda, who was making money by selling burned banana peels converted into charcoal. Yet she was as proud of her enterprise as any Fortune 500 CEO. Then there were the farmers of Jinja District in Uganda, small-holding landowners who were improving their production and making sure their land was not being eroded away by taking advantage of techniques introduced by agricultural extension.

It is in the enterprise, the hope and the spirit of these people that Africa's economic future lies, and it is on their behalf that we concentrate so much of our resources on Africa.

As you all know, we have been making some changes at the World Bank. I would like you to know what they are all about. The changes aim at improving the quality of the lives of *people* such as those I met in Africa. For me, this is what development is all about. And the way we will measure whether we have succeeded or not will be whether I can go back to Africa and see real improvement in conditions of those people I met.

Let me just mention some of the areas that we have been working on:

First, we have been deepening and extending our partnerships. Our partnership with the members of the SPA over nearly a decade has produced solid results.

Since becoming President of the Bank, I have been working to expand this experience to all our colleagues in development both international and local. We have now established more systematic working relations than ever before with NGOs, the UN system, the WTO, Regional Development Banks, foundations, and the private sector; and of course, we continue to work closely with the IMF. With all these partners, what we are trying to do is what we have done so well with the SPA; we are trying to increase the effectiveness and impact of assistance.

But we are not just holding meetings in Washington; we are forging links on the ground with local civic organizations and NGOs. In my trip to Africa, I met with NGOs wherever I went; and a constant refrain was the need for more regular contact and a closer working relationship with the Bank. In response, we established NGO liaison as a permanent function of our Resident Missions. In Africa we have made full time appointments to this position in 15 out of 28 missions, and have assigned the NGO liaison function to an existing member of the team in most of the others.

Second, we are increasing the speed and effectiveness of our response to Africa's needs. One thing I heard repeatedly in Africa (and elsewhere) was that the Bank was too slow, and unresponsive to its clients. We are therefore taking steps to more rapid and more effective application of our assistance. To make Bank operations quicker, with better results, we have cut back on the bureaucratic process required for project review and clearance, eliminating multiple reviews; and we are working on simpler project documentation. Another step has been the creation of the Quality Assurance Group which will strengthen accountability for quality and results by providing line managers with independent assessments of their work. We are in the process now of launching a pilot program in the Africa Region to establish strong, accountable country directors, allowing the Bank to establish much closer and more responsive working relations with our clients (we are also doing it in Latin America and elsewhere; but improving our client responsiveness in Africa is the top priority)..

Third, we are working hard to make sure there are adequate resources available for development. Perhaps the most central of the concerns I have heard from Africans has been to ensure that there is enough money available to fund the reform programs that will lead them out of poverty. I know that this has been a central concern of the SPA as well over the years.

IDA resources are of course a critical element of this funding, and we have been doing everything possible to make sure that they remain available in adequate supply to finance our clients' reforms. I am very pleased that the major donors worked out a $22 billion IDA-11 arrangement in Tokyo, and I am truly grateful to them for their desire to see that development funding remains adequate. Of course, IDA only constitutes a part of the resources that are needed for the development effort. It is also vital that we continue to mobilize quick-disbursing assistance under the SPA.

Fourth, we are working hard to address the debt issue. There are African countries that are having an extremely hard time getting traction in their development programs because of the burden of debt repayments. I know that dealing with Africa's debt crisis has been among the SPA's top concerns for many years. I entirely share this concern, and as you know the Bank has been working with the IMF to develop a set of proposals for reducing the debt of highly-indebted countries that are trying to reform. The proposal is comprehensive. It relies on a sharing of responsibility for debt reduction between bilateral and multilateral donors. It establishes that to qualify for debt reduction there must be a track record of good performance; but it also provides for ample donor support for qualifying countries to make sure they develop the capacity to stay out of debt trouble once the debt has been reduced.

I very much hope that you are supportive of this effort to relieve the debt burden for reforming countries, and that in your own countries you will help by discussing the importance of the initiative with your colleagues.

Fifth, we are integrating gender into the core of the Bank's approach to development. I am also aware that the SPA has recognized how critical gender issues are to the development agenda. I thoroughly share your concern about conditions facing Africa's women and girls.

As it happens, I recently met with a group of 13 women's NGOs, the *External Gender Consultative Group*, which we established in the wake of the Beijing conference to discuss how the Bank could do a better job in addressing the needs of women in developing countries. What I said to this group was that we are doing quite a bit, but that we need to do more and do it better. Women's issues are increasingly being integrated into the core of the Bank's work; for example, we are now identifying gender concerns within Country Assistance Strategies. We are also targeting our resources more towards direct support for women – we commit $5 billion a year to investment projects that contain specific actions targeting women. And of the $2.2 billion we committed to education last year, $900 million was earmarked specifically for girls' education, and our goal is to see universal girls education by the year 2010.

A Capacity-building Approach to Development

Lastly, I would like to note that **building the human and institutional capacity of African countries is going to be at the very core of the way we approach our work on behalf of African development**. Capacity is the missing link in Sub-Saharan Africa's development; without capacity, neither government nor the private sector can adequately perform the tasks that make an economy function.

The SPA has played a central role in drawing attention to the need to build Africa's human and institutional capacity. I personally consider this to be a top priority for Africa. African countries continue to depend on technical assistance from outside donors to perform tasks which could be done by qualified professionals living in their countries.

When I met with the African Governors at the Bank's last Annual Meetings their message to me was that the issue for them was no longer policy reform – they agree with the reform agenda. The issue instead was that they lacked the capacity to implement the necessary reforms, and to absorb the assistance we provide in support of them. In response, I asked Kim Jaycox to form a team, which has been working in collaboration with the African Finance Ministers to develop an action plan for improved capacity building in Africa, while identifying the best methods of international support for the effort. Based on their preliminary work, I met with a group of African Finance Ministers in February, and we agreed to go ahead with a set of consultative meetings in Africa and national capacity studies of selected African countries.

This process is now drawing to a close, and we expect to develop a set of proposals for solid action by the time of the Annual Meetings. One of the crowning features of the present initiative is that it would have a country focus, responding to the specific capacity needs of individual African countries; and it would be premised on Africans taking the lead in identifying, planning and implementing programs.

I think it is essential that we place capacity building at the core of our approach to development. In addition to what we are doing specifically in Africa, I have committed to expanding the size and role of our *Economic Development Institute*. Through the EDI's specialized training and information services, we can contribute to our clients' capacity by expanding training in key areas of development and by making new ideas and concepts rapidly available through our information network. The EDI's capacity building approach will be more closely integrated into all aspects of the Bank's work.

Conclusion

I mention all this about the steps we are taking at the World Bank, because I truly believe it complements and supports the SPA's agenda. But, as I mentioned, I am very much interested in hearing back from you – as experts in African development – whether you think we're doing it the right way.

I do want you to know that as far as I am concerned the first 3 rounds of the SPA have been a resounding success. In a profession obsessed with finding "best practice" to apply from one area to the other, the SPA partnership in support of good economic policy is about the best practice I can think of. If you ask me what I would like to see, it would be for the SPA effort to be reinforced, intensified, and expanded not only within Africa, but to other parts of the developing world.

I wish you the best for a productive meeting, and I promise my fullest support for your efforts.

Thank you.

EXC
C:\DOC\MAY96\SPA2.doc
05/29/96 2:51 PM

AGENDA

SPA DONORS' MEETING
June 3-6, 1996

World Bank Headquarters
"J" Building, Room JB1-080
701 18th Street, N.W.
Washington, DC 20433

Chairman: Mr. Callisto E. Madavo
Vice President, Africa Region

Monday, June 3rd

0900 - 1230	**Meeting: SPA Working Group on Economic Reform in the Context of Political Liberalization**
Afternoon	**Country Meetings (Schedule Attached)**

Tuesday, June 4

Morning	**Country Meetings (Schedule Attached)**
1230 - 1400	**Working Lunch: SPA Working Group on Poverty and Social Policy (Room J5-050)**
1500 - 1700	**Presentation to the Plenary by African Speakers**
1900 - 2100	**Dinner for Delegations in Honor of E.V.K. Jaycox, "E" Building Gallery**

Wednesday, June 5

0900 - 1000	Opening of Plenary Featured Speaker: James D. Wolfensohn, President of the World Bank
1000 - 1030	Chairman's Statement
1030 - 1100	Coffee Break
1100 - 1200	Update: SPA-3 Economic Performance and Financing Requirements

DISCUSSION OF DRAFT SPA-4 PAPER

1200 - 1300	Overview and the SPA Record (Sections I and II of draft paper)
1300 - 1430	Buffet Lunch for Delegations
1430 - 1600	SPA-4 Agenda (Section III, pp. 21-26) • Sustaining macroeconomic stability; • Strengthening capacity and the development impact of public expenditures (including SIPs); • Strengthening linkages between reform, growth, poverty reduction, and gender concerns
1600 - 1630	Coffee Break
1630 - 1800	SPA-4 Financing Issues (Section IV)

Thursday, June 6

DISCUSSION OF DRAFT SPA-4 PAPER, continued

0830 - 1000	SPA-4 Process (Section III, pp. 27-30; and Report of Meeting of Leaders of SPA Working Groups and Workshops) • Future role of working groups; • Monitoring; • Linkages to CGs and RTs; • Stakeholders; • Other institutional linkages
1000 - 1030	Coffee Break

NEW APPROACHES IN SUPPORT OF THE ECONOMIC REFORM PROCESS

1030 - 1130	Report and Recommendations: SPA Working Group on Economic Reform in the Context of Political Liberalization
1130 - 1230	Update on Bank Adjustment Operations
1230 - 1300	Chairman's Summary

Plenary Adjourns

***

SPA Meeting
Schedule for Individual Country Meetings
World Bank Headquarters
Washington, D.C. 20433

MONDAY, JUNE 3, 1996

"J" Building, Room JB1-080
(French Interpretation)

Time	Country	Chairperson	Department Coordinators
2:00 to 3:30	Burkina Faso, Côte d'Ivoire, Ghana	Olivier Lafourcade AF4DR	Theodore Ahlers, AF4CO 473-8438 Charles Humphreys, AF4DR 473-7635
3:30 to 5:00	Benin, Niger, Togo	Olivier Lafourcade AF4DR	Theodore Ahlers, AF4CO 473-8438 Charles Humphreys, AF4DR 473-7635

"J" Building Room, JB1-075
(NO Interpretation)

2:00 to 5:00	Malawi, Mozambique, Zambia, Zimbabwe, South Africa, Angola	Katherine Marshall AF1DR	Gene Tidrick, AF1DR 473-3341 473-3341 Lucy Keough, AF1DR 473-4956

TUESDAY, JUNE 4, 1996

"J" Building, Room JB1-080
(French Interpretation)

Time	Country	Chairperson	Department Coordinators
9:00 to 10:30	Cameroon, Chad, CAR, Congo	Andrew Rogerson AF3DR	Jérôme Chevallier, AF3C1 473-4487
10:30 to 12:00	Madagascar Rwanda, Burundi, Comoros	Andrew Rogerson AF3DR	Michael Sarris, AF3C2 473-4009

"J" Building, Room JB1-075
(NO Interpretation)

Time	Country	Chairperson	Department Coordinators
8:30 to 10:30	Kenya, Tanzania, Uganda, Eritrea, Ethiopia, Djibouti	James Adams AF2DR	David Yuravlivker, AF2CO 473-6070
10:30 to 12:00	The Gambia, Sierra Leone, Guinea	Birger Fredriksen AF5DR	Hasan Tuluy, AF5CO 473-2506

* * *

WHITE WHITE

Selected Economic Indicators

(prepared for the June 1996 SPA multidonor meeting)

	GDP Growth (percent)					Export Growth (percent)					Import Growth (percent)				
	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96
1 BENIN	4.0	3.4	6.1	5.3	4.9	15.6	4.9	0.1	34.4	13.1	8.9	-32.1	38.9	1.5	2.8
2 BURKINA FASO	3.9	1.2	4.5	5.0	3.6	0.7	14.1	8.6	7.4	10.0	-0.9	-1.2	15.7	9.0	7.9
3 BURUNDI	0.6	-6.7	-3.7	3.5	-2.3	1.0	-5.5	2.2	-6.8	-3.4	11.5	1.7	-8.9	1.6	-1.9
4 CAMEROON	-4.6	-3.8	3.3	3.3	0.9	-2.9	9.0	3.0	2.1	4.7	-4.1	-2.2	10.2	0.5	2.8
5 CENTRAL AFRICAN REP.	-2.1	7.4	2.9	4.6	5.0	0.6	19.8	-2.0	11.5	9.8	-13.1	1.9	12.5	4.4	6.3
6 CHAD	-0.5	5.2	5.5	5.3	5.3	-0.2	-13.5	26.2	13.3	8.7	-4.3	-28.6	25.5	11.5	2.8
7 COMOROS	1.7	0.8	0.6	1.0	0.8	25.5	-5.4	1.0	14.7	3.4	-2.1	-10.3	10.0	0.9	0.2
8 CONGO	1.2	-6.7	0.9	6.0	0.1	2.0	6.1	22.4	5.3	11.3	5.4	-36.9	-13.2	-1.9	-17.4
9 COTE D'IVOIRE	-0.1	1.8	7.1	6.5	5.1	-6.2	4.7	12.2	6.8	7.9	1.8	-9.5	29.6	7.7	9.3
10 EQUATORIAL GUINEA	6.3	6.8	11.2	15.7	11.2	18.5	15.4	..	..	..	6.7	-19.0	..	..	..
11 ERITREA	-2.5	9.8	6.0	6.0	7.3	..	..	..	..	..	..	..	..	..	..
12 ETHIOPIA	0.7	1.7	4.9	6.4	4.3	4.4	42.3	10.4	8.6	20.4	4.5	-12.7	11.3	8.9	2.5
13 GAMBIA, THE	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
14 GHANA	4.7	3.8	4.5	5.0	4.4	9.7	0.4	3.4	17.1	7.0	11.2	-8.2	1.3	11.2	1.4
15 GUINEA	3.4	4.0	4.6	4.7	4.4	2.7	-6.4	7.8	8.9	3.4	1.3	-10.7	7.2	6.4	1.0
16 GUINEA-BISSAU	2.8	4.9	4.3	4.1	4.4	-1.2	133.3	-23.2	4.7	38.3	-3.6	-6.5	-2.3	-0.8	-3.2
17 KENYA	0.3	3.9	5.0	5.0	4.6	0.7	-1.3	8.9	2.4	3.3	-5.7	30.3	7.5	-4.0	11.3
18 MADAGASCAR	-1.0	0.0	2.0	2.5	1.5	3.5	10.1	6.8	1.6	6.1	0.2	0.3	6.5	6.6	4.5
19 MALAWI	2.8	-10.2	9.9	10.5	3.4	-0.9	10.8	7.1	11.6	9.8	1.6	-28.3	-7.8	4.6	-10.5
20 MALI	1.7	2.3	6.0	4.0	4.1	6.2	-6.3	19.8	5.9	6.5	0.6	-7.8	16.1	-1.3	2.3
21 MAURITANIA	3.3	4.6	4.6	4.7	4.6	-1.2	-15.2	25.7	-0.6	3.3	-3.5	-9.7	2.7	-2.3	-3.1
22 MOZAMBIQUE	7.8	5.0	3.0	4.0	4.0	9.9	7.3	16.0	10.6	11.3	1.5	4.1	-18.1	-4.6	-6.2
23 NIGER	-0.9	4.0	3.2	4.2	3.8	-5.3	-4.2	3.0	3.2	0.7	-6.1	-3.5	5.0	2.1	1.2
24 RWANDA	-1.9	-50.0	25.0	11.0	-4.7	-5.9	-33.7	96.5	29.6	30.8	3.8	118.5	17.6	7.7	48.0
25 SAO TOME & PRINCIPE	1.5	2.2	2.0	2.2	2.1	6.6	-27.8	-33.1	4.1	-18.9	-1.0	-0.4	2.5	17.9	6.7
26 SENEGAL	0.0	2.0	4.5	4.5	3.6	-2.9	3.2	9.1	4.4	5.6	-0.8	-7.4	7.1	3.2	1.0
27 SIERRA LEONE	-0.3	3.6	-2.6	-7.8	-2.3	9.5	-7.0	-37.7	-17.2	-20.6	6.3	0.8	-13.0	9.0	-1.1
28 TANZANIA	3.0	3.7	4.0	4.0	3.9	4.9	12.8	5.2	5.2	7.7	-0.3	22.6	-0.8	0.2	7.3
29 TOGO	-7.6	13.9	8.3	6.8	9.7	-13.6	-1.3	4.9	1.5	1.7	-16.4	-17.8	22.7	10.8	5.2
30 UGANDA	6.3	6.5	10.6	6.1	7.8	1.7	18.8	19.9	-9.1	9.9	-3.1	7.1	42.8	19.2	23.1
31 ZAMBIA	1.3	-3.1	-3.9	8.3	0.4	16.9	1.6	-6.2	8.9	1.4	3.0	2.4	16.1	-2.8	5.3
Average (weighted)	**2.8**	**2.9**	**7.0**	**5.4**	**5.1**	**-1.5**	**5.6**	**12.1**	**2.8**	**6.8**	**-1.8**	**2.2**	**24.5**	**10.9**	**12.5**
Average (unweighted)	**1.2**	**0.7**	**4.8**	**5.1**	**3.5**	**3.5**	**6.4**	**7.8**	**6.8**	**6.9**	**0.1**	**-2.2**	**8.7**	**4.5**	**3.9**
Median	**1.3**	**3.5**	**4.5**	**4.8**	**4.1**	**1.7**	**3.2**	**7.0**	**5.6**	**6.7**	**0.2**	**-6.5**	**7.4**	**3.8**	**2.6**

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.

8-May-96

Selected Economic Indicators

(prepared for the June 1996 SPA multidonor meeting)

	Savings Rate (as a percentage of GDP)					Investement Rate (as a percentage of GDP)					Private Investment (as a percentage of GDP)				
	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96
1 BENIN	5.1	10.0	11.3	12.1	11.2	14.4	14.2	21.6	19.0	18.3	9.1	7.3	6.7	7.8	7.3
2 BURKINA FASO	6.4	6.1	6.9	8.1	7.1	20.5	22.1	22.8	23.7	22.9	12.4	14.1	16.0	16.3	15.5
3 BURUNDI	-3.2	-9.9	-7.1	-8.5	-8.5	16.6	9.3	11.0	12.7	11.0	2.9	1.4	1.3	1.7	1.5
4 CAMEROON	16.0	19.5	22.0	21.2	20.9	15.3	14.2	15.5	16.1	15.3	12.4	13.2	14.5	14.2	14.0
5 CENTRAL AFRICAN REP.	1.8	9.2	7.6	8.4	8.4	10.8	13.5	14.6	14.6	14.2	2.8	6.0	6.8	7.0	6.6
6 CHAD	-11.1	-5.5	-3.4	-2.7	-3.9	8.9	15.1	15.4	16.0	15.5	0.6	1.1	1.4	2.6	1.7
7 COMOROS	-0.7	4.5	3.3	5.7	4.5	16.4	21.3	21.5	21.9	21.6	8.0	9.8	13.7	14.0	12.5
8 CONGO	20.1	20.2	30.0	33.5	27.9	20.4	49.8	29.3	28.6	35.9	18.2	47.0	26.2	25.6	32.9
9 COTE D'IVOIRE	9.7	23.5	23.1	22.2	22.9	8.3	11.0	12.5	15.0	12.8	4.7	7.0	7.7	10.3	8.3
10 EQUATORIAL GUINEA	-1.4	17.1	..	..	..	30.9	24.0	..	..	..	..	..	..	..	..
11 ERITREA	-5.9	-14.6	-16.4	-14.3	-15.1	11.8	13.1	20.5	26.4	20.0	1.0	4.2	8.6	14.0	8.9
12 ETHIOPIA	2.2	5.7	6.6	6.6	6.3	9.7	15.0	15.6	19.0	16.5	5.1	5.8	8.7	11.9	8.8
13 GAMBIA, THE	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
14 GHANA	2.9	4.5	10.1	6.2	7.0	14.5	15.9	18.6	16.7	17.1	5.8	4.4	5.4	6.2	5.3
15 GUINEA	5.9	4.4	6.2	7.7	6.1	16.4	13.6	14.8	15.3	14.6	8.9	7.5	8.3	8.1	8.0
16 GUINEA-BISSAU	-6.4	3.3	1.1	1.6	2.0	29.6	21.4	24.9	23.3	23.2	2.9	1.3	7.1	9.4	6.0
17 KENYA	19.7	23.7	21.7	24.0	23.1	19.0	20.9	22.9	22.9	22.2	10.1	10.1	14.5	14.7	13.1
18 MADAGASCAR	1.4	3.2	3.2	3.3	3.2	10.3	10.9	11.6	12.5	11.7	4.0	4.7	5.5	4.4	4.9
19 MALAWI	2.1	-0.5	4.1	9.0	4.2	17.0	13.2	15.8	16.0	15.0	12.1	7.0	9.4	9.6	8.7
20 MALI	6.1	6.0	8.2	10.5	8.2	22.2	26.5	26.0	26.0	26.2	11.9	13.5	13.5	14.0	13.7
21 MAURITANIA	9.0	7.2	11.1	16.5	11.6	20.6	16.1	14.5	18.4	16.3	15.5	10.3	9.1	12.8	10.7
22 MOZAMBIQUE	2.9	6.5	17.5	18.5	14.2	53.8	62.2	53.9	47.3	54.4	32.2	37.7	32.7	28.0	32.8
23 NIGER	3.3	1.7	2.1	2.9	2.3	6.8	10.4	7.5	12.6	10.1	1.9	2.3	1.8	4.8	3.0
24 RWANDA	-6.5	3.0	-1.0	-1.0	0.3	13.9	11.7	15.0	12.0	12.9	7.7	2.9	8.0	5.0	5.3
25 SAO TOME & PRINCIPE	-16.4	-16.9	-24.0	-26.5	-22.5	41.7	41.1	53.1	64.2	52.8	16.7	14.2	16.9	21.3	17.5
26 SENEGAL	7.7	8.3	11.0	12.8	10.7	13.2	13.7	15.6	16.9	15.4	8.9	9.0	10.8	12.0	10.6
27 SIERRA LEONE	9.1	4.2	-0.7	-6.0	-0.9	10.9	9.0	7.2	7.7	7.9	5.8	4.4	3.6	4.7	4.2
28 TANZANIA	4.7	3.3	4.7	5.4	4.5	32.8	31.3	31.0	31.1	31.1	20.1	19.6	22.9	23.0	21.8
29 TOGO	2.5	7.8	8.5	10.0	8.8	10.9	11.6	13.6	15.7	13.6	10.4	6.3	7.8	9.1	7.7
30 UGANDA	0.3	4.1	6.5	2.3	4.3	15.3	14.5	14.0	17.2	15.2	8.6	9.0	8.8	11.8	9.9
31 ZAMBIA	10.1	2.9	2.9	3.1	2.9	11.1	6.9	11.7	11.9	10.2	5.1	3.3	8.2	8.2	6.5
Average	**3.2**	**5.4**	**6.1**	**6.6**	**5.9**	**18.1**	**19.1**	**19.7**	**20.7**	**19.8**	**9.2**	**9.8**	**10.6**	**11.5**	**10.6**
Median	**2.9**	**4.5**	**6.5**	**6.6**	**6.1**	**15.3**	**14.4**	**15.6**	**16.9**	**15.5**	**8.6**	**7.0**	**8.6**	**10.3**	**8.7**

8-May-96

Selected Economic Indicators

(prepared for the June 1996 SPA multidonor meeting)

	Agriculture Value Added Growth (percent)					Consumption Per Capita Growth (percent)					Government Revenue, excl. Grants (as a percentage of GDP)					Reserves (in months of imports*)				
	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96	1991-93	1994	1995	1996	1994-96
1 BENIN	4.6	6.5	8.0	6.1	6.9	..	..	..	..	..	12.2	12.5	13.8	12.8	13.0	4.0	6.1	6.4	8.8	7.1
2 BURKINA FASO	7.7	-0.2	4.1	4.9	2.9	1.2	-5.4	3.0	1.5	-0.3	12.5	11.0	11.6	12.2	11.6	4.9	5.8	7.6	7.0	6.8
3 BURUNDI	-0.7	-10.6	-5.2	8.0	-2.6	-1.4	0.9	-10.8	1.9	-2.7	22.8	19.1	21.1	17.5	19.2	6.0	7.4	7.9	7.1	7.5
4 CAMEROON	-0.8	-3.8	4.0	5.0	1.7	-7.3	-11.9	1.4	-1.5	-4.0	15.3	10.4	11.9	13.7	12.0	0.2	0.1	0.1	0.7	0.3
5 CENTRAL AFRICAN REP.	0.2	5.0	0.9	2.8	2.9	-6.7	-0.8	-1.4	1.0	-0.4	9.3	7.2	9.2	9.8	8.7	3.7	9.0	7.2	7.1	7.8
6 CHAD	9.1	13.3	5.7	4.7	7.9	-1.6	-5.7	4.9	2.3	0.5	9.2	7.4	9.0	9.7	8.7	2.1	3.0	2.7	3.2	3.0
7 COMOROS	0.5	1.3	1.5	2.2	1.7	-3.2	-8.4	-5.4	-3.5	-5.7	15.2	12.6	12.5	13.5	12.8	4.3	6.7	5.4	5.9	6.0
8 CONGO	-3.5	3.9	2.3	1.0	2.4	-1.2	-29.7	41.3	-40.3	-9.6	24.0	22.8	24.8	28.7	25.5	0.1	0.3	0.2	0.5	0.4
9 COTE D'IVOIRE	-1.8	2.1	5.5	5.5	4.4	-3.2	-6.2	3.9	1.3	-0.3	17.1	20.7	22.3	22.1	21.7	0.1	0.8	1.4	1.6	1.3
10 EQUATORIAL GUINEA	-3.5	5.3	..	..	..	-0.5	-5.5	..	..	..	20.9	17.6	..	..	..	0.8	3.3	2.7	3.2	3.1
11 ERITREA	..	..	..	..	..	..	..	..	..	..	30.0	34.3	32.2	31.4	32.6	1.8	5.1	5.5	5.3	5.3
12 ETHIOPIA	1.5	-5.3	4.0	3.5	0.7	-5.0	0.7	1.0	4.6	2.1	12.1	13.7	18.4	16.5	16.2	2.4	6.1	5.7	5.1	5.6
13 GAMBIA, THE	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
14 GHANA	2.3	2.6	4.2	3.8	3.5	2.4	-0.2	-0.7	3.1	0.7	13.8	23.7	-3.6	-3.3	5.6	3.2	3.4	4.1	3.9	3.8
15 GUINEA	4.1	5.1	5.0	5.0	5.0	0.7	1.8	-0.3	-0.7	0.3	13.2	10.4	11.0	12.9	11.4	1.9	2.1	2.2	2.2	2.1
16 GUINEA-BISSAU	4.2	5.5	7.4	4.6	5.8	-0.8	5.0	0.3	2.2	2.5	11.9	12.2	12.5	13.5	12.7	1.5	2.2	2.1	2.6	2.3
17 KENYA	-2.4	3.1	5.9	4.0	4.3	-2.9	8.1	0.0	-0.1	2.7	28.6	32.6	35.7	32.9	33.7	1.3	2.6	1.6	2.2	2.1
18 MADAGASCAR	1.8	-0.5	2.7	2.2	1.5	-2.5	-2.6	-1.2	0.0	-1.3	9.3	8.3	8.3	8.2	8.3	1.2	1.1	1.6	1.0	1.2
19 MALAWI	13.6	-29.3	28.3	20.1	6.4	2.7	-22.3	3.3	3.4	-5.2	18.5	19.2	18.1	13.8	17.0	2.3	0.4	2.0	3.3	1.9
20 MALI	0.5	7.5	8.5	0.1	5.4	-2.2	-7.6	3.9	-1.6	-1.7	14.4	13.5	14.4	13.8	13.9	4.4	3.4	3.8	4.6	3.9
21 MAURITANIA	5.2	3.0	5.0	5.3	4.4	-2.2	13.3	-5.2	-3.7	1.5	22.5	23.2	24.0	25.2	24.1	1.1	0.9	1.7	3.1	1.9
22 MOZAMBIQUE	2.0	5.0	5.4	..	..	-1.2	0.4	-7.3	0.3	-2.2	40.0	39.1	33.3	30.8	34.4	3.3	3.7	4.8	5.6	4.7
23 NIGER	-3.4	10.2	1.7	3.7	5.2	-2.1	-3.5	0.9	-0.7	-1.1	8.0	6.0	7.5	8.7	7.4	5.7	5.8	5.6	5.2	5.5
24 RWANDA	-1.7	-50.0	17.9	13.2	-6.3	-4.3	-1.2	32.8	17.1	16.2	12.6	4.7	5.9	7.7	6.1	2.5	1.2	3.5	2.5	2.4
25 SAO TOME & PRINCIPE	..	..	..	..	..	-3.0	-5.5	35.4	5.1	11.6	18.5	13.3	16.5	15.5	15.1	3.6	2.6	2.3	2.3	2.4
26 SENEGAL	-2.1	11.5	1.8	6.1	6.5	-1.8	-1.6	-2.9	-0.5	-1.7	17.9	14.0	15.3	15.5	14.9	0.1	0.2	0.4	1.3	0.6
27 SIERRA LEONE	-1.2	9.3	..	..	..	-2.2	2.0	0.3	-6.3	-1.4	12.7	13.9	11.1	10.7	11.9	0.5	1.5	1.1	0.9	1.1
28 TANZANIA	6.6	3.5	4.0	3.9	3.8	..	..	..	..	..	15.2	15.0	14.5	12.4	14.0	1.9	1.7	1.4	1.3	1.4
29 TOGO	3.3	-13.5	5.5	4.6	-1.1	-2.6	-8.2	6.2	3.6	0.5	15.0	12.5	14.7	16.7	14.6	5.1	4.8	4.4	4.8	4.6
30 UGANDA	3.7	1.6	6.0	4.3	4.0	1.3	2.8	10.9	8.1	7.3	7.2	8.3	9.9	10.5	9.6	1.3	2.7	3.2	4.1	3.4
31 ZAMBIA	17.2	-19.9	-13.2	15.0	-6.0	-1.0	2.8	-3.0	0.0	-0.1	17.2	18.1	16.9	15.2	16.7	1.5	2.0	1.3	2.0	1.8
Average	**2.4**	**-1.0**	**4.9**	**5.6**	**2.9**	**-1.9**	**-3.3**	**4.3**	**-0.1**	**0.3**	**16.6**	**15.9**	**15.6**	**15.5**	**15.6**	**2.4**	**3.2**	**3.3**	**3.6**	**3.4**
Median	**1.7**	**3.0**	**4.6**	**4.6**	**3.8**	**-2.1**	**-1.6**	**0.6**	**0.7**	**-0.3**	**15.1**	**13.6**	**14.4**	**13.7**	**13.9**	**2.0**	**2.7**	**2.7**	**3.2**	**2.7**

* Imports of goods and services.

Note: Ethiopia, Malawi and Zambia were affected by drought in 1994, and Rwanda was affected by civil war in 1994.

8-May-96

SUMMARY OF SPA-3 FINANCING, 1994-1996

(prepared for the June 1996 SPA multidonor meeting)
(millions of US dollars)

	1994	1995	1996	1994-96
Requirements:	56,959	57,581	59,889	144,575
Imports of goods & non interest services	26,773	30,846	32,429	90,048
Debt service due	9,400	9,596	9,221	28,218
Stock of arrears (beginning of period)	16,959	14,412	15,442	16,959
Reserves build up	2,783	1,376	1,435	5,594
Current transfer payments	1,044	1,351	1,361	3,756
Resources:	32,304	35,544	37,183	105,030
Exports of goods and services	20,294	24,865	26,016	71,175
Current transfer receipts	3,646	3,638	3,848	11,132
Project financing	6,167	6,534	6,647	19,348
Non-adjustment non-proj financing	1,102	838	809	2,750
Net short-term borrowing & other capital flows	1,095	-332	-138	625
Financing gap before SPA	**24,656**	**22,038**	**22,706**	**39,545**
Debt relief (including arrears)	5,736	3,086	8,807	17,629
IDA financing	1,451	905	1,088	3,444
IMF financing	699	601	846	2,145
IDA 5th Dimension	253	255	174	682
SPA-2 carryover	765	335	150	1,250
Other [1]	162	39	21	222
SPA co-financing requirements (disbursements)	**15,590**	**16,815**	**11,621**	**14,172**
Arrears - stock end-period	14,412	15,442	8,876	8,876
Disbursements from donor allocations	1,180	1,375	1,422	3,977
Residual Gap	**0**	**0**	**1,323**	**1,323**

[1] Includes Sixth dimension, other concessional financing, and nonconcessional financing.

8-May-96
10:56 AM

The SPA

The Special Program of Assistance to low-income debt-distressed countries in Sub-Saharan Africa was launched in December 1987 in response to a continent-wide debt and development crisis. African economies were in free fall and there were minimal concerted efforts by donors to address the situation. The Development Committee cited "an urgent need for action" to address the "exceptional difficulties confronting many low-income countries, especially the seriously indebted in Sub-Saharan Africa."

The Bank brought together a partnership comprised of the IMF, the African Development Bank, the European Union, and the major bilateral donors to Africa. The message of the partnership was that there would be adequate funding for countries prepared to reform. The mechanism was close monitoring of donor financing and country performance. The entire resource envelope was monitored -- including concessional debt relief, despite initial resistance from the Paris Club. The result has been what is widely regarded as the most successful ongoing aid coordination mechanism to date. Donors were persuaded to shift a significant portion of their aid from traditional projects to non-project balance of payments support to eligible countries. Those were: poor (for which the proxy is IDA-only); debt-distressed; and implementing a reform program supported by the Bank and/or the Fund. The SPA has helped mobilize $64 billion since its inception.

How it works. At the beginning of a new SPA phase, three-year financing projections are developed for all eligible countries (the current third phase covers 1994-1996). These show resource requirements (including import needs and debt servicing) and availabilities (including export earnings, official and commercial project finance), and indicate the financing gaps. These gaps are met through six channels, or "dimensions," under the SPA framework: IDA adjustment credits; IMF SAFs/ESAFs; cofinancing by the other donors; bilateral debt relief; support to service IBRD debts through supplemental IDA credits and donor funding; and funding for commercial debt buybacks through Bank and donor contributions. All of this data is contained in standard tables which are produced for each donor meeting.

On the basis of this analysis, at the outset of each phase, donors pledge funding towards filling the BOP gaps. The SPA meets twice a year to monitor recipient country performance and update their financing requirements. The members also monitor each others' performance with regard to allocations and disbursements of pledged financing.

The SPA is a unique forum for regional aid coordination. Representation at the plenary meetings is at the highest level in aid or finance ministries dealing with Africa. These are supplemented by working groups (not always chaired by the Bank) which develop policy recommendations. Major progress has been made on "untying" aid -- moving away from aid tied to national purchases of specified goods -- and on harmonizing procedures to reduce the transaction costs of aid. Support has grown for the broad sector approach to providing aid.

The economic hemorrhaging has now stopped in many African countries, and some of them are poised to make significant progress in reducing poverty. And over time, the SPA's agenda has evolved, with a growing emphasis on the developmental context for adjustment. Public expenditure priorities, gender, and the challenge of implementing economic reforms in an era of political liberalization, are some issues receiving consideration.

* * *

c:\wp51\doc\spa\factsh2
03/22/96 3:41pm

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: January 13, 1997

TO: Gautam S. Kaji, EXC

FROM: Callisto E. Madavo, AFRVP

EXTENSION: 82856

SUBJECT: The Special Program of Assistance -- Fourth Phase (SPA-4) Launching December 16-19 in Paris

As you are aware, we convened a donors' meeting of the Special Program of Assistance for Africa (SPA) from December 16-19 in Paris under my chairmanship. The meeting, which launched the fourth phase of the SPA partnership, was very successful. The atmosphere of the meeting was quite positive, reflecting an affirmation of the importance of the programs supported by the SPA as well as of the partnership itself. Although the primary focus of the meeting was to mobilize resources for SPA-4 (1997-1999), there were some rich substantive discussions as well.

The recent improvements in economic performance seem to have made a deep impression on the donors. Some highlights: The median GDP growth rate among the SPA countries over the past three years was 4 percent (compared with 1 percent during the previous three years). In 1996, more than half of the SPA countries had growth rates of at least 5 percent, the highest in more than a decade. Fiscal deficits have come down from 10.9 percent of GDP in 1993 to an estimated 6.9 percent last year. Part of this improvement may have been due to more favorable external conditions (e.g., better growth in OECD countries), but there was recognition that the reforms supported through the SPA have enabled countries to take advantage of the improved international economic environment. There was a feeling that at least for the better performers, a platform has been created for further acceleration of growth.

The major outcomes of the meeting were:

- Initial indications from the SPA donors that about $5 billion equivalent in highly concessional quick-disbursing assistance would be available to help finance economic reform programs of performing countries during the SPA-4 period. This amount is in line with what was provided by the donors in SPA-3 in terms of signed commitments ($5.2 billion), and roughly matches the adjustment financing expected to be provided by the Bank and Fund over the next three years (assuming good performance by SPA countries). This level of support is especially encouraging in light of shrinking aid budgets and declining constituency support for adjustment assistance. I have indicated elsewhere how you and Caio might assist us with some of the donors on this point. Although our projected financing target was about $6 billion, we have reasonable confidence that the financing needs of the eligible countries can be met, given the assumption underlying the target figure that all 31 eligible countries would be on-track. Aggregate requirements are likely to be adjusted as we monitor actual country performance during the course of SPA-4. Requirements will also be affected by the HIPC Initiative as it is implemented.

- The SPA-4 agenda. The donor partners endorsed the centrality of strengthening the linkages between reform, growth, poverty reduction and gender concerns. Much of the collaborative work with SPA donors on poverty monitoring and developing recommendations for action to reduce poverty will continue to be carried out in the SPA Working Group on Poverty and Social Policy. The Africa Region's strategy for incorporating poverty and gender concerns in its work was viewed favorably by the partners, but they saw much that still needed to be done to translate the strategy into action. I will be calling on our AFR staff to take up this challenge through specific actions in project support, economic and sector work, and regional partnerships.

- Independent evaluation of the SPA. It was decided that an independent evaluation of the SPA would be valuable as the partnership approaches a decade of existence. A couple of motivating factors were involved here. First, many donors wanted the record of the SPA to be more widely understood. Second, the donors wanted a mechanism to help us sort out what should be changed, eliminated, improved in our efforts to strengthen aid effectiveness. The initial TOR, drafted by Sweden, proposed that OED manage the study. Bob Picciotto attended the discussions in Paris and was thoughtful and constructive. OED has now agreed to manage the evaluation of the SPA. It will first put together a first-class international team, in consultation with a group of SPA donors and eminent Africans.

- Higher impact adjustment lending. Two donor-led initiatives to develop new approaches for supporting African economic reform were presented and will be discussed further during SPA-4. UK-ODA is piloting an approach in two countries to provide adjustment support via the government's budget (rather than through financing of imports). There is growing interest in using the budget as a primary organizing framework for all adjustment assistance. The plenary also discussed an EC proposal on conditionality -- which had been extensively revised with our assistance -- and authorized a pilot in Burkina Faso. All donors agreed that this exercise was not about a softening or abandonment of conditionality, but rather about a possible reformulation and monitoring of conditionality, in the spirit of the Bank's own work on developing more flexible instruments.

- Sector Investment Programs. A full-day seminar looked at the experience with Sector Investment Programs (SIPs), focusing on four examples of ongoing SIPs which were presented by the African officials who manage them. A consensus is growing in the SPA that the SIP approach is an improvement over the traditional investment project, given that it promotes donor coordination in support of a government budget, is government led, is linked with macro policy, involves the stakeholders, and contains a focus on capacity building.

Looking ahead

Several currents ran through the discussions that are worth mentioning. First, there was a strong feeling that much of Africa is turning around, reflected not only in economic performance, but in terms of African ownership of reform and quality of leadership. Despite the recent turnaround in many African countries, the SPA partners also accepted the proposition that more needed to be done for Africa to make major inroads in reducing poverty and to be integrated into the global economy. The African voice has become more important in our deliberations. Invited African guests -- Benno Ndulu, Executive Director of the African Economic Research Consortium, and Ahmedou Ould-Abdallah, Executive Secretary of the Global Coalition for Africa -- echoed this challenge at our meeting. With a view to continuing to seek African views and perspectives on the deliberations of the SPA, I raised the possibility of having a future SPA meeting in Africa and hearing from the continent's political leadership. We will also plan greater involvement of African Executive Directors' offices in SPA meetings.

Second, commitment to the SPA partnership is strong. Despite constraints, donors are doing their best to sustain the provision of resources for African development. Intellectual contributions to SPA work continue to be robust. And much of our discussions continue to focus on the business of aid coordination to improve and harmonize donor practices and policies.

Third, the SPA is a learning mechanism. Employing this concept, I've suggested that the SPA look at "new instruments" to support reform and development. This would include further work on SIPs, as well as monitoring the results of ongoing work in the SPA, the OED evaluation of the SPA itself, and the EC pilot on conditionality. All of this work would culminate in a mid-term review in about 12-18 months which could point the way to possible adjustments in our SPA program.

I will keep you informed of future developments.

cc: Messrs. SSandstrom, CKoch-Weser (EXC); ABourhane (EDS13), JCarvalho (EDS14), J-LSarbib, KJaycox (AFRVP); Kcleaver (AFTKT).

<u>REVISED DRAFT - NOVEMBER 1996</u>

SPECIAL PROGRAM OF ASSISTANCE
PHASE FOUR

BUILDING FOR THE 21ST CENTURY

TABLE OF CONTENTS

SPECIAL PROGRAM OF ASSISTANCE -- PHASE FOUR
BUILDING FOR THE 21st CENTURY

I. Overview

Africa and the SPA: Then and Now

When the SPA was launched almost a decade ago in 1987, two problems characterized the Continent's crisis more than any others. First, *poor economic policies and management*, and *deeper structural weaknesses*, were putting a brake on economic development. Second, this was compounded by a *lack of resources* to finance imports and key items of expenditure, especially in light of the *heavy debt servicing burden* faced by the Continent -- leaving countries with the invidious choice of either cutting back on imports and hence growth, or not servicing their debt and thus further increasing their isolation from the international economic community. The net effect of these problems was a deep economic malaise -- in 1981-87, per capita income fell by an average of 1.5 per cent per annum.

The SPA (Special Program of Assistance for low-income debt-distressed countries in sub-Saharan Africa) was a compact between donors and countries that responded to these twin problems. It was born out of the recognition that *without deep economic reforms, there could be no prospect of development for Africa.* But, at the same time, it was recognized that *without adequate and timely support* to finance a sufficient level of imports and expenditures, *the crisis would worsen* and the prospects for reform would recede even further. Moreover, it was recognized that conventional project assistance could not be the primary vehicle for this support -- *quick disbursing support was necessary* to provide financing in adequate amounts and at the right time, to meet import and expenditure requirements. Hence the compact: *For those countries that undertook to launch and sustain economic reform programs, the SPA donors would in turn undertake to fill the financing gap through quick disbursing mechanisms.*

In order for this compact to work, there would have to be *consensus*, among the donors and with the countries, *on the nature of the crisis and the key dimensions of the reform process*. There would also have to be *close coordination among donors on financing packages*, to assure adequate financing for each reforming country while taking into account the historical and institutional preferences and constraints of different donors. It was always recognized that *debt relief* would be an important component of the response to the financing crisis in Africa, and that SPA resources would complement the relief provided through various other mechanisms.

That was then. What happened during the subsequent decade, and what is the situation now? *In many respects, the last ten years represent a remarkable effort by the international community to help Africa.* Debt relief went from a total of $6.9 billion in 1988-90 to an estimated $17.6 billion in 1994-96. In addition, 17 donors will have disbursed an estimated $14 billion in quick disbursing assistance by the end of 1996, in the framework of the SPA. *Between them, creditors and donors have financed virtually all of the financing gap of performing SPA countries* and, as the number of SPA countries has increased over time (from 21 in SPA-1 to 31 in SPA-3, itself indicating an increase in the number of countries that have launched reform programs), the increasing aggregate needs have continued to be financed.

At the same time, there has been an equally remarkable turnaround in key areas of economic management in many SPA countries. The black market in foreign exchange has virtually disappeared from Africa, and the old style import quotas and licenses are on the way out. Underpinning these changes is a growing consensus, among donors but most importantly among African policy makers, on the central elements of good economic management. The events leading up to the CFA devaluation are one example among many of this convergence of thinking.

The combination of external finance and improved policies has led to an improvement in economic performance in the countries that have had both -- essentially, the performing SPA countries. For the SPA countries, the median growth rate went from 1.5 percent per annum in 1981-87 to 2.7 percent in 1988-93, and is estimated to be 4.1 percent in 1994-96. Altogether, twenty-one of the thirty countries for which data are available can be expected to record an increase in per capita GDP in 1994-96, compared to fourteen countries in 1988-90 and nine in 1991-93. It would be difficult to attribute precisely how much of this improvement is due to financing, how much to improved policies, and how much to changing global conditions, not least because these averages hide large variations. External financing has clearly played a major role in relieving import constraints and putting reforming countries back on the growth track. And detailed studies have been done that confirm one of the tenets of SPA -- that *good economic policies do indeed have a positive impact on growth.*

The Challenges Ahead

While the economic crisis facing Africa has abated, especially in SPA countries, enormous challenges lie ahead. The recovery of growth in most SPA countries must still be considered *fragile*. The *current growth rates, while better than the free fall of a decade ago, are nowhere near sufficient to make a serious dent in poverty reduction* -- for this, a major raising of the sights is required. But such acceleration in growth, and better distribution of growth, also requires *movement on several deeper structural areas;* sound economic management is a necessary but not a sufficient condition for growth and poverty reduction. And there is, inevitably, *less consensus on these deeper areas of reform* in human resource, institutional, and private sector development. The climate for addressing these issues has improved greatly among SPA countries. More effective efforts to *enhance public and private institutional capacity and governance* will be important to the achievement of SPA objectives, *as weak institutions and poor governance impede economic performance.* At the same time, however, *the climate for assistance, and quick disbursing assistance in particular*, has deteriorated in the last few years. Moreover, despite the efforts of the international community, the *debt burden of Africa has grown.*

Perhaps most important of all, the last decade has seen a remarkable of degree of political liberalization and opening up in Africa. While reversible and still fragile, this *changing political landscape* provides the framework for any discussion of economic reform, presenting both risks and opportunities. In any event, it is changing fundamentally how African governments engage with their populations, and raises the problems of a dual transition -- economic and political.

The SPA forum has already begun to address these challenges. *Discussion of the reform agenda has evolved as Africa itself has evolved.* The scope of SPA has expanded from a focus on coordinating and *mobilizing financing for a crisis response*, through one which encompassed improving donor practices to *enhance aid effectiveness*, to a consideration of issues related to the *broader development context for adjustment.* Throughout, the SPA has provided value added in tackling these problems in six areas identified by donors: mobilizing resources; improving donor procedures; coordinating improved approaches to the economic reform process; monitoring the results of reforms; peer review of donor compliance with agreed guidelines; and intellectual leadership on a range of related development issues.

Because the partnership concluded that economic reform measures were necessary but not sufficient for sustaining growth and reducing poverty, the SPA-3 agenda brought an increased focus on accelerating growth and concern for distribution of that growth; strengthening capacity building and public expenditure management; and introducing the concept of comprehensive sector investments in key areas of human resources, infrastructure, agriculture, and private sector development. The *SPA working groups* have been a key instrument for achieving this, through in-depth study of issues and enhanced donor collaboration.

Most recently, considerable work has been done on improving the modalities of delivering quick disbursing assistance through a *reexamination of the nature of conditionality and the design of adjustment lending instruments*. The fourth phase of SPA should clearly build on these achievements and this evolution, with appropriate shifts and reconsiderations of key areas of emphasis.

What Should SPA-4 Do?

In light of the above trends, what should be the key objectives of SPA-4, and some of the specific actions which support them?

First, SPA-4 should aim for achieving *substantial poverty reduction within a five to seven year horizon.* This will mean raising its sights on the *growth rates*, and on the *distribution pattern of growth* as well. SPA financing should increase the focus of support on those countries whose economic reform and development programs are likely to make a serious dent in poverty over not too long a time horizon. Specifically, this will require monitoring of countries' *performance* according to a range of economic and social indicators, including the performance of broad sector investment programs.

Second, SPA-4 should *reaffirm its commitment to provide quick disbursing assistance to countries which undertake poverty reducing economic reform.* Clearly, the climate for assistance in donor countries is very difficult, and communicating the importance of this assistance is part of this effort. One specific action is for the forum to review whether the documentation on financing currently provided is sufficient for *donors' information needs* to facilitate their internal processes, and to improve or supplement this documentation as necessary. Such information could include a more explicit discussion of countries whose financing gaps are not being filled, or shortfalls in donor financing. Another set of specific actions is to consider *broadening the dialogue* with key constituencies who have concerns about such assistance. Furthermore, the SPA should continue to clarify and emphasize the intimate links between debt relief and SPA financing requirements.

Third, SPA should play a catalytic role in consensus building and ownership, in Africa and in donor countries, on the difficult reform agenda that lies ahead. This implies, in terms of specific actions, much more Africa oriented dialogue, including discussion of the difficult issues of the linkages between macroeconomic reform and deeper structural reform. Stakeholder participation in SPA discussions should increase and intensify, and closer links should be established between the SPA and country-level Consultative Groups and Round Tables.

Fourth, SPA should *continue its work on improving the modalities for delivering quick disbursing assistance.* This should include mainstreaming recent developments in the architecture of the adjustment lending instrument including, where appropriate, accepting the fiscal rationale for quick disbursing support, simpler and better structured conditionality, design to avoid stop-go in financing, and also greater integration of poverty and gender issues in the design of economic reform programs.

Fifth, given the broadening of the agenda from macroeconomic stabilization to growth and poverty reduction, and the importance of project assistance, SPA should *continue the emphasis on the broad sector investment approach with the objective of increasing the development impact of public expenditures.* Specifically, SPA-4 should monitor and report on implementation experience with these programs, and a launch a discussion, among donors and Africans, on improving their design.

Projections and Targets for SPA-4.

With a projected average growth rate for SPA countries of 5.1 percent, the SPA-4 financing gap is estimated to be $28.9 billion. *Debt relief* would continue to be the single most important channel for meeting the financing requirements. It is estimated that debt relief (including relief on arrears) could be about $15 billion. (This relief excludes stock reductions under Naples terms or the HIPC Initiative that would affect debt service due in years beyond the SPA-4 period). Resources from IDA and the IMF are estimated to be about $5 billion, or somewhat below what is being provided under SPA-3.

Taking into account resources from debt relief, the IMF and IDA, as well as about $2.7 billion in undisbursed SPA-3 commitments, the remaining gap would be $5.7 billion in disbursements, of which approximately $4.0 billion would be for countries that currently have a program in place, and $1.7 billion would be for countries with potential programs (Table 3). ***Assuming an 80 percent disbursement rate, this would imply a need for new pledges of $7 billion.***

II. The SPA Record

A. The Role and Contributions of the SPA

The Special Program of Assistance (SPA) to low-income debt-distressed countries in Sub-Saharan Africa was launched in December 1987 in response to a continent-wide debt and development crisis.

The SPA brought together the World Bank, the International Monetary Fund, the African Development Bank, the European Union, and the major bilateral donors to Africa (The current donors are: Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, Portugal, Sweden, Switzerland, United Kingdom, United States.) The partners agreed on joint action to spur growth in imports, investment, and exports by supporting macroeconomic stability and the implementation of trade, exchange rate, and structural reforms; and to improve the efficiency of resource use. The message of the partnership was that there would be adequate funding in the form of non-project balance of payments support for countries prepared to reform. The mechanism was close monitoring of country performance and donor financing.

Since the inception of the SPA, the continent's deep economic crisis has abated. A majority of African countries are in twin transitions toward market economies and political liberalization. There is greater consensus on the importance of good economic policy for sustainable development.

As Africa has evolved, the SPA agenda has evolved. In the early years, the SPA focused on mobilizing resources for a *crisis response*. This eventually expanded to consideration of issues of the *quality and effectiveness,* as well as the quantity, of adjustment assistance. The SPA-3 agenda (1994-1996) reflected the consensus among donors in favor of expanding beyond mobilizing support for reform to include consideration of *adjustment in its broader developmental context*. Adjustment measures were seen as necessary, but not sufficient, for sustainable growth and poverty reduction. SPA-3 brought an increased focus on poverty reduction through accelerating growth and concern for the distribution of that growth; strengthening capacity building and public expenditure management; and introducing the concept of comprehensive sector investments in key areas of human resources, infrastructure, agriculture, and private sector development. SPA-3 has been instrumental in laying the ground work for a more systematic integration of gender concerns into the reform agenda.

Structure and Operation of the SPA Mechanism

The SPA is a unique forum for aid coordination spanning most of Sub-Saharan Africa. Representation at the plenary meetings is at the highest level in aid or finance ministries dealing with Africa. These meetings are supplemented by working groups, chaired by the Bank or by other donors, which develop recommendations affecting donor policies and practices.

At the beginning of a new SPA phase, three-year financing projections are developed for all eligible countries. There are currently 31 SPA eligible countries.[1] These projections show resource requirements (including import needs and debt servicing) and availabilities (including export earnings, official and commercial project finance), and indicate the financing gaps. On the basis of this analysis, at the outset of each phase, donors pledge funding towards filling the BOP gaps. The SPA partners meet twice a year to monitor recipient country performance in implementing reform programs and to update the financing requirements. They also monitor each others' performance in terms of allocations and disbursements of donor pledges. Since 1993, as a prelude to each meeting, African officials are invited to speak candidly about their experiences on the "front lines" of reform. Other African voices, including NGOs, have been heard in the working groups.

Assessment of SPA Mechanism

A review of the partnership's achievements, experience gained, and lessons learned is an important tool to guide an SPA program of support for African growth and development looking toward the 21st century.

Six functions of the SPA have been identified by donors as having provided value added. They provide a useful framework for this assessment: 1) mobilizing resources to support economic reform; 2) negotiating improved donor procedures; 3) developing and coordinating improved approaches to the economic reform process; 4) monitoring the results of adjustment programs, especially with regard to the linkages between growth and poverty reduction, 5) monitoring and peer review of donor practices in supporting reform and implementing agreed guidelines; and 6) intellectual leadership on a range of related development issues.

1. *Resource Mobilization*

The SPA has provided a forum for identifying balance of payments financing gaps and for persuading donors to shift resources toward countries with shortfalls, often with the World Bank filling in behind as needed.

The SPA framework encompasses donor resources channeled through six "dimensions":
1) IDA adjustment credits; 2) IMF SAF and ESAF financing; 3) cofinancing and coordinated quick disbursing concessional financing by other SPA donors; 4) bilateral debt relief; 5) support to offet IBRD debt service through supplemental IDA credits and donor financing; and 6) funding for commercial debt reduction through IBRD and donor contributions.

[1] The currently eligible countries are listed in tables in the Annex.

Seventeen SPA donors will have disbursed an estimated $14 billion in quick disbursing assistance by the end of 1996.

Prior to the inception of the SPA, daunting continent-wide downward economic trends had contributed to growing donor fatigue. *The SPA has been credited with providing a program of action which strengthened the justification for continued assistance to Sub-Saharan Africa.* Overall, the SPA has succeeded in providing much needed external financing to the SPA countries.

The SPA also produced a donor consensus on the need to shift a significant portion of aid from traditional projects to non-project balance of payments support to finance higher levels of growth-enhancing imports such as wage goods, raw materials, and spare parts. The higher levels of such imports, combined with programs of reform, helped to arrest dramatic declines in consumption and investment levels.

As more countries have liberalized their foreign exchange regimes and accrue more robust levels of foreign exchange reserves, donors have begun to raise questions about whether and how much the SPA should shift the focus of adjustment lending from external imbalances to fiscal gaps.

Although donor allocation decisions have always been sovereign, another governing principle of the SPA has linked allocations to country performance on reform. There is informal evidence that overall, donors have exercised some degree of selectivity (affecting, for example, several SPA countries prior to the parity change of the CFA franc in 1994.) However, the extent to which assistance is being provided without sound economic and sectoral policy performance increases the risks of : 1) the underfunding of fully performing countries; and 2) an undermining of the reform process and a worsening of the effect of existing distortions.

Effective support under the SPA requires not only appropriate levels of assistance, but its provision in a timely manner. The partnership has repeatedly focused on the need for adequate disbursement rates and examined donor disbursement procedures and other factors which may impede satisfactory disbursement rates. *Overall, donor disbursement rates have continued to meet the requirements of the fully performing countries.*

From its inception, the SPA forum has drawn attention to *debt relief* as a important resource for meeting balance of payments requirements. While deferring the formulation of specific solutions to the appropriate established fora, SPA analyses have pointed to the need for greater concessional debt relief and encouraged the progression of approaches adopted by the Paris Club as well as the development of the Multilateral Debt Initiative aimed at achieving debt sustainability for low income countries (or HIPC - the Heavily Indebted Poorest Countries).

Nevertheless, *the need continues for resource requirement calculations to take the debt burdens of SPA countries into account.* The overhang of debt remains large in most

SPA countries, suggesting the need for a more effective international strategy to lead to debt sustainability within a reasonable time frame.

2. ***Negotiating Improved Donor Procedures***

After an initial focus on mobilizing resources, the SPA expanded its agenda to include an examination of issues of the quality and effectiveness of adjustment assistance. *The SPA was found to be an appropriate and effective forum for identifying unhelpful donor practices, based on continent-wide experience.* Recommendations and guidelines to address these issues were adopted by the plenary, most of which had been developed by special working groups. They include the following:

- Guidelines for liberalizing *import support programs*, calling for:
    - SPA countries relying on market-determined foreign exchange allocations and liberalized trade regimes in implementing these programs.
    - Donors, in turn, to reducing the "tying" of their assistance (restricting source eligibility and type of goods to be imported), providing retroactive import financing, and moving away from other restrictions on procurements and disbursements.
    - Liberalizing the management of counterpart funds generated by foreign assistance, with donors simplifying procedures and treating counterpart as budgetary resources accruing to the recipient government in support of its overall public expenditure program, and with governments ensuring that actual expenditures are in accordance with budget priorities.
    - Using preshipment inspections as an interim measure to help address the problems of capital flight via over-invoicing of imports, and the evasion of customs duties by under-invoicing of imports and by mis-classification of imports so as to qualify for lower tariff rates;
    - Standardizing terms of reference for the audit of import support programs to reduce the administrative burden on SPA countries and help produce quality audits on a timely basis.
- Guidelines on phasing out *donor financing of local cost compensation, or salary supplements, for government officials.* The objective is to encourage a more uniform and transparent approach by donors which reduces distortions to existing salary structures and is linked to a strategy for reforming overall pay structures and performance standards in the civil service;

- Recommendations for *enhanced donor participation in public expenditure reviews (PERs)* with a view to reaching agreement with SPA countries on public expenditure priorities and strengthening donor support of these priorities.

The SPA working groups have been very active in developing recommendations to meet the *broader development agenda under SPA-3. Some of the guidelines and recommendations adopted or in process will be developed with more direct involvement of the SPA countries than the first generation of SPA guidelines. They are broader in scope and more operational; and in many cases they have relevance for investment programs as well as reform programs*. They are described below.

In this connection, *broader consultations on these initiatives with Africans and country-level feedback from CGs and RTs and in the field are necessary and desirable as they are further developed and implemented.* Monitoring of progress made and lessons learned are also envisioned. A start has been made, but the bulk of the implementation and the benefits to be realized will occur during the SPA-4 period. The areas include:

- Recommendations to strengthen the *linkages between reform and poverty reduction and gender concerns* have been endorsed by the plenary. Additional work is nearing completion focusing on poverty assessments, cost recovery, targeted programs, and gender issues.

- Guiding Principles for governments and donors on *civil service reform* have been adopted.

- Draft Guidance on *improving the PER process* has been discussed at the SPA plenary. It suggests ways *to promote African ownership and improved public expenditure management*, and get donors more involved in supporting and monitoring PER issues and results.

- Work on the *broader sector approach for development lending* (moving from a proliferation of individual donor-supported projects to coordinated support for a government's sector-wide strategy) has progressed throughout of SPA-3. Discussions of the practical aspects of implementation and examples of best practice have taken place in working group and plenary discussions and in seminars and training sessions sponsored by the Bank. As a result, the partnership's collective understanding, experience, and support for the approach has grown.

- An initiative on gender and economic reform has culminated in recommendations to integrate the gender dimension of reform into the work of the SPA. There is broad acceptance that the effective integration of gender concerns into the design and implementation of reform measures can lead to improved outcomes. SPA has agreed to undertake the integration of gender concerns into the preparation of structural adjustment operations on a "pilot" basis in three African countries, and to integrate priority gender issues into policy dialogue and adjustment operations in all countries.

3. *Developing a Consensus and Coordinated Approach in Support of the Economic Reform Process and Related Development Issues*

The SPA forum has provided an opportunity for the other SPA partners who provide financial support and technical assistance to contribute to the development of a common view on the approaches to and management of reform programs in which the World Bank and the IMF have a lead role. The dialogue has been candid and constructive and the cooperation has been fruitful. The SPA has given significant attention to a number of issues which emerged in the process.

Work carried out in a donor-led working group, in a Bank task force, and elsewhere have contributed to an examination of the role of selectivity based on performance; the means of providing funding assurance for reforms to avoid stop/go patterns of support; the appropriate uses of conditionality; the need to secure broad ownership and commitment to reform; and ways to improve aid coordination. Underlying this work was a sensitivity to the impact of political liberalization on the economic reform process.

The recommendations of the Bank task force, which examined ways to achieve higher impact in adjustment programs, have been well received. The task force has recommended 1) adapting lending instruments -- providing single tranche, floating tranche, and multiple small tranche loans -- to facilitate a more consistent flow of donor support to performing countries, and 2) structuring more flexible conditionality.

The donor partners were principal advocates for examining development issues related to reform, and introducing a focus in the SPA framework on two critical issues: the relationship between economic reforms and poverty reduction, and gender differences in the impact of reforms. The importance of the linkages between economic reforms, poverty reduction objectives, and gender concerns is now central to the SPA agenda.

The work described above has contributed to greater mutual understanding by the Bank and the donors of the challenges and the processes involved in implementing broader-based economic reforms. These emerging new approaches now need to be refined and integrated into ones which reflect a clear consensus in the SPA. This should be a challenge for the next phase.

4. *Monitoring the Results of Adjustment*

One of the most important features of the SPA since its inception has been its monitoring function. Donors are informed at six-month intervals of the progress of policy reforms as well as the financial needs of the SPA countries. The main vehicles for assessing SPA country performance have been the Country Status Reports and tables that reflect progress in key economic indicators. *The signals given in this monitoring process, and the implications for future programs, have been an important element of SPA coordination.*

As the SPA agenda has evolved or expanded, so has the scope of monitoring. In SPA-3 the scope of monitoring was broadened to include indicators of the sustainability of macroeconomic stability and economic outcomes. The annual report on the status of poverty in Africa has been a recent additional regular feature of SPA reporting. It has been noted that the SPA has proved to be a useful forum for jointly monitoring and evaluating the results of reform programs, such as the impact on economic growth and poverty, more cost-effectively than if it were done unilaterally by each donor.

5. *Monitoring and Peer Review of Donor Practices*

The collective experience in the SPA of identifying unhelpful practices and exerting peer pressure to change has been a positive one. It appears that donors have been more willing to innovate when others are moving in the same direction.

Donor performance in implementing the guidelines on import support programs has been monitored on a regular basis. Significant progress has been made by donors in responding to the liberalization of foreign exchange and trade regimes in SPA countries. 85-90% of adjustment assistance is now broadly untied -- a major accomplishment of the SPA partnership. Going beyond this, however, may be an unrealistic goal because of strong domestic pressure faced by a few donors.

In other areas for improving the efficiency of import support, further progress can be made. For example, donor earmarking of counterpart funds is one such area. This reflects to a great extent a lack of donor confidence in public expenditure planning and management in SPA countries, problems which should continue to be addressed by the SPA.

There will be a continuing need for reviews of progress in implementing new approaches which are developed by the SPA partners. In addition to the SPA forum, monitoring donor implementation of new SPA initiatives should more directly take into account experience at the country level -- in Consultative Groups and Round Tables and elsewhere.

6. *Intellectual Leadership*

The SPA has provided a unique opportunity for effective donor coordination throughout its existence. *As its agenda has evolved, the policy coordination function of the SPA has grown in importance relative to the mobilization of resources.* Over time, the scope of SPA coordination has expanded from a focus on mobilizing financing for a crisis response, to one which encompasses donor practices to enhance aid quality and effectiveness, and most recently to efforts for a consensus approach on related development issues.

Beyond this, donors have found value in the SPA as a forum where continent-wide issues and trends are identified and debated, while not necessarily being "solved." Recognizing that reform programs should be examined with an understanding of the context in which they are being implemented, the partners have discussed issues of debt, political change, and the importance of the nature and pattern of growth. In the future, the SPA will want to strive for more in-depth understanding of the complexities of such issues as performance-based selectivity in allocating resources, fostering country ownership, and strengthening budget and fiscal management capacities.

B. External Finance, Reform, and Performance

Introduction

The economic crisis that swept across Africa during the early 1980s awakened government officials and donors to the need for fundamental reforms if African countries were to establish the conditions for sustained development. The extent of the problem has been well documented, and may be summarized by a few key indicators for the initial SPA recipients[1]. *In 1981-87, per capita income fell by an average of 1.5 percent per year.* Macroeconomic balances were large and unsustainable, as fiscal deficits averaged 10 percent of GDP and current account deficits 16 percent of GDP. Export earnings plummeted, as both commodity prices and export volumes fell. The burden of external debt became unbearable, as arrears and refinancing of existing debt service led to rising debt levels, even as debt servicing capacity was falling.

External shocks, notably falling terms of trade and prolonged drought, brought on the crisis in many countries, but severe weaknesses in economic management were also revealed. Public expenditures were unsustainably high in many countries in relation to available resources, and were grossly mis-allocated from a developmental perspective. Economic incentives to produce, save and invest were badly distorted. Exchange rates were commonly inflexible and overvalued, as evidenced by the development of parallel,

[1] The economic crisis in Africa was the subject of a series of World Bank reports in the 1980s. The figures cited here refer to the 24 current SPA countries that were recipients during the SPA-1 and SPA-2 periods. These countries are listed in the Annex Two countries that were part of the initial group, Zaire and Somalia, were dropped from SPA eligibility in 1990 following the collapse of their reform programs. Subsequently, seven countries have been added to list of SPA recipients: Cameroon, Congo, Cote d'Ivoire, Ethiopia, Equatorial Guinea, Eritrea and Sierra Leone, making a total of 31 eligible countries. These countries are included in the discussion of the outcomes of SPA-3, as noted, but are not included here to maintain comparability.

unofficial markets with large premia for foreign exchange. Public institutions had taken on responsibilities that were well beyond their capacity, and hampered the development of private economic activity.

Donor programs, which financed very large shares of public investment in most countries, were also affected. Many projects could not be implemented effectively in the face of the strain on recipient budgets and institutions. And the expected benefits of projects were often not able to be realized as a result of the economic distortions induced by poor policies.

The response from the international community was to assist countries to design reform programs aimed at addressing the major economy policy problems and to provide additional assistance in the form of quick-disbursing aid to enable critical foreign exchange and budgetary expenses to be met during the time reforms were being implemented. SPA has served as the primary forum for mobilizing and coordinating the donor support for the groups of low income African countries responding to this approach. In looking back, this gave rise to four questions:

- To what extent has external financing been mobilized to meet the requirements of the SPA countries;
- What progress has been made in restoring growth and a sound macroeconomic framework in SPA countries;
- To what extent have structural reforms been accomplished?
- More broadly, to what extent have SPA countries been able to regain a path to sustainable poverty reduction?

External Finance

By any measure, the commitment of resources that the donor community has made to support economic reform in SPA countries has been substantial. To date, 17 donor governments and agencies (excluding IDA and IMF) have pledged a total of $19.7 billion in quick-disbursing balance of payments funding under the three SPA programs. Over 90 percent of the pledged amounts under SPA-1 and almost 80 percent in SPA-2 were signed into agreements; and almost three-quarters of the SPA-3 pledges had been allocated by the end of 1995. The ratio of disbursements to allocations has averaged about 80 percent over the entire period.

The support provided through SPA has been on highly concessional terms which are appropriate to the requirement that SPA recipients be low income and debt-distressed. The disbursements of donor resources (including estimated amounts for 1996) have totaled more than $14 billion (see Table 1). These resources, plus more than $8.5 billion in IDA support (including Fifth Dimension), have accounted for 45 percent of the total

ODA resources SPA countries over this period. These resources have been provided without a reduction of project support, which has been maintained.

SPA resources have been mobilized and monitored within a comprehensive financing framework for each recipient. The framework identifies a financing requirement to meet imports, debt service (including arrears), and reserve requirements, after taking into account resources provided by exports, transfers from abroad, and project support (including private financing). The imbalance or gap represents resources that need to be mobilized if the reform programs are to be implemented in the context of sound economic and social policies. Over the course of the SPA, the aggregate financing gap to be met by SPA has risen in absolute terms from $20 billion in SPA-1 to $24 billion in SPA-2 to $40 billion in SPA-3. However, the increase is primarily due to the expansion in the number of countries (from 21 in SPA-1 to 31 in SPA-3) that have undertaken reform programs and become eligible for SPA resources. Overall, the SPA gap has remained in the range of 27-29 percent of the total gross external requirements of SPA countries.

The resources mobilized through SPA have been sufficient to meet the funding requirement under SPA programs. Over the three SPA periods, a total of almost $60 billion has been mobilized under the SPA framework.

- *Debt relief* went from $6.9 billion (in current dollars) under SPA-1 to $7.9 billion under SPA-2 and a projected $17.6 billion under SPA-3. The dramatic increase in 1994-96 reflects the CFA devaluation in January 1994. Four CFA countries (Cameroon, Congo, Cote d'Ivoire and Senegal) saw their aggregate debt relief quadruple between 1991-93 and 1994-96. These countries accounted for nearly half of the debt relief provided under SPA-3. The share of debt relief in the total SPA financing countries combined increased as well, from 49 percent under SPA-1 to 60 percent under SPA-3.

  Adjustment financing, the other major source of financing, has increased from $7.3 billion in SPA-1 to $11.6 billion in SPA-3. IDA has provided a rising share of this funding (36 percent in SPA-3 compared with 26 percent in SPA-1, and has accounted for one-half of the increase in adjustment support over that has occurred. The IDA support in SPA-3 has included nearly $700 million through the "Fifth Dimension" program, under which additional allocations of quick-disbursing resources are made available to IDA-only countries with outstanding IBRD debt. The amounts have been equivalent to more than 90 percent of the interest payment obligations to the IBRD of these countries. IMF financing through the SAF and ESAF programs recovered under SPA-3, largely in support of the CFA parity realignment. Four CFA countries, Cameroon, Mali, Cote d'Ivoire and Senegal accounted for 40 percent of IMF disbursement in 1994-96 SPA. Cofinanciers increased their support from $4.0 billion in SPA-1 to an estimated $5.2 billion in SPA-3.

Overall, the share of adjustment financing in the SPA declined significantly over time from 51 percent under SPA-1 to 40 percent under SPA-3.

Table 1: Sources of Funding under the Framework of SPA
(billions of dollars)

	SPA-1 1988-90	SPA-2 1991-93	SPA-3 1994-96	SPA Total
Financing gap before SPA	20.1	23.7	39.5	
SPA financing[1]:				
Adjustment financing	7.3	8.7	11.6	27.5
IDA	1.6	2.3	3.4	7.3
IMF[2]	1.4	1.1	2.2	4.7
SPA cofinanciers	4.0	4.9	5.2	14.1
5th Dimension	0.2	0.3	0.7	1.2
Funding for commercial debt reduction (6th Dimension)	..	0.1	0.1	0.1
Debt relief	6.9	7.9	17.6	32.4
Total	**14.2**	**16.5**	**29.2**	**59.9**
Memo:				
Arrears, stock end-period	4.1	7.2	8.9	
Other financing	1.8	0.0	0.2	
Residual financing gap[3]	0.0	0.0	1.3	
(percent of total SPA financing)				
Adjustment financing	51.3	52.4	39.6	45.9
IDA[4]	12.8	15.9	14.1	14.3
IMF	10.0	6.8	7.4	7.8
SPA cofinanciers	28.5	29.3	17.9	23.6
Debt relief	48.7	47.6	60.4	54.1

1 The amounts indicated are disbursements.

28-Oct-96

2 For SPA-3, excludes funds disbursed to Zambia under the Rights Accumulations Program.

3 Residual financing gap for SPA-3 as of May 1996.

4 Includes Fifth Dimension, of which 85 percent was provided by IDA and 15 percent by cofinanciers.

Economic Reforms

The central thrust of the SPA effort has been to support efforts to stabilize the African economies and to reform production, trade and institutional structures to create conditions for higher growth rates. Clearly, the SPA period has been characterized by favorable developments in both areas. Domestic reform programs have contributed significantly to recent successes in a number of countries. The focus of these reforms has been to combine reforms geared toward macroeconomic stabilization with reforms of pricing and marketing systems to establish the conditions for sustainable growth of incomes.

Markets and Prices:

The central thrust of economic reforms has been toward establishing or liberalizing markets and increasing their role in the allocation of resources. In comparison with both the non-SPA African countries and other developing regions of the world, *progress in liberalizing trade and foreign exchange regimes has been noteworthy*. Today, most countries in this group have few specific import duties or import duty categories; lower weighted average and maximum tariffs (15 percent and 30-40 percent, respectively); and few non-tariff barriers. Import monopolies and export taxes have been reduced sharply or eliminated altogether, although they are significant and have adverse incentive effects where they remain (for example, timber in Cameroon, vanilla in Madagascar, or cocoa in Ghana). Progress in freeing forex systems has been even more impressive. In general, exchange rates are usually managed flexibly (except for the CFA countries), are usually market determined, and parallel markets are significantly lower than during the SPA-1 and SPA-2 periods. Full or substantial retention of foreign exchange by exporters is allowed in most countries, as is current account convertibility. Several countries have also introduced progressively liberal degrees of capital account convertibility.

In most SPA countries, there has been *solid progress in reforming the major markets*, reducing monopoly power, and improving the quality of incentive regimes. This is most evident in product markets, which in the mid-1990s are increasingly characterized by few or no marketing monopolies and relatively free entry and exit by firms. However, progress on factor markets has been less robust. Onerous administrative controls on labor and land markets continue to operate in the majority of countries (most clearly in such countries as Equatorial Guinea, Malawi, and Mozambique). Moreover, access to capital for productive purposes, especially by low income groups, is still low. Restrictions on investments (and on sales and restructuring) by domestic and foreign entrepreneurs continue to restrict growth in many countries. Progress in this area, when visible, has occurred chiefly during the SPA-3 period (for example, Ghana, Mali, Gambia, Senegal).

During SPA-3 several countries have embarked on programs of *parastatal reform and privatization*, albeit on a smaller scale than may be desirable. However, public enterprises continue to be major sources of resource allocation inefficiency and macroeconomic weakness in many countries, for example, Cameroon, Kenya, and Madagascar. The same is true of *financial markets*. Although the dominance of state-owned institutions is being eroded gradually by policies to promote competition (e.g. in Benin, Ethiopia, Ghana, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, Uganda, Zambia), significant problems remain in the rest. As liberalization has proceeded in the core economic sectors, the financial sectors in many countries have tended to bear the major burden of rent seeking, patronage, and economic distress.

Structural Reforms:

In addition to reforming markets and prices, another operational objective has been structural reform. The policy reform effort, often backed by specific investments and technical assistance activities, has focused on three areas: domestic resource mobilization, public sector management, and financial system reforms.

Domestic resource mobilization remains a problem area. Weak tax systems have undermined revenue collection by the government. There is continued high reliance on indirect taxes relative to direct taxes, although relatively efficient taxes, such as the VAT, have been put into place during SPA-3. The unsatisfactory tax effort is matched by generally low levels of cost recovery for public services, many of which are oriented toward groups that do not qualify as poor.

Government financial management has traditionally been an additional area of weakness, leading to low government savings and possible misapplications of scarce resources. However, the increased emphasis on public sector management in recent years has begun to pay off in a group of about 15 countries (for example, Burkina Faso, Uganda). Public expenditure management in this group of countries has clearly improved though problems remain. The divergence between budget allocations and actual expenditures is falling, and there is increasing use of economic criteria in spending decisions. A major preoccupation in this group of countries is to reduce, where appropriate, the size of the public sector.

The resource problems in the public sector are reinforced by *low savings in the rest of the economy.* Inadequate growth and macroeconomic instability clearly account for this, but the limited range of savings opportunities, especially in financial forms, is also to blame. An increase in competition may remedy this problem, but proactive policies and investments to increase the reach of financial institutions to underserved groups may have a beneficial effect. Increasingly, SPA-3 reform programs have addressed the problems of financial systems dominated by official or private monopolies and directed credit, which are usually potentially a source of macroeconomic instability because of the insolvency of the major banks

Economic Outcomes

The combination of sustained external support and improved domestic policies has created significantly improved conditions for higher economic growth. The median annual average ***GDP growth rate*** of SPA countries is estimated to have increased to 4.1 percent in SPA-3 (1994-96), compared with increases of 3.8 percent and 1.6 percent during SPA-1 (1988-90) and SPA-2 (1991-93), respectively.[1] However, the overall improvement masks significant differences among the countries. At one end is a group of seven countries where output has risen by more than 5 percent per year during 1994-95. At the other are three countries where output dropped during the period, almost entirely due to political instability (Burundi, Rwanda, and Sierra Leone). Altogether, 21 of 30 countries for which data are available can be expected to record positive increases in *per capita* GDP during SPA-3, up from 14 and 9, respectively, during the SPA-1 and SPA-2 periods.

The recovery of growth in most SPA countries is not long established, and must therefore still be considered ***fragile.*** Undoubtedly, much of the growth during SPA-3 reflects a turnaround from the effects of industrial country recession and domestic supply disruptions faced by African countries during the 1988-93 period. The challenge for the coming years is to deepen this growth and diversify its sources. However, it is also possible to see the favorable effect of economic reform policies supported by the SPA, including the landmark exchange rate adjustment of the CFA countries. During 1994-96, average output growth among the SPA countries was nearly 1.5 percentage points above that for the rest of Africa (excluding countries in severe political crisis, to make the comparison meaningful).

The turnaround is visible most clearly in ***exports***. After median increases of only 1 percent per year in SPA-1 and 2 percent in SPA-2, the real growth of exports during 1994-96 is expected to reach 6-7 percent per year, faster than the growth of aggregate output. The performance of the CFA Zone countries is noteworthy in this regard, as exports recovered from the dismal record of the preceding period. About half the SPA countries have been able to reach export growth rates of close to 6 percent per year during SPA-3. This is faster than the growth of markets for exports from all developing countries, which suggests that there has been an increase in the SPA countries' share of world trade.

As expected, the strong performance of exports and aggregate output has been accompanied by a recovery in real ***import growth***. This was facilitated by more open import and foreign exchange regimes. Average yearly increases of 2-3 percent are projected for the 1994-96 period, compared to an increase of 1.9 percent per year during SPA-1 and no increase during SPA-2. The availability of external transfers to finance

[1] Figures in this section for SPA-1, SPA-2, and SPA-3 refer to the countries eligible for SPA during each period. Unless otherwise noted, medians are used. Figures for each country and group of countries, including weighted and unweighted averages, are in the Annex.

imports, which enabled imports to be maintained during SPA-2, has contributed significantly to improved economic performance and import growth in SPA-3.

Although average domestic savings rates continue to be too low in most SPA countries to sustain economic growth, the *improvement in **savings performance***—resulting chiefly from the increase in agricultural exports and aggregate output and incomes— is encouraging. *Gross domestic savings are projected to increase to an average level of about 6% of GDP during 1994-96. double the rate during SPA-2.* However, this is still well below what is needed for high levels of sustainable growth. Again, the variations in country performance are significant. All but six of the SPA countries saw improvements in savings (the exceptions being Burundi, Niger, Sao Tome & Principe, Sierra Leone, Tanzania and Zambia), although only four of the group (Cameroon, Congo, Cote d'Ivoire, and Kenya) have been able to reach levels of savings that may be considered necessary for self-sustained growth.

Variations in the public ***revenue effort*** have widened, reflecting partly the different stages of implementation of fiscal reform among the SPA countries. Between 1991-93 and 1994-96, the median ratio of government revenues (excluding grants) to GDP declined from 15 to 14 percent. More than half the countries continue to collect less than 20 percent of GDP, a level that is often considered to be necessary to conduct the normal functions of the public sector in African countries. Meanwhile, despite the vast rehabilitation, reconstruction and redistributive needs of most African countries, public *expenditure* has remained at 25 percent of GDP. Fiscal deficits are projected to be lower in 13 countries before grants and in 19 countries after grants, as the financing of government expenditures from external grants increased slightly during the period. The reduced deficits after grants have reduced the public sector's offtake from the domestic pool of savings. Declining deficits have contributed to macro-stabilization. Although generalizations regarding inflation are difficult, given the large variation among countries, basic trends in most countries have been in a favorable direction.

Perhaps, the most hopeful sign emanating from the SPA countries is the *sharp real growth in **investment*** in a number of SPA countries. Half the countries in this group experienced annual increases in real investment of 11-12 percent and have raised their investment to GDP ratios by more than 3 percentage points. Moreover, private investment has also increased rapidly, with 9 out of the 24 countries with available data experiencing private investment growth in excess of 12 percent per year. Despite this progress, the median gross domestic investment to GDP ratio for the group has remained at about 15-16 percent. Country variations remain significant: 10 countries have estimated investment to GDP ratios of more than 20 percent during SPA-3, while another 5 countries failed to reach an investment level of even 12 percent of GDP.

External Finance and Performance

The improved economic performance of SPA countries that has become evident in SPA-3 has reflected the influence of better international economic conditions, particularly more favorable terms of trade; the financing made available by donors, particularly through the SPA; and the impact of the economic reforms themselves. It is very difficult at this early stage, and is in any case beyond the scope of the present review to attribute relative weights to these factors. In any case, there remain wide variations among SPA countries in the impact of these factors. Detailed studies have been undertaken--including the World Bank study on Adjustment in Africa-- that have confirmed one of the basic tenets of the SPA from its outset, namely that the implementation of good economic policies has a clear positive impact on growth. The link between economic performance and the implementation of reform is evident in the outcomes among SPA countries (see Box) Moreover, it is clear that without the external financing that has been made available--which has been equivalent on average to more than 40 percent of imports of goods and non-interest services--the pursuit of economic reforms would have entailed enormous economic and financial dislocations. This is nowhere better illustrated than in the case of Uganda (see Box)

Economic Reform and Performance—A Bird's Eye View

The World Bank's *Adjustment In Africa* (1994) study drew several links between the extent of the reform effort in Sub-Saharan African countries and actual economic outcomes during 1981-91. A number of detailed country studies reinforce the conclusion that macroeconomic stability, reduced market distortions, and adequate incentives are necessary, but not always sufficient, to generate the rapid economic growth needed to reduce poverty. What can be learned from the experience of the SPA countries?

A simple methodology was used to examine this question. The policy performance of the SPA countries is evaluated continuously by the IMF, World Bank country economists in consultation with IMF staff and other donors, using a mix of quantitative and qualitative indicators. This information was used to identify countries that were judged to have implemented *satisfactory* macroeconomic and a minimum set of efficient resource allocation policies in five core areas (1) trade; (2) markets for land, labor and capital; (3) public expenditures; (4) parastatals, and (5) the financial sector). We then examined the growth rates of GDP achieved by each of these countries during 1995.

The basic premise of the exercise is that, first, economic development requires social stability. Once this is achieved, macroeconomic stability is needed to create conditions for growth. This growth can be enhanced by efficiencies in resource allocation in some core areas of the economy.

The results are instructive. Major social disruptions have occurred, and for the most part continue, in one of the 31 SPA countries in the past three years; this accounts for 2.5% of the 313 million people living in the SPA countries. The remaining 30 countries had an average growth rate of *4%* during 1995. Of them, 9 countries were judged unsatisfactory in terms of macroeconomic stability. Nearly 20% of the people in SPA countries are accounted for by this group. The average growth rate of the remaining countries—that is, those that provide both social and macroeconomic stability—was *4.5%*. Of this group, only 14 countries were judged to have adequate resource allocation policies in the five core areas identified above. They account for 54% of the population of the SPA countries. The average growth rate of this group was *5.3%*.

Several points are worth noting. *First*, the set of conditions required to generate growth rates of above 5% is quite small, and the core of the reform effort should be directed at crossing this threshold. *Second*, the growth differential between countries that provide macro-stability and those that do not can be quite substantial. The growth rate among countries that failed the macro-stability criterion was only 3%, compared to 4.5% for those that passed. *Third*, more than half of the population of the SPA countries lives in countries that have, indeed, been able to provide social stability and a basic level of macro-stability and resource allocation efficiency. And they have seen the payoff in terms of higher growth rates. *Finally*, policy reforms, by themselves, are not sufficient and not all of the performance differences can be attributed to policy reform. Adequate finance is a necessary part of the picture and reforms need to be accompanied by supportive investments, most clearly in human resources and economic and social infrastructure. Only then will the SPA countries reach the sustained growth rates considered necessary though not elone sufficient to reduce poverty—6-7% per year.

External Assistance and Structural Reform in Uganda

By most standards, Uganda's economic performance since 1986 has been excellent. Real GDP has grown at nearly 7 percent per year, compared to 4.5 percent during 1962-71, before the social and economic collapse of the 70s and early-80s. Undoubtedly, favorable commodity prices have played a role in promoting rapid growth, particularly during the past two years. Nevertheless, the Ugandan case demonstrates how external assistance can reinforce good economic policies in stimulating growth in Africa.

This interaction between aid and reform has taken place in the context of a poor and predominantly agricultural economy—vulnerable to droughts and large commodity price instability—and a destitute physical, financial and human resource base. The key elements of Uganda's economic strategy consisted of promoting broad-based labor intensive growth, strengthening economic and social infrastructure, supporting human resource development, and enhancing the provision of public services, especially for poor and vulnerable groups.

This strategy inevitably required large amounts of external support; net ODA has averaged 14 percent of GDP since 1986. Clearly, however, external funds have supported effective reforms. Initially, macroeconomic stability was given highest priority. As a result, inflation dropped from 80 percent per year during the first five years of the adjustment program to single digits today. This was achieved by implementing a sequest set of measures— initial financing to provide an increased supply of critical imported goods, public expenditure realignments and management, complementary monetary expansion, and (partial) trade and foreign exchange liberalization programs. Price stability had a favorable effect on consumption, production incentives, and investment. In addition, improvements in the domestic terms of trade for farmers—resulting from easier marketing and purchasing channels and a reduction in tax distortions—increased agricultural supply response while reducing pockets of hard core poverty.

The second stage of reforms consisted of varying degrees of deregulation of the trade, external payments, and financial systems, and civil service restructuring. However, structural and management problems in public finance have occasionally threatened the sustainability of reforms. Consequently, recent reform efforts have focused on a stronger revenue effort, public financial management and socially-desirable expenditure realignments, and on a balance between parastatal reform/privatization and strengthening the delivery capacity and quality of services provided by the restructured public sector.

Despite the visible success of the reform measures, there are several areas where economic outcomes are unsatisfactory. Realistically, medium-term aggregate growth rates cannot be expected to rise much higher than at present, nor can growth continue to be supported so heavily by external funding and public spending. The challenge, therefore, is to direct future economic reforms toward enhancing the poverty focus of public policies, while unleashing private sector energies through a combination of deregulation, improved incentives, and supportive economic and physical infrastructure (largely provided from private sources and, if possible, through foreign investment). Such "growth plus" policies, which will continue to require external support into the forseeable future, have to be tempered by programs to ensure the longer term environmental and social sustainability of economic development. For this, they will need to be locally-driven, and based on better information and continued national commitment.

Achieving Sustainable Poverty Reduction

The achievements in restoring growth have succeeded in arresting the spread of poverty in many countries, but they have not been sufficient to yield appreciable benefits in terms of poverty reduction in SSA, although performance varies considerably. The generally slow reduction of poverty has been due to three factors:

- First, the rate of growth has not been adequate. Research has shown that, given the structure of the economy and the prevailing growth rate of the population, GDP growth of about 5 percent per annum is required for the number of people below the poverty line to remain constant. To achieve a meaningful impact on poverty reduction such as a drop in the proportion population below the poverty line of 10 percent, a growth of about 6 percent per annum is required keeping everything else (e.g. population growth rate) constant. Very few SPA countries have achieved this level of performance.

- Second, the distribution of growth matters a lot in terms of how quickly the benefits will be reflected in a lower incidence of poverty. Access of the poor to basic social and economic services is essential if they are to be able to effectively participate in an increase in economic activity. While there have been improvements, the patterns of incentives and public expenditures are still skewed against the poor in most countries.

- Third, the change in incentive and expenditure that are a necessary part of the reform effort has inescapably had an adverse impact on some people which has made them poorer. Examples include workers laid off from parastatals and retrenchments of public service employees. Resources to meet the needs for transitional assistance to adversely affected employees and others form part of the financing requirements of reform programs. Social safety nets in most SPA countries are not well developed for such groups, and the development of sustainable and effective social safety nets are a key part of the long-term development agenda.

In conclusion, the turnaround in economic performance of SPA countries has been impressive, and reflects the investment made in developing and implementing economic reform. However, the recovery in many countries is only recently evident, and its basis remains fragile. the reform agenda remains large. Macroeconomic stability is still threatened by fiscal pressures, structural reforms, particularly to create more hospitable conditions for private investment have far to go, and governments need to improve their capacity to provide essential services, if the achievement to date are to be translated into broad-based and sustained improvements in living standards.

III. The Agenda for SPA Phase Four

SPA-4 would build on the goals and accomplishments that have been achieved under the previous phases of the SPA. SPA-4 would:

- aim for achieving ***substantial poverty reduction*** within a five to seven year horizon, as countries have made progress in stabilizing their economies. This means raising sights on ***economic growth rates*** and on the ***distribution and pattern of growth*** as well.

- remain committed to provide ***quick-disbursing assistance to countries that undertake poverty-reducing economic reform.*** It is recognized that mobilizing non-project assistance is difficult for donors, but equally that adequate external finance is necessary to create the balance of payments and budgetary space for policy reforms to succeed, raising economic performance and the effectiveness of other forms of external assistance.

- play a growing ***catalytic role in consensus building and ownership,*** in Africa and in donor countries, on the difficult reform agenda that lies ahead. Stakeholder participation in SPA-sponsored discussion would increase and intensify, and closer links would be established between SPA and country level Consultative Groups and round Tables.

- continue work on ***improving the modalities for providing quick disbursing assistance,*** including simpler and better structured conditionality that is more supportive of countrys' own-designed reform programs, use of expenditure frameworks for providing assistance, and greater integration of poverty and gender issues in the design of economic reform programs.

- further develop a broad ***sector investment approach***, with the objective of increasing the development impact of public expenditures, whether financed by donors through project or non-project assistance, or by SPA countries themselves.

The SPA-4 agenda in support of these objectives is elaborated below under six headings: i) Sustaining Macroeconomic Stability; ii) Strengthening Capacity and the Development Impact of Public Expenditures; iii) Strengthening Linkages between Reform, Growth, Poverty Reduction, and Gender Concerns; iv) Performance Monitoring: v)Implementing SPA Initiatives; and vi) Outreach and Dissemination.

Sustaining Macroeconomic Stability

Establishing stable macroeconomic conditions has been a core objective of SPA support since its inception. SPA-4 would seek to mobilize resources, monitor, and strengthen the impact of reform programs through promoting country ownership and better design, sequencing, and implementation of reform programs, in line with the recommendations of the *Working Group on Economic Reform in the Context of Political Liberalization.* This involves the following areas of emphasis:

- ***Mobilizing quick-disbursing balance of payments resources in support of reform programs,*** and monitoring the implementation and financing of reform programs, will remain at the a core of the SPA. Financing requirements will be assessed in the context of comprehensive macroeconomic frameworks developed at the country level, taking into account all sources and uses of foreign exchange. As discussed in more detail in Section IV. The SPA financing requirements for 1997-99 are estimated to be $29 billion. In the context of the declining trends in aid availability in many donor countries, it will require a substantial and sustained effort to mobilize these resources. *Adequate funding for reform programs will continue to be essential, as underfunding increases the risks of contraction of growth and living standards, as well as aborted reform programs.*

  Debt relief will need to continue to be an important source of meeting the financing gap, as debt burdens remain large. The need for debt relief is two fold:

  a) First, debt relief will continue to be needed by nearly all SPA countries if they are to meet their current financing needs. Debt relief is incorporated into the financing framework for reform programs. Debt rescheduling and relief provided through the Paris Club, as well as operations of the IDA Debt Reduction Facility, have enabled SPA countries to reduce the level of their debt service payments, while making progress on reducing arrears and regularizing relationships with creditors.
  b) Second, further debt relief will be needed to address the *overhang* of outstanding debt and reduce the debt burden to *sustainable levels within a reasonable time period.* The Heavily Indebted Poor Countries **(HIPC) Initiative**, which was approved at the Development Committee meeting in September, provides a mechanisms to achieve that objective. Current analyses suggest that the application of the Naples Terms framework developed in the Paris Club during SPA-3, will be sufficient to enable about one half of the SPA countries to achieve debt sustainability, in the context of continued good economic management performance.. The enhanced debt relief envisaged under

the HIPC Initiative would enable the remaining SPA countries to do so, by providing for whatever additional reductions of the stock of debt, including multilateral debt, that were necessary for a country to achieve debt sustainability. These measure will thus provide a way to resolve the problem of the debt overhang, which has served to pre-empt the benefits of future growth and impede investment. In this way, one of the original objective of SPA--to address the debt problems of the low income debt-distressed countries in Africa--will be able to be met.

SPA-4 resources would be mobilized within the context of medium-term macroeconomic frameworks that envisage strong progress in ***domestic resource mobilization***. A particular area of focus would continue to be a reduction in fiscal deficits and the drain they place on domestic savings. A strong effort would be made towards strengthening government revenue mobilization effort and capacity. The financing framework for SPA countries for SPA-4 envisages a strong increase in gross domestic savings. Most of that improvement would come from reduced fiscal deficits.

- SPA programs would aim for ***higher growth rates*** necessary to achieve *poverty reduction.* Current projections provide for the median GDP growth of SPA countries to rise from 4 percent in SPA-3 to 5 percent in SPA-4. (The projections are discussed in more detail in Section IV. Data by country are in the Annex)). About one third of SPA countries would be able to achieve growth of 6 percent or more during this period, in the context of implementing reform programs (only four countries are estimated to average growth at this level in SPA-3). Achieving a higher growth plateau will require a sharper identification of the key obstacles, and more focused support on the countries that are prepared to address these obstacles more aggressively. If higher growth is to be achieved with constrained availability of aid, more effective implementation of reforms will be required to increase *domestic resource mobilization.* Strengthening tax administration will remain a major challenge, and takes time to bear results. Improved public savings will need to entail mores substantial efforts at parastatal reform and privatization. The development impact of *public revenues and expenditures* will need to be strengthened, and more determined efforts will be needed to *foster private sector development*. Policy reform will need to be accompanied by effective institutional and regulatory and judiciary reform that will lower costs of doing business, enable markets, including rural markets, to be expanded, foster international linkages, and attract private investment in needed infrastructure.

- ***Selectivity in the allocation of SPA donor resources*** will inescapably become more important in the context of their greater scarcity. Such selectivity would need to be ***performance-based*** to make the most effective use of donor resources. There may also be a need for donors to consider ways to introduce greater flexibility in their allocations, to supplement the flexibility currently provided by the IMF and IDA in shifting support in line with performance. IDA and IMF programs may need to become more selective, to ensure that resources focused in countries where commitment and ownership have taken hold. Some countries may also be nearing the end of their need for quick -disbursing support. The eligibility criteria for SPA support would remain as they have been throughout the SPA, and the assessments of the recipient country's performance would serve as the basis for donors' selectivity. *Indeed, donor assistance provided without sound economic and sectoral policy performance in recipient countries undermines the reform process and can worsen the effect of existing distortions.*

- SPA would promote greater ***country ownership*** of reform programs. The sustainability and success of reform programs has been shown to be strongly related to country ownership. Programs supported under SPA-4 would help strengthen country ownership through greater recipient country participation in the development and implementation of reforms and greater flexibility in the ***structuring of conditionality in adjustment programs*** (e.g., with greater use of single tranche loans based on ex post assessments of performance).

- Adjustment lending instruments and processes would be adapted to aim for a ***more consistent flow of donor support*** (avoiding stop/go patterns of support) to performing countries through greater donor coordination and adapting adjustment lending instruments. The process of broadening stakeholder consultation and involvement in the development of reform programs would include donors. The SPA would explore ways to more effectively involve donors in the review and assessment of performance in implementing reform programs. A ***more diverse array of adjustment lending instruments*** would be used to separate disbursements related to macroeconomic policy reforms from those tied to implementation of specific structural reforms, in line with the recommendations of the Bank's Task Force on Higher Impact Adjustment Lending.

Strengthening Capacity and the Development Impact of Public Expenditures

An important thrust of SPA-3 has been to strengthen the role of public expenditure reviews. With the progressive untying of donors' balance of payments assistance and ex post reimbursement for imports, the assurance that counterpart funds will be spent in support of priority development objectives increases the need for mutual understandings on the ***overall pattern of public expenditures***. Moreover, the liberalization of foreign exchange regimes has served to ease foreign exchange pressures, while leaving the limited availability of public funds as an important constraint on development. Most donor support for public expenditures is at the ***sector level***, where closer donor coordination through ***Sector Investment Programs (SIPs)*** holds the promise of greater development impact. The guidance developed by the Working Group on Public Expenditure on ***country-led*** public expenditure reviews (PERs) provides a framework for expansion of SIPs and more effective donor assistance. ***Capacity-building*** needs to be an important element of such efforts, in line with the recommendations of the Civil Service Reform Working Group. SPA-4 would support the implementation of these recommendations:

- Development of ***participatory public expenditure planning and review processes*** would be a key instrument for improving the developmental impact of public resources, domestic and donor. The composition and management of public expenditures in SPA countries has been weak. The guidance developed by the Public Expenditure Working Group (PEWG) to strengthen public expenditure management through a country-led PER process with donor support would be tested at the country level during SPA-4. (See Box) The process implies and requires a strengthening and better utilization of country capacity for public expenditure management and tax administration. The pace of implementation and other issues would be monitored through the SPA. Progress in public expenditure reform would be reported through the SPA Country Status Reports

THE SPA WORKING GROUP ON PUBLIC EXPENDITURE

The SPA Working Group on Public Expenditure was reconvened in January 1994, and resolved to take up the issue of the impact of public expenditure reviews (PERs) in SPA countries. PERs had become an increasingly important instrument for the dialogue on resource allocation issues in SPA countries, with such exercises usually led by the World Bank, but with increasing donor participation. The question was: did these PERs contribute to improved resource allocation and rising efficiency of public spending?

A study was commissioned, drawing on the experience on the ground of ten SPA countries: Cote d'Ivoire, Senegal, Ghana, Ethiopia, Tanzania, Uganda, Zambia, Mozambique, Mali and Burkina Faso. The study was coordinated and co-financed by the EU, with several bilateral donors financing country studies. Consultants met with governments and stakeholders to discuss reactions to the PER experience, and the content and quality of PER documents was reviewed.

The experience was decidedly mixed. However, from both the positive and negative experience, five essential ingredients for success could be identified:

- government ownership of the PER process was key
- annual PER exercises have greater impact than one-shot PERs
- practical action programs, not general recommendations, are essential
- the focus needs to be on expenditure outcomes, not just budget planning
- donors contribute to allocation problems, and must be part of any solution

The Group went on to prepare draft "Guidance" on the future preparation of PERs. This "Guidance" flows naturally from this analysis, emphasizing government ownership of PERs as a process, rather than a product, focusing on budgetary systems and outcomes, while formulating concrete reform actions programs that involve the donors as partners in development. This draft "Guidance" has already been discussed with 12 Eastern and Southern African governments in Malawi in February 1996, and will be reviewed with Western and Central African countries in Cote d'Ivoire in February 1997.

But already, World Bank staff are working with their clients in Africa to incorporate this Guidance into PER work. For example, recent PER work in such countries as Togo, Benin, Burkina Faso, Mozambique and Malawi has emphasized government's leading role in the exercise, as well as the multi-year nature of the work. As this continues, the SPA will monitor the impact that this new approach has on resource allocation in Africa, and on the efficiency with which donor funds are utilized in pursuit of poverty alleviation and growth.

- ***Expanding the use of Sector Investment Programs (SIPs)***, as a means of introducing a *broad sector approach* to donor support for investment programs in order to improve the effectiveness of donor support and public expenditure at the sectoral level. A key element is for countries to take the leading role in defining overall sector programs as a framework for donors to provide support. SIPs are a tool to implement agreed multi-donor programs at the sectoral level. They could also be used to help implement sectoral initiatives that are multi-county or region-wide, such as the UN system-wide Special Initiative on Africa. Under SPA-4, although there would be no advance pledging of donor assistance in support of SIPs, donor resources channeled though SIPs would be tracked, and experience with implementation reported. Cross-country issues would be discussed. Greater use of SIPs would be expected, but SIPs should not be seen as the only way to have successful investment lending.

SECTOR INVESTMENT PROGRAMS

There are six essential features of a sector investment program (SIP). In essence, these are six principles of sound project development. These six features are:

- a SIP is sector-wide in scope, where a "sector" is defined as a coherent set of activities, which need to be looked at together to make a meaningful assessment, and it must cover *all* sector expenditures, both current and capital
- a SIP has to be based on a clear sector strategy and policy framework
- local stakeholders, meaning government, beneficiaries, and the private sector have to be fully in charge
- all main donors must sign on to the approach and participate in its financing
- implementation arrangements should to the extent possible be common to all financiers
- local capacity, rather than long term technical assistance, should be relied upon for the project

While most of the ongoing SIPs are in Africa, there are comparable operations in. for example, Bolivia, Pakistan, Bangladesh and Morocco. About ten such operations are under implementation, with about 60 more being prepared. They are distinguished from earlier sector loans by their multi-donor, comprehensive sector coverage, and the explicit linkage of recurrent and investment expenditures into a unified sector budget. Thus the *sector* becomes the project, not just the goods and services that a particular donor helps to finance.

A SIP should therefore be seen as a program of expenditure in a sector, which translates into practical results the government's policy framework for the sector. As such, they are designed to address the main developmental problems of a sector, rather than major policy distortions.

Are these SIPs working? It is clearly too soon to tell, but lessons are emerging. First, they are succeeding in generating much greater local ownership, and they are forcing a clearer identification of the sector policy framework. Donor coordination and understanding is improving, and capacity in SIPs sectors at the government level is rising. But institutional capacity is showing strains, and the challenges of initiating institutional reforms, and especially decentralization in the face of such demanding operations is slowing implementation in some cases.

The early lessons appear to be that such operations have their place in the right circumstances, where they can make a real difference, but should not be pursued for their own sake in all circumstances. CGs are a good forum for discussing the desirability of SIPs in key cases, and institutional questions should be addressed upfront and early. But the initial experience does confirm the potential that the SIP instrument has for improving development impact, and that it is an instrument that deserves to continue to be applied in the right circumstances.

- ***Agreed public expenditure programs as a framework for project and non-project assistance.*** As foreign exchange markets develop and short term balance of payments pressures ease, the needs for balance of payments support may diminish. But this does not mean that other forms of support for adjustment and policy reform will not be equally important, not least to support programs of public expenditure that have been identified as necessary to underpin economic growth and poverty reduction. It is in this context that the SPA has begun to consider ways in which the budget can provide a framework to support adjustment and the ODA has designed an experiment to in Zambia to test this approach. The progress made in the pilot undertaken by ODA in Zambia would be reviewed as an example of re-orienting the focus of policy dialogue and donor assistance towards a public expenditure planning and implementation framework.

- More effective efforts to ***enhance public and private institutional capacity and governance*** will be important to the achievement of SPA objectives, ***as weak institutions and poor governance impede economic performance***. Rationalization of institutions and empowerment of local communities and non-government institutions, including meeting the costs of these reforms, will be needed. SPA-4 would move to implement the "guiding principles" developed by the Working Group on Civil Service Reform. Better utilization of existing African institutional capacity and the replication of high-impact, low-cost institutional solutions can also be effective and reduce dependency on external expertise.

Strengthening Linkages between Reform, Growth, Poverty Reduction, and Gender Concerns

Poverty reduction is the ultimate objective of the concessional assistance provided by donors to SPA countries. As SPA has evolved, it has become more feasible and more urgent that the design and scope of the programs coordinated through SPA become more tightly linked to poverty reduction. The Working Group on Poverty and Social Policy has been concerned with this linkage and an important finding of the Group's work was that policy reform and growth rates of about 6.5 percent are necessary for significant poverty reduction. *Without policy reform, aid can exacerbate poverty, and without higher growth rates, little or no progress can be made in reducing the numbers of poor in Africa.* ***Achieving high growth rates would be a key measure of the success of SPA-4.***

It has also become clear that the ***pattern o***f growth matters as much as the level of growth. The poor need to be able to participate more fully in growth, through incentives to produce, access to basic services, and increased employment. SPA-4 will be guided by the findings and recommendations of the Working Group on Poverty and Social Policy

(See Box). Programs supported through SPA-4 would therefore strive to ***bring poverty reduction objectives explicitly into the design of reform programs and to assess the impact of these reforms on poverty reduction.*** In addition, SPA-4 will support a greater

Box: Summary of the Main Findings and Recommendations of the Working Group on Poverty and Social Policy

The Working Group on Poverty and Social Policy has met four times to discuss poverty and social policy issues relevant in the context of the mandate of the SPA. Discussions have focused on three broad areas namely, (a) policies and strategies for reducing poverty, including the focus on gender issues; (b) reviews of the focus by the World bank and others on poverty reduction and gender in adjustment programs; and (c) the monitoring and analysis of poverty in Sub-Saharan Africa.

Policies and Strategies for Reducing Poverty. While the incidence of poverty is falling in some countries, it is still estimated on average to be at around 45% of the population in SSA. The majority of the poor are in rural areas, a higher proportion of women and girls than men and boys are disadvantaged in terms of their access to assets and social services, and there is a positive relation between levels of income household expenditures and social indicators. Government commitment to poverty reduction is still weak. In light of these findings the Working Group has recommended that all donors should make a greater public commitment to achieving strong government commitment to poverty reduction, that more attention should be paid to higher growth and a pro-poor distribution of growth, and that the World Bank should make a greater effort to disseminate and publicize its analysis of the problems and solutions pertaining to poverty in Africa. Participatory assessments of poverty underline the importance which the poor attach to improved rural domestic water supplies and rural roads and public expenditure programs need to recognize this demand. Working Group discussions have emphasized that the reduction of poverty in SSA will depend heavily on high growth rates from adjustment and investment programs which are well in excess of 5 percent, a pro-poor pattern of growth with an emphasis on rural development and improved social services for the poor. The Group concludes that solid, pro-poor growth can contribute powerfully to improving the welfare of the poor and to sustaining broad economic growth.

Poverty and Gender Focus of Adjustment Programs. Reviews by ODA of the instruments used by the World Bank to provide the basis for adjustment programs (Policy Framework Papers (PFPs), Country Assistance Strategies (CAS), adjustment operations (SACs)) have concluded that while CAS and SACs have increasingly included poverty concerns as an important objective, more needed to be done to assess the impact of these programs on the poor. On the other hand, gender concerns were analyzed infrequently and not in sufficient depth.

Monitoring of Analysis of Trends Because there continues to be inadequate statistical information from household surveys to enable a precise understanding of the extent and depth of poverty, the Working Group has recommended that the donors should support systems for the monitoring of poverty in SSA. It has also recommended that the **Annual Status Report on Poverty** should be produced regularly by the World Bank and include more information on the reliability of conventional survey data and more material from qualitative surveys and more information on gender issues. Reviews undertaken by the Working Group point to a need for improving the analysis of poverty and gender issues in poverty assessments, public expenditure reviews, adjustment programs and policy framework papers, and for greater participation and government ownership of the process and product.

focus on poverty reduction objectives in public expenditure reviews and in discussions with countries with the aim of in putting together SIPs. These efforts will be facilitated by the move in the World Bank to place poverty reduction objectives at the center of its programs, as reflected in Country Assistance Strategies. These objectives would be pursued not only through adjustment lending, also through other forms of support to address the long-term constraints to poverty reduction, including such issues as labor markets, land distribution, and the provision of basic social services.

Gender concerns are closely related to those of poverty.. The work under an initiative on gender in SPA-3 has shown that ***inadequate attention to gender issues in the design of assistance programs weakens the economic response to reforms and imposes costs on women***. In SPA-4, the focus would be on the recommendations of the October 1995 Ottawa workshop on gender issues, as discussed at the November 1995 plenary. . Key elements include:

- Pilot adjustment operations in three countries, that integrate gender concerns explicitly in the development of reform programs;
- Addressing structural constraints to women's empowerment -- notably protection of core public expenditures, giving girls' education a prominent role in the policy dialogue, and legal reform aimed at tackling gender disparity in the framework of reform programs;
- Introducing gender incidence analysis into the PER process, to identify key expenditure reforms;
- Financial sector reforms which promote access to financial services for women;
- Promoting the participation of women as part of broader efforts to promote participation and ownership of reform programs.

Performance Monitoring

Monitoring has been a key element of the SPA since its inception. ***Balance of payments financing requirements and donor resource delivery*** have been central areas of monitoring. In SPA-3 the scope of monitoring was broadened to include indicators of the ***sustainability of macroeconomic stability and economic outcomes***. (The indicators included agricultural growth, non-traditional export growth, domestic savings rates, government revenue/GDP, and private investment to GDP). Social indicators are included in the Country Status Reports, though they have not been monitored on a cross-country basis through the SPA. This monitoring would continue in SPA-4, with a heightened focus on ***performance.*** At the same time, a longer-term development focus would suggest the value of also ***broadening the scope of monitoring in SPA-4***. This would entail systematic reporting on:

- Indicators of poverty such as the *percentage of the population below the absolute poverty level* (head count); in addition, the Annual Report on Poverty would provide an overview of progress.

- Sectoral indicators, such as *female gross primary enrollment ratio (or the ratio of female to male)* as gender indicators; *gross primary enrollment for* education; *fertility rate* for population; *infant mortality rate* for health.

- The monitoring of donor performance could begin to track the resources being channeled under Sector Investment Programs.

- A longer-term focus could be brought to the tracking of debt positions, by reflecting in the Country Status Reports the key elements of the debt sustainability analyses that are now being systematically included in PFP and CAS documents and reporting, for example, the *present value of debt to exports ratio.*

- With the increasing attention to improving the pattern of public expenditure, monitoring of the implementation of the Public Expenditure Working Group recommendations is foreseen. As and when support programs are tied to a comprehensive public expenditure framework, an appropriate reporting format could be developed.

The quality of African statistical reporting is a constraint on performance monitoring. SPA would seek ways to provide more and better coordinated support for strengthening institutional capacity in this area.

Implementation of SPA Initiatives

Role of Working Groups

Working groups have been a key instrument in furthering the objectives of the SPA agenda. In previous phases, the SPA began to examine issues of the quality and effectiveness, as well as the quantity, of adjustment assistance. Working groups were established to develop recommendations and guidelines for approval by the plenary on such issues as simplifying procurement and disbursement procedures under import support programs; management of counterpart funds; donor financing of local cost compensation for civil servants; and strengthening African ownership of public expenditure reviews.

With the adoption of a broader development agenda under SPA-3, working groups and workshops have addressed the linkage of reform, poverty reduction, and gender concerns; the public expenditure process; civil service reform; and the challenge of implementing economic reforms in an era of political liberalization.

In January 1996, the leaders of SPA-3 working groups and workshops met to take stock of their work and to make recommendations for the future. A full report from the meeting and issues referred to the plenary has been issued. The following points of consensus reported by the participants should be noted here:

- *Working groups are valued as fora for in-depth consideration of issues related to the SPA agenda and for the opportunity they provide for donor leadership and involvement in the adjustment process.*

- *The number of ongoing groups under SPA-4 should be reduced. The alternative of one-time workshops or seminars should be more frequently used.*

- *There should be greater clarity in the working group mandates which are authorized by the plenary. A group's proposed work program should also be the subject of plenary discussion, and new authorization should be sought before taking on unanticipated tasks.*

- *The SPA should explore ways to strengthen link between the products of the working groups with implementation in the field, such as through discussions in Consultative Groups and Round Tables.*

Linkage to Consultative Groups and Round Tables

The SPA aid coordination mechanism is unique in its continent-wide perspective, multi-year resource framework, high level of donor representation, and systematic monitoring of African economic performance and donor implementation of agreed initiatives. With SPA efforts to expand and deepen the integration of reforms with the broader development agenda, the question arises of how best to adapt aid coordination to achieve this.

Considerable potential exists for strengthening mutually reinforcing linkages between SPA, the forum for discussing cross-country issues, and Consultative Groups (CGs) and Round Tables (RTs), the focal points for discussing the content of specific country aid issues.

CGs and RTs could be key instruments for the implementation of initiatives that have already been agreed by donors under SPA-3, and consultation on those that may be developed under SPA-4. CGs/RTs could also benefit from the systematic monitoring of donor and country performance that has been developed for the SPA. In turn, feedback from CGs and RTs could be reflected in the operations of the SPA, with the aim of improving the product and identifying best practice.

As a general principle and as appropriate, the implementation of policy initiatives adopted by SPA donors will be put explicitly on the agenda of the CGs and RTs. The results of the CG/RT-level discussions and monitoring would then be reflected in SPA Country Status Reports and in plenary discussions of cross-country developments.

This dialogue should not result in the imposition of new conditions by the SPA, but rather enable the donors and SPA countries to improve the effectiveness of their cooperation.

The need for greater CG/RT coordination at the sector level -- in terms of defining objectives and mobilizing resources -- can also be expected in connection with the development of Sector Investment Programs. The SPA would report on the outcome of these efforts, and track overall progress and identify common obstacles.

Outreach and Dissemination

Stakeholder Participation in SPA Plenary and Working Group Meetings

There has been some stakeholder involvement with SPA plenary meetings and working groups and workshops. As a prelude to donor-only plenary meetings, each member of a panel of 2-3 African ministers (usually finance ministers) makes a presentation, and then the panel engages in a discussion with the donors. In working groups and workshops, Africans have been invited on an ad hoc basis. Invitees have usually been academics, NGO representatives, and other members of civil society. For example: African experts have been asked to conduct studies and participate in meetings; and the Poverty and Social Policy Working Group devoted one day of their meeting held in Addis Ababa to discussions with NGOs and others.

The SPA will continue a dialogue with African speakers at the outset of SPA plenary meetings, but representation will be diversified to include other important stakeholders in African development. Possible invitees include other government officials at the national or local level, NGOs, international organizations, and the private sector.

The SPA will continue to encourage the integration of African/NGO expertise and opinion in selected working group activities, and in workshops and other special purpose meetings. Rather than mandating uniformity across groups, stakeholder participation should be determined by the participants in the particular group or activity.

Institutional Linkages

As part of an expanding dialogue, the SPA on issues of reform and development, the SPA should seek opportunities, build links with existing organizations such as the Global Coalition for Africa and the Economic Commission for Africa, as well as pan African fora which presently exist to coordinate donors in various sectors.

Outreach and Broader Consultation

SPA-4 will explore opportunities for improved ***communications efforts to enhance mutual understanding of broad-based reform for growth and poverty reduction in Africa.*** This would involve at least three audiences: African societies, donors' own organizations, and their countries' general public. Such activities, possibly involving partners in SPA countries, should include:

- Consultations in Africa on SPA-4 itself, using the SPA-4 agenda as a basis for workshops and other discussions.
- Dissemination and discussion on the SPA agenda and initiatives with local aid coordination groups in SPA countries.

IV. Projections and Targets for SPA-4

Forecasts of the future are always hazardous. This section provides a perspective on the order of magnitude of the financing resources that is likely to be required by SPA countries during SPA-4 that is based on country economic projections undertaken by World Bank staff. Such projections are only possible on the basis of using some key assumptions about economic performance and exogenous conditions. Both the assumptions and the requirements are outlined below.

These projections indicate that the *aggregate financing gap to be met by the SPA framework will be about $29 billion, compared with $40 billion in SPA-3.* The reduction of more than 25 percent from the SPA-3 requirements reflects the progress that has been made in macroeconomic adjustment. Most of the reduction is due the lower level of outstanding arrears that would need to be cleared. (These were nearly $18 billion at the outset of SPA-3, and are expected to be about $11 billion at the outset of SPA-4, as shown in Table 3). Net of arrears, the financing gap is estimated to fall from $22 billion in SPA-3 to $18 billion in SPA-4. Even this more modest reduction in financing requirements, however, reflects a substantial improvement in performance and a lessening of dependence on external balance of payments support, when expressed in terms of imports. Viewed this way, the SPA-4 financing requirement (net of arrears) would be equivalent to 17 percent of imports of goods and non-interest services, compared with 24 percent for SPA-3.

The key assumptions underling the projections have been made at the country level and are shown in the Annex. The aggregate (medians) are shown in Table 2.

- The median *GDP growth rate would rise to 5.1 percent, from an estimated 4.1 percent for SPA-3* About one third of the countries would have GDP growth in excess of 6 percent.

- *Export growth would be about 6 percent.* Export growth would be expected to moderate in a number of countries that experienced strong rebounds in SPA-3, including many of the CFA countries. In making these projections, it has been assumed that OECD growth would be about 2.5 percent, and the terms of trade would remain relatively unchanged.

- *Import volume growth would rise to nearly 4.9 percent, from 2.6 percent in SPA-3.* Import volume growth varies widely among countries, reflecting among other things the adequacy of import levels at the outset of the period. In almost all countries, however, import growth is below the growth of GDP.

- *Investment and savings rates would continue to rise.* Savings rates in particular are projected to rise sharply from 6 to 10 percent. This is clearly an ambitious target, and would have to be met largely from

> improved public savings. The key will be the ability of governments to improve revenue mobilization and to reduce parastatal losses and other unproductive current expenditures. This underscores the importance of strengthened public expenditure management and attention to the poverty and gender impact of expenditure and tax decisions. Slower progress in raising domestic savings would increase the need for foreign savings and the SPA financing gap.

An aggregate economic model has been used to gauge the sensitivity of the financing gap to alternative assumptions. Preliminary results using this model indicate that a one percent change in OECD growth would not, by itself, have an appreciable impact on the size of the funding gap. However, a one percentage point reduction in the terms of trade could add an estimated $1.5 billion to the financing requirements over the SPA-4 period. The impact on the financing gap of a one percentage point reduction in the assumed domestic savings rate would be even greater--about $3.5 billion.

Table 2: Economic Performance during SPA-1 through SPA-4
(percent)

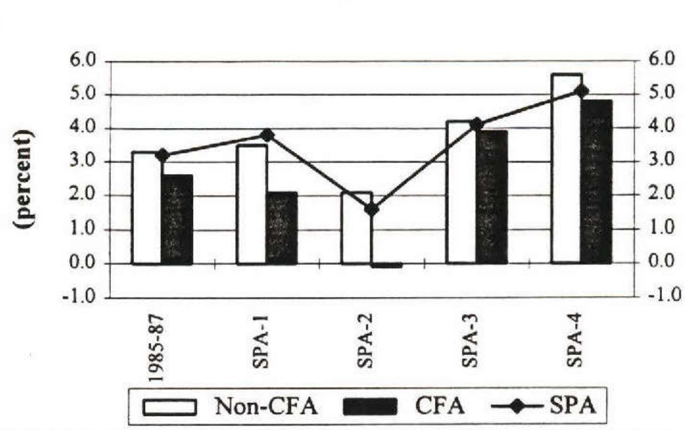
	SPA-1 & 2 1988-93	SPA-3[1] 1994-96	SPA-4[2] 1997-99
(annual percent change)		*(median)*	
GDP	2.7	4.1	5.1
Exports	3.3	6.7	6.1
Imports	0.9	2.6	4.9
(% of GDP)			
Savings	4.5	6.1	10.3
Investment	16.1	15.5	18.2
Government Revenue	14.8	14.0	15.6
Government Deficit, excl. grants	-9.4	-9.4	-5.8

[1] estimated, [2] projected. 28-Oct-96

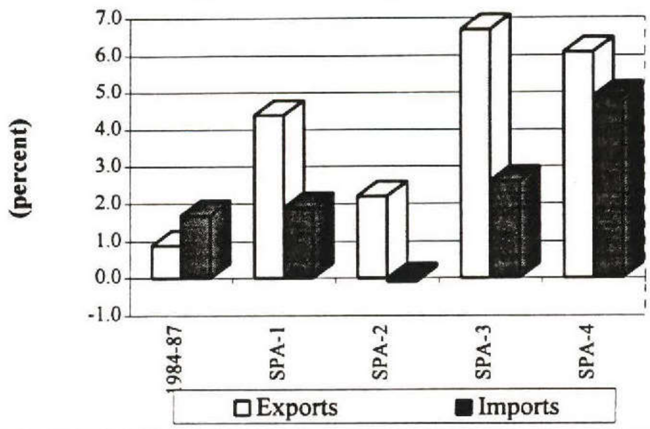
Note: SPA-1 constitutes 21 countries, while SPA-2 constitutes 27 countries.

Economic Performance of SPA Countries, SPA-1 through SPA-4 (1984-1999)

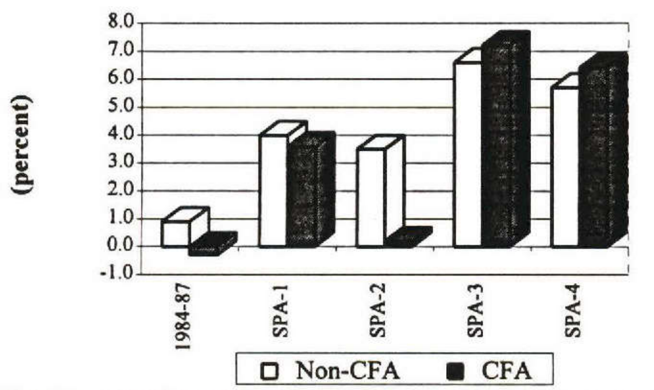
GDP growth



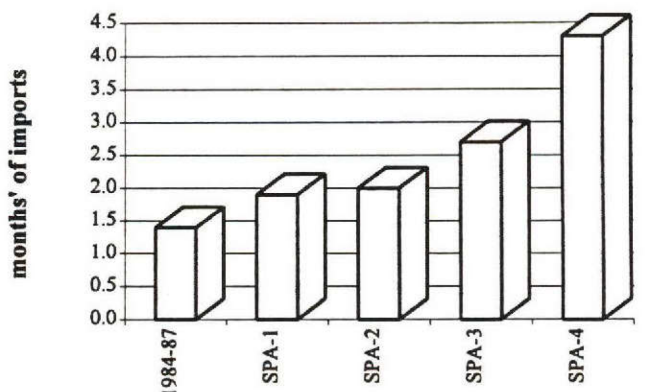
Export and Import Growth



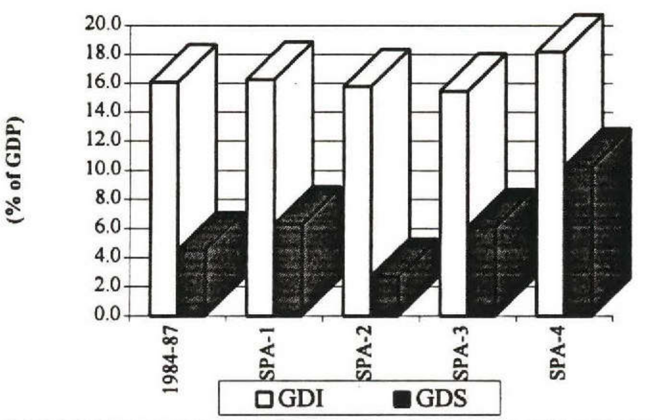
Export growth



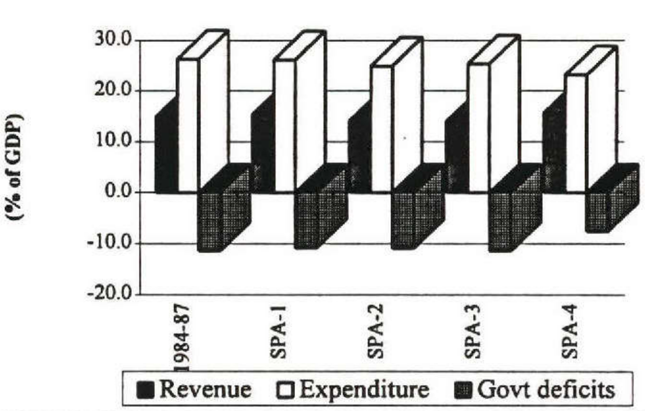
Reserves



Savings and Investment



Revenues & Expenditures



Note: Data are in medians. Figures for 1996 in SPA-3 are estimates, while those for SPA-4 are projections.
Source: Annex tables.

Meeting the financing requirements

A preliminary estimate has been be made of how the financing requirements implied by the country projections could possibly be met. (See Table 3). These estimates are subject to considerable uncertainty as specific adjustment programs and their financing have yet to be agreed. The table does provide a breakdown of the requirements and resources between countries where a program is in place, even if not covering the full three year SPA-4 period, and countries where there is currently no agreed program in place.

Debt relief would continue to be the single most important channel for meeting the financing requirements. Debt service due (including arrears) of SPA countries is estimated to be $37.6 billion, or 42 percent of projected exports. It is estimated that, debt relief (including relief on arrears) could be about $15 billion. (This relief excludes stock reductions under Naples terms or the HIPC Initiative that would affect debt service due in years beyond the SPA-4 period).

Resources from IDA and the IMF are estimated to be about $5 billion, or somewhat below what is being provided under SPA-3. In the case of the IMF, the availability of a comparable level of support will be affected by the outcome of discussions on the future funding for ESAF. Adequate funding arrangements for ESAF would be vital to the SPA framework.

Taking into account resources from debt relief and the IMF and IDA, the remaining gap would be $8.5 billion in disbursements. This requirement could be reduced by an estimated $2.7 billion in carryover disbursements from SPA-3 commitments, assuming all SPA-3 pledges are met. This would leave an amount of disbursements to be met out of new commitments of $5.7 billion, of which approximately $4.0 billion would be for countries that currently have a program in place, and $1.7 billion would be for countries with potential programs. ***Assuming an 80 percent disbursement rate, this would imply a need for new pledges of $7 billion.***

These financing estimates do not reflect the funding of the debt reductions envisaged under the HIPC Debt Initiative agreed at the September 1996 Development Committee Meeting. Implementation of the deeper debt relief measures under that Initiative should reduce future debt servicing burdens and enable SPA countries to attain debt sustainability, with potentially longer-term benefits for their access to private finance and with potentially higher levels of growth. And donor contributions in support of the implementation of the Initiative for SPA countries will be monitored, just as contributions to the IDA Debt Reduction Facility , or "Sixth Dimension" of SPA which addresses commercial bank debt. But , in the foreseeable future, SPA countries will continue to remain heavily dependent on flows of concessional finance to met their development objectives.

Table 3: Financing during SPA-3 and SPA-4, 1994-99
(billions of dollars)

	SPA-3	SPA-4		
	1994-96	June 1996 estimate	of which: countries with current IMF program	of which: countries with potential IMF program
Requirements:	**144.6**	**152.7**	**118.2**	**34.5**
Imports	90.0	108.8	83.7	25.1
Debt service due (including arrears)	45.2	36.8	28.6	8.2
of which arrears	17.0	11.1	7.0	4.1
Other requirements	9.3	7.0	5.9	1.1
Resources:	**105.0**	**123.8**	**97.9**	**25.9**
Exports	71.2	89.7	74.8	14.9
Current transfers	11.1	11.5	6.3	5.2
Project financing & other resources	22.7	22.5	16.8	5.7
Financing gap before SPA	**39.5**	**28.9**	**20.3**	**8.6**
Debt relief	17.6	15.3	10.7	4.6
IDA/IMF	6.5	5.1	3.8	1.3
Donor				
Disbursements from allocations made before 1996	5.2	0.4	0.3	0.1
Disbursements from unallocated SPA-3 pledges		2.3	1.5	0.8
Arrears	8.9	0	0	0
Residual financing gap	**1.3**	**5.7**	**4.0**	**1.7**

28-Oct-96

Annex Table 1: GDP Growth of SPA Countries, 1985-1999
(annual percent change)

	1985-87	SPA-1 1988-90	SPA-2 1991-93	SPA-3 1994-96	SPA-4 1997-99
1 BENIN	2.7	2.7	4.0	4.9	5.3
2 BURKINA FASO	6.1	2.0	3.9	3.6	5.3
3 BURUNDI	6.8	3.3	0.6	-2.3	5.1
4 CAMEROON	5.1	-7.0	-4.6	0.9	4.4
5 CENTRAL AFRICAN REP.	0.8	2.0	-2.1	5.0	4.6
6 CHAD	5.1	6.0	-0.5	5.3	5.0
7 COMOROS	1.9	0.7	1.7	0.8	3.7
8 CONGO	-2.6	1.9	1.2	0.1	6.9
9 COTE D'IVOIRE	2.6	1.0	-0.1	5.1	5.2
10 EQUATORIAL GUINEA	6.5	1.6	6.3	11.2	11.4
11 ERITREA	..	..	-2.5	7.3	6.0
12 ETHIOPIA	4.6	1.2	0.7	4.3	6.0
13 GAMBIA, THE	..	..	..	..	..
14 GHANA	5.0	4.7	4.7	4.4	5.6
15 GUINEA	3.3	4.9	3.4	4.4	4.9
16 GUINEA-BISSAU	3.0	4.9	2.8	4.4	4.3
17 KENYA	5.8	5.0	0.3	4.6	5.7
18 MADAGASCAR	1.4	3.5	-1.0	1.5	3.1
19 MALAWI	2.0	4.3	2.8	3.4	4.0
20 MALI	6.5	4.0	1.7	4.1	4.6
21 MAURITANIA	3.5	1.6	3.3	4.6	4.8
22 MOZAMBIQUE	4.5	5.2	7.8	4.0	8.1
23 NIGER	2.5	2.2	-0.9	3.8	4.3
24 RWANDA	3.3	0.1	-1.9	-4.7	7.7
25 SAO TOME & PRINCIPE	2.6	1.0	1.5	2.1	4.9
26 SENEGAL	4.2	2.7	0.0	3.6	4.4
27 SIERRA LEONE	-0.3	3.2	-0.3	-2.3	6.8
28 TANZANIA	3.8	4.1	3.0	3.9	4.8
29 TOGO	2.6	3.5	-7.6	9.7	6.0
30 UGANDA	0.0	7.0	6.3	7.8	5.8
31 ZAMBIA	1.7	1.6	1.3	0.4	5.8
SPA-3 countries weighted average	3.6	3.5	2.8	5.1	5.4
unweighted average	3.3	2.7	1.2	3.5	5.5
median	3.3	2.7	1.3	4.1	5.1
CFA countries weighted average	3.5	0.1	-0.5	3.8	4.9
unweighted average	3.1	1.8	-0.3	3.9	5.0
median	2.6	2.1	-0.1	3.9	4.8
Non-CFA countries weighted avera	3.6	5.1	4.1	5.6	5.6
unweighted average	3.4	3.4	2.2	3.3	5.8
median	3.3	3.5	2.1	4.2	5.6
SPA-2 countries weighted average	3.7	4.7	3.5	5.4	5.5
unweighted average	3.5	3.2	1.6	3.6	5.5
median	3.3	3.2	1.6	4.1	5.1
SPA-1 countries weighted average	3.5	5.2	3.9	5.8	5.4
unweighted average	3.4	3.7	1.6	4.0	5.1
median	3.2	3.8	1.6	4.3	4.9

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. Aggregate growth rates may differ from those presented in the SPA Country Status reports (CSRs), since the CSRs calculate period growth rates using the least squared method. 10-May-96

SPA-2 countries exclude Cameroon, Congo, Cote d'Ivoire and Eritrea. SPA-1 countries exclude Burkina Faso, Comoros, Rwanda, Sierra Leone, Equatorial Guinea and Ethiopia from the SPA-2 list.

Annex Table 2: Export Growth of SPA Countries, 1985-1999
(annual percent change)

	1985-87	SPA-1 1988-90	SPA-2 1991-93	SPA-3 1994-96	SPA-4 1997-99
1 BENIN	8.0	-14.6	15.6	13.1	6.8
2 BURKINA FASO	-5.4	5.6	0.7	10.0	4.1
3 BURUNDI	2.1	0.7	1.0	-3.4	4.1
4 CAMEROON	-0.3	6.9	-2.9	4.7	3.6
5 CENTRAL AFRICAN REP.	-5.5	-0.2	0.6	9.8	6.5
6 CHAD	0.3	1.8	-0.2	8.7	5.9
7 COMOROS	24.4	-6.8	25.5	3.4	13.1
8 CONGO	-3.2	7.5	2.0	11.3	9.9
9 COTE D'IVOIRE	-7.5	16.3	-6.2	7.9	6.3
10 EQUATORIAL GUINEA	..	-28.4	18.5	..	..
11 ERITREA	..	..	..	..	..
12 ETHIOPIA	..	1.4	4.4	20.4	8.1
13 GAMBIA, THE	..	..	..	..	..
14 GHANA	14.6	8.0	9.7	7.0	5.7
15 GUINEA	6.5	5.9	2.7	3.4	10.0
16 GUINEA-BISSAU	0.9	17.5	-1.2	38.3	4.3
17 KENYA	5.5	11.3	0.7	3.3	3.4
18 MADAGASCAR	-0.4	6.9	3.5	6.1	5.7
19 MALAWI	0.9	4.0	-0.9	9.8	5.4
20 MALI	3.4	5.5	6.2	6.5	7.1
21 MAURITANIA	3.3	-1.4	-1.2	3.3	2.9
22 MOZAMBIQUE	-2.8	10.2	9.9	11.3	16.8
23 NIGER	-5.0	0.3	-5.3	0.7	5.3
24 RWANDA	12.7	1.4	-5.9	30.8	7.0
25 SAO TOME & PRINCIPE	0.2	1.0	6.6	-18.9	4.5
26 SENEGAL	..	7.2	-2.9	5.6	3.9
27 SIERRA LEONE	-4.3	1.2	9.5	-20.6	36.8
28 TANZANIA		6.5	4.9	7.7	5.3
29 TOGO	5.8	-2.9	-13.6	1.7	7.1
30 UGANDA	-1.1	4.9	1.7	9.9	8.5
31 ZAMBIA	-1.9	-4.8	16.9	1.4	7.4
SPA-3 countries weighted average	2.8	7.1	-1.5	6.8	6.6
unweighted average	2.1	2.5	3.5	6.9	7.7
median	0.3	4.0	1.7	6.7	6.1
CFA countries weighted average	0.6	8.0	-3.5	6.9	5.7
unweighted average	1.4	2.2	1.6	6.9	6.6
median	-0.3	3.6	0.2	7.2	6.4
Non-CFA countries weighted average	6.9	5.8	1.3	6.8	7.6
unweighted average	2.6	2.7	4.8	6.9	8.5
median	0.9	4.0	3.5	6.6	5.7
SPA-2 countries weighted average	9.3	4.2	0.6	6.6	7.0
unweighted average	2.8	1.6	4.1	6.8	7.8
median	0.9	1.6	2.2	6.5	5.9
SPA-1 countries weighted average	9.5	4.3	0.7	6.4	7.0
unweighted average	1.9	3.4	2.7	6.3	6.3
median	0.9	4.4	1.3	6.3	5.7

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. 10-May-96

Aggregate growth rates may differ from those presented in the SPA Country Status reports (CSRs), since the CSRs calculate period growth rates using the least squared method.

SPA-2 countries exclude Cameroon, Congo, Cote d'Ivoire and Eritrea. SPA-1 countries exclude Burkina Faso, Comoros, Rwanda, Sierra Leone, Equatorial Guinea and Ethiopia from the SPA-2 list.

Annex Table 3: Import Growth of SPA Countries, 1985-1999
(annual percent change)

	1985-87	SPA-1 1988-90	SPA-2 1991-93	SPA-3 1994-96	SPA-4 1997-99
1 BENIN	0.9	0.0	8.9	2.8	4.0
2 BURKINA FASO	12.8	0.0	-0.9	7.9	2.1
3 BURUNDI	3.7	-0.5	11.5	-1.9	1.4
4 CAMEROON	7.3	-1.0	-4.1	2.8	5.7
5 CENTRAL AFRICAN REP.	-0.2	-1.3	-13.1	6.3	7.6
6 CHAD	22.6	-0.6	-4.3	2.8	4.6
7 COMOROS	-4.4	-3.4	-2.1	0.2	6.1
8 CONGO	-15.1	0.3	5.4	-17.4	6.5
9 COTE D'IVOIRE	3.5	-6.2	1.8	9.3	6.6
10 EQUATORIAL GUINEA	..	-5.6	6.7	..	..
11 ERITREA	..	..	..	..	..
12 ETHIOPIA	..	-2.6	4.5	2.5	2.7
13 GAMBIA, THE	..	..	..	..	..
14 GHANA	14.2	3.1	11.2	1.4	5.5
15 GUINEA	2.4	6.7	1.3	1.0	5.6
16 GUINEA-BISSAU	-4.5	8.9	-3.6	-3.2	2.9
17 KENYA	7.7	7.4	-5.7	11.3	5.3
18 MADAGASCAR	-3.4	8.1	0.2	4.5	8.7
19 MALAWI	-2.4	14.9	1.6	-10.5	3.8
20 MALI	5.2	5.6	0.6	2.3	2.5
21 MAURITANIA	-1.4	-3.2	-3.5	-3.1	2.6
22 MOZAMBIQUE	-1.4	4.0	1.5	-6.2	4.9
23 NIGER	-1.7	-7.1	-6.1	1.2	-1.7
24 RWANDA	3.0	-2.1	3.8	48.0	6.3
25 SAO TOME & PRINCIPE	-4.8	1.0	-1.0	6.7	0.9
26 SENEGAL	..	1.3	-0.8	1.0	2.6
27 SIERRA LEONE	-7.3	9.8	6.3	-1.1	13.6
28 TANZANIA	..	2.4	-0.3	7.3	4.9
29 TOGO	10.5	1.0	-16.4	5.2	5.8
30 UGANDA	6.8	2.5	-3.1	23.1	1.1
31 ZAMBIA	12.5	-7.6	3.0	5.3	6.0
SPA-3 countries weighted average	8.0	1.1	-1.8	12.5	2.9
unweighted average	2.7	1.2	0.1	3.9	4.6
median	2.4	0.3	0.2	2.6	4.9
CFA countries weighted average	8.7	-2.1	-1.0	3.7	4.7
unweighted average	3.8	-0.9	-2.6	2.0	4.4
median	3.5	-0.3	-1.5	2.8	5.2
Non-CFA countries weighted average	7.8	3.2	-2.3	17.3	2.2
unweighted average	1.8	2.8	2.0	5.3	4.7
median	0.5	2.5	1.5	2.0	4.9
SPA-2 countries weighted average	9.8	2.3	-2.3	14.2	2.3
unweighted average	3.2	1.7	0.0	4.6	4.4
median	1.7	1.0	-0.1	2.5	4.6
SPA-1 countries weighted average	10.0	2.5	-2.5	14.0	2.1
unweighted average	3.7	2.3	-0.9	2.9	3.9
median	1.7	1.9	-0.5	2.5	4.3

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. 10-May-96

Aggregate growth rates may differ from those presented in the SPA Country Status reports (CSRs), since the CSRs calculate period growth rates using the least squared method.

SPA-2 countries exclude Cameroon, Congo, Cote d'Ivoire and Eritrea. SPA-1 countries exclude Burkina Faso, Comoros, Rwanda, Sierra Leone, Equatorial Guinea and Ethiopia from the SPA-2 list.

Annex Table 4: Gross Domestic Investment Growth of SPA Countries, 1985-99
(annual percent change)

	1985-87	SPA-1 1988-90	SPA-2 1991-93	SPA-3 1994-96	SPA-4 1997-99
1 BENIN	4.5	10.9	9.2	..	..
2 BURKINA FASO	31.7	3.1	-0.6	11.0	3.4
3 BURUNDI	14.6	-5.0	10.2	..	..
4 CAMEROON	-2.6	-14.6	-8.9	2.9	5.5
5 CENTRAL AFRICAN REP.	-6.0	-4.5	-13.7	13.4	4.2
6 CHAD	33.3	35.3	-11.7	12.7	8.8
7 COMOROS	-11.3	-6.9	-5.5	14.9	2.9
8 CONGO	-23.9	-9.3	4.3	-11.9	6.8
9 COTE D'IVOIRE	36.7	-24.2	6.8	26.5	7.6
10 EQUATORIAL GUINEA	..	22.1	21.8	..	..
11 ERITREA	..	..	..	..	..
12 ETHIOPIA	..	..	..	..	..
13 GAMBIA, THE	..	..	..	..	..
14 GHANA	4.7	17.5	1.2	3.7	11.2
15 GUINEA	-5.2	6.4	0.3	5.1	8.4
16 GUINEA-BISSAU	5.8	7.5	7.1	-3.5	7.2
17 KENYA	9.2	3.3	-7.1	11.1	8.7
18 MADAGASCAR	7.7	22.2	-0.9	1.7	12.5
19 MALAWI	9.3	12.6	-9.2	9.8	..
20 MALI	18.9	7.3	0.8	10.6	4.6
21 MAURITANIA	9.3	-9.1	9.8	-0.4	0.9
22 MOZAMBIQUE	3.0	2.5	10.9	-5.5	7.5
23 NIGER	326.8	5.2	-17.6	34.3	9.3
24 RWANDA	0.8	-12.6	1.3	72.3	7.7
25 SAO TOME & PRINCIPE	16.3	1.0	1.2	..	..
26 SENEGAL	8.8	4.3	0.5	14.6	6.8
27 SIERRA LEONE	-9.5	14.5	2.7	-8.0	37.5
28 TANZANIA	..	..	..	..	..
29 TOGO	15.6	8.4	-36.7	66.7	15.2
30 UGANDA	12.8	5.3	5.1	12.8	9.2
31 ZAMBIA	5.4	21.8	-10.8	-4.5	17.7
SPA-3 countries weighted average	10.2	0.4	1.0	10.8	8.2
unweighted average	19.9	4.6	-1.1	12.6	9.3
median	8.3	5.2	0.8	10.6	7.7
CFA countries weighted average	8.7	-6.5	-4.2	10.0	6.4
unweighted average	36.0	1.2	-6.1	17.8	6.8
median	12.2	3.7	-3.1	13.4	6.8
Non-CFA countries weighted average	11.9	4.1	3.2	11.3	8.7
unweighted average	6.0	7.3	2.9	7.9	11.7
median	6.8	6.4	1.3	2.7	8.7
SPA-2 countries weighted average	12.0	4.3	1.5	10.8	8.3
unweighted average	22.0	7.2	-1.3	13.6	9.7
median	8.8	5.8	0.7	10.8	8.4
SPA-1 countries weighted average	12.3	4.8	1.6	9.2	8.5
unweighted average	26.1	8.0	-2.7	11.4	8.8
median	9.2	6.4	0.5	10.2	8.7

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. Aggregate growth rates may differ from those presented in the SPA Country Status reports (CSRs), since the CSRs calculate period growth rates using the least squared method.

10-May-96

SPA-2 countries exclude Cameroon, Congo, Cote d'Ivoire and Eritrea. SPA-1 countries exclude Burkina Faso, Comoros, Rwanda, Sierra Leone, Equatorial Guinea and Ethiopia from the SPA-2 list.

Annex Table 5: Gross Domestic Investment rate of SPA Countries
(percent of GDP)

	1984-87	SPA-1 1988-90	SPA-2 1991-93	SPA-3 1994-96	SPA-4 1997-99
1 BENIN	11.8	13.0	14.4	18.3	20.3
2 BURKINA FASO	20.4	20.7	20.5	22.9	22.5
3 BURUNDI	16.6	15.3	16.6	11.0	12.7
4 CAMEROON	25.7	18.7	15.3	15.3	16.7
5 CENTRAL AFRICAN REP.	12.9	12.3	10.8	14.2	13.3
6 CHAD	8.2	11.6	8.9	15.5	17.4
7 COMOROS	31.6	19.8	16.4	21.6	21.3
8 CONGO	27.5	16.2	20.4	35.9	28.8
9 COTE D'IVOIRE	11.9	10.3	8.3	12.8	15.8
10 EQUATORIAL GUINEA	13.4	21.9	30.9	..	..
11 ERITREA	..	..	11.8	20.0	36.1
12 ETHIOPIA	12.5	11.7	9.7	16.5	20.4
13 GAMBIA, THE	..	..	..	..	..
14 GHANA	9.9	13.0	14.5	17.1	18.3
15 GUINEA	15.6	17.3	16.4	14.6	15.9
16 GUINEA-BISSAU	33.6	30.6	29.6	23.2	23.5
17 KENYA	23.2	24.6	19.0	22.2	23.8
18 MADAGASCAR	9.1	14.6	10.3	11.7	15.4
19 MALAWI	14.9	19.7	17.0	15.0	17.1
20 MALI	19.5	21.6	22.2	26.2	26.0
21 MAURITANIA	28.1	22.2	20.6	16.3	17.0
22 MOZAMBIQUE	25.1	45.3	53.8	54.4	54.0
23 NIGER	10.6	13.4	6.8	10.1	..
24 RWANDA	16.2	13.3	13.9	12.9	13.3
25 SAO TOME & PRINCIPE	30.9	25.1	41.7	52.8	96.0
26 SENEGAL	11.2	12.7	13.2	15.4	18.0
27 SIERRA LEONE	11.1	11.8	10.9	7.9	13.8
28 TANZANIA	19.4	31.6	32.8	31.1	30.9
29 TOGO	17.0	17.3	10.9	13.6	18.4
30 UGANDA	8.5	11.0	15.3	15.2	17.5
31 ZAMBIA	16.5	13.1	11.1	10.2	14.6
SPA-3 countries average	17.7	18.3	18.1	19.8	23.5
median	16.2	16.2	15.3	15.5	18.2
CFA countries average	17.4	15.6	14.0	18.5	19.9
median	15.0	14.8	13.8	15.4	18.4
Non-CFA countries average	17.9	20.1	20.9	20.7	25.9
median	16.2	17.3	16.5	16.3	17.5
SPA-2 countries average	17.2	18.6	18.8	19.6	23.4
median	15.9	16.3	15.8	15.5	18.2
SPA-1 countries average	17.1	19.3	19.3	20.4	24.7
median	16.1	16.3	15.8	15.4	18.0

Note: SPA-2 countries exclude Cameroon, Congo, Cote d'Ivoire and Eritrea. SPA-1 countries exclude Burkina Faso, Comoros, Rwanda, Sierra Leone, Equatorial Guinea and Ethiopia from the SPA-2 list. 10-May-96

Annex Table 7: Government Revenue, excluding grants, of SPA Countries, 1984-99
(percent of GDP)

	1984-87	SPA-1 1988-90	SPA-2 1991-93	SPA-3 1994-96	SPA-4 1997-99
BENIN	..	9.7	12.2	13.0	11.0
BURKINA FASO	10.6	11.3	12.5	11.6	13.1
BURUNDI	17.6	19.8	22.8	19.2	16.8
CAMEROON	20.9	15.8	15.3	12.0	15.1
CENTRAL AFRICAN REP.	9.4	11.3	9.3	8.7	11.0
CHAD	7.9	8.8	9.2	8.7	11.3
COMOROS	13.7	15.5	15.2	12.8	5.2
CONGO	..	27.3	24.0	25.5	32.0
COTE D'IVOIRE	..	..	17.1	21.7	21.7
EQUATORIAL GUINEA	..	21.1	20.9	..	..
ERITREA	..	..	30.0	32.6	31.1
ETHIOPIA	18.6	20.7	12.1	16.2	18.2
GAMBIA, THE	..	..	..	..	..
GHANA	4.8	10.0	13.8	20.6	18.6
GUINEA	14.5	15.2	13.2	11.4	14.5
GUINEA-BISSAU	..	15.5	11.9	12.7	14.1
KENYA	23.9	24.9	28.6	33.7	31.3
MADAGASCAR	13.3	12.1	9.3	8.3	8.4
MALAWI	20.0	17.1	18.5	17.0	..
MALI	15.3	16.2	14.4	13.9	15.0
MAURITANIA	25.1	24.2	22.5	24.1	26.0
MOZAMBIQUE	22.9	37.8	40.0	34.4	31.3
NIGER	9.5	10.2	8.0	7.4	..
RWANDA	12.7	12.2	12.6	6.1	8.5
SAO TOME & PRINCIPE	9.8	15.1	18.5	15.1	40.8
SENEGAL	13.1	16.8	17.9	14.9	16.1
SIERRA LEONE	6.1	8.9	12.7	11.9	14.7
TANZANIA	17.7	15.2	15.2	14.0	15.6
TOGO	27.4	22.9	15.0	14.6	17.1
UGANDA	7.9	6.1	7.2	9.6	7.9
ZAMBIA	21.7	18.5	17.2	16.7	17.1
SPA-3 countries average	15.2	16.4	16.6	16.2	17.9
median	14.1	15.5	15.1	14.0	15.6
CFA countries average	14.2	15.1	14.2	13.7	15.3
median	13.1	15.5	14.7	12.9	15.0
Non-CFA countries average	15.8	17.3	18.2	17.9	19.7
median	17.6	15.5	16.2	16.2	17.0
SPA-2 countries average	14.9	16.0	15.8	15.1	16.7
median	13.7	15.4	14.1	13.9	15.0
SPA-1 countries average	15.7	16.4	16.2	15.9	18.0
median	14.9	15.4	14.7	14.3	15.9

10-May-96

Annex Table 8: Total Government Expenditure of SPA Countries, 1984-99
(percent of GDP)

	1984-87	SPA-1 1988-90	SPA-2 1991-93	SPA-3 1994-96	SPA-4 1997-99
BENIN	22.6	20.7	18.8	21.1	19.7
BURKINA FASO	20.2	19.2	21.8	21.4	18.7
BURUNDI	26.3	26.7	28.2	25.4	25.4
CAMEROON	24.9	21.8	22.6	17.0	13.2
CENTRAL AFRICAN REP.	26.3	24.3	21.9	21.2	20.3
CHAD	22.4	30.5	25.9	27.6	25.4
COMOROS	38.7	35.4	32.0	30.1	26.8
CONGO	38.1	34.5	37.7	35.1	28.9
COTE D'IVOIRE	32.9	37.4	32.3	27.7	21.9
EQUATORIAL GUINEA	23.7	35.0	51.7	..	..
ERITREA	..	..	49.3	62.7	53.0
ETHIOPIA	27.5	32.0	22.9	27.3	23.7
GAMBIA, THE	..	..	..	..	..
GHANA	16.2	18.2	22.3	29.6	25.0
GUINEA	22.4	24.4	21.1	18.0	19.4
GUINEA-BISSAU	51.5	52.0	48.4	34.9	26.7
KENYA	31.1	30.3	37.6	35.9	32.6
MADAGASCAR	17.4	17.9	19.0	19.0	17.4
MALAWI	31.5	28.7	26.8	34.2	..
MALI	27.3	25.8	25.3	25.4	23.2
MAURITANIA	27.4	32.4	30.2	25.7	23.5
MOZAMBIQUE	39.5	47.9	45.4	40.6	34.7
NIGER	20.6	20.7	16.9	16.5	..
RWANDA	17.9	20.0	29.4	21.0	23.5
SAO TOME & PRINCIPE	53.4	71.7	70.5	80.6	106.6
SENEGAL	15.8	20.1	20.2	18.6	16.0
SIERRA LEONE	20.5	18.5	21.3	18.5	18.4
TANZANIA	26.3	21.4	20.5	25.0	21.4
TOGO	34.8	28.8	24.7	24.0	21.2
UGANDA	11.8	11.5	18.1	17.3	16.7
ZAMBIA	34.4	34.2	34.6	25.2	19.0
SPA-3 countries average	27.7	29.0	29.9	28.5	26.8
median	26.3	26.7	25.6	25.4	23.2
CFA countries average	27.0	26.6	25.0	23.8	21.4
median	25.6	25.1	23.7	22.7	21.2
Non-CFA countries average	28.2	30.8	33.2	31.8	30.4
median	26.3	28.7	28.8	25.7	23.6
SPA-2 countries average	27.2	28.8	29.1	27.4	26.3
median	26.3	26.2	25.0	25.2	23.2
SPA-1 countries average	27.9	29.4	28.8	28.3	27.5
median	26.3	26.2	25.0	25.3	22.3

10-May-96

Annex Table 9: Government Deficit/Surplus, excluding grants of SPA Countries
(percent of GDP)

	1984-87	SPA-1 1988-90	SPA-2 1991-93	SPA-3 1994-96	SPA-4 1997-99
BENIN	..	-10.3	-6.6	-8.1	-8.6
BURKINA FASO	-9.6	-7.8	-9.2	-9.8	-5.5
BURUNDI	-8.7	-6.8	-5.4	-6.1	-8.6
CAMEROON	-4.0	-6.1	-7.3	-5.0	1.9
CENTRAL AFRICAN REP.	-15.3	-13.0	-12.7	-12.4	-9.2
CHAD	-25.5	-21.7	-16.7	-18.9	-14.1
COMOROS	-25.0	-19.8	-16.8	-17.3	-21.6
CONGO	..	-6.7	-13.7	-9.6	3.1
COTE D'IVOIRE	..	..	-15.5	-5.9	-0.2
EQUATORIAL GUINEA	..	-35.6	-30.8	..	..
ERITREA	..	..	-19.3	-30.1	-22.0
ETHIOPIA	-8.9	-11.3	-10.8	-11.1	-5.5
GAMBIA, THE	..	..	..	..	..
GHANA	-11.4	-8.2	-8.5	-9.1	-6.5
GUINEA	-7.9	-9.2	-7.9	-6.6	-4.9
GUINEA-BISSAU	..	-34.0	-36.5	-22.2	-12.5
KENYA	-7.2	-5.4	-9.0	-2.2	-1.3
MADAGASCAR	-4.1	-5.9	-9.7	-10.7	-9.0
MALAWI	-11.5	-11.6	-8.3	-17.1	..
MALI	-12.0	-9.6	-10.9	-11.5	-8.2
MAURITANIA	-11.4	-8.2	-7.7	-1.5	2.5
MOZAMBIQUE	-16.5	-10.1	-5.4	-6.1	-3.4
NIGER	-9.2	-10.5	-8.9	-9.1	..
RWANDA	-5.2	-7.8	-16.9	-14.9	-15.0
SAO TOME & PRINCIPE	-43.6	-56.5	-52.0	-65.5	-65.8
SENEGAL	-2.6	-3.3	-2.3	-3.7	0.0
SIERRA LEONE	-14.4	-9.6	-8.6	-6.6	-3.7
TANZANIA	-9.3	-6.3	-5.4	-11.0	-5.8
TOGO	-7.4	-5.9	-9.7	-9.4	-4.1
UGANDA	-3.9	-5.5	-11.0	-7.8	-8.8
ZAMBIA	-14.2	-15.6	-17.5	-8.4	-1.9
SPA-3 countries average	-12.0	-13.0	-13.4	-12.3	-8.8
median	-9.4	-9.4	-9.7	-9.4	-5.8
CFA countries average	-12.3	-10.4	-10.9	-10.1	-6.1
median	-9.6	-9.6	-10.3	-9.5	-5.5
Non-CFA countries average	-11.9	-14.6	-15.0	-13.9	-10.8
median	-9.3	-9.2	-9.3	-9.1	-6.1
SPA-2 countries average	-12.4	-13.5	-13.3	-12.3	-9.6
median	-9.6	-9.6	-9.4	-9.4	-6.5
SPA-1 countries average	-12.3	-12.9	-12.6	-12.4	-9.5
median	-10.3	-9.4	-9.0	-9.1	-7.3

14-May-96

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: November 4, 1996

TO: Distribution

FROM: Kevin Cleaver, Technical Director, AFTKT

EXTENSION: 34595

SUBJECT: **Preparation for the Special Program of Assistance to Africa Presentation of SPA to the Global Coalition for Africa**

The attached outline setting out the proposed objectives for the future of SPA, was presented to the participants at the October 30-31st meeting of the Global Coalition for Africa (GCA) in Ouagadougou. It is largely based on the draft SPA-IV document to be distributed at the December SPA meeting in Paris, and material from the various SPA working groups.

A summary of the content of the GCA meeting will be circulated separately. Mr. Sarbib led the Bank team (also consisting of Messrs. Nyanin, Gorjestani and Cleaver). GCA invited the SPA to present its future program at the GCA plenary. The SPA donors were also interested in obtaining feedback from African government and NGOs regarding its future program.

The presentation of the attached obtained no objection in the discussion, although the text was not made available to the participants by the GCA Secretariat. There was general support by governments, donors and some NGOs for maintaining momentum of the economic and political reforms underway in many of the countries in SSA. The SPA proposal to deepen the focus of reform on poverty reduction and women's issues, to strengthen the sectoral content of reform, to loosely coordinate sector investment programs, increase the donor concern with capacity building, and to focus more on committed countries (selectivity) obtained a generally favorable response. However, the governments invited to GCA tend to be the more reform minded (Uganda, Ethiopia, Mali, Benin, Ghana (Mr. Botchwey), Lesotho, Burkina Faso, Mozambique, South Africa, Zimbabwe, Botswana and Tunisia were the most active). Representatives of less reform minded countries, not represented at GCA, would have been more reticent and some perhaps hostile. Concerns about the economic reform agenda were expressed by ex President Soglo (negative political impact of reform). The greatest general concern was about the debt problem. Interestingly, the sector investment program concept received quite a favorable reaction (again somewhat superficial because details of the concept were not circulated). The Executive Secretary of GCA will report to the SPA members at the December 1996 SPA meeting.

cc: Messrs./Mmes. Madavo, Sarbib, Rosenberg, Katz, Birnbaum, Gelb, Country Directors, RTMs, Macro-economic TMs, Nyanin, Gorjestani, Wai, Pommier, van Holst Pellekaan, Sullivan

1 ❑ SPECIAL PROGRAM OF ASSISTANCE TO AFRICA

Presentation to Global Coalition for Africa, October 31, 1996

Kevin Cleaver

Representing the SPA donor consortium

2 ❑ PURPOSE OF PRESENTATION

- SPA is a donor partnership mechanism to support economic reform and balance of payments financing in SSA
- It was created in 1987, and includes 17 donors (Jaycox was the godfather)
- The SPA donors will meet in mid December to agree on its future agenda
- The major purpose of my presentation is to solicit your views on how the donor agenda should change regarding support for economic reform in Africa
- Your views will be brought back to the SPA December meeting.

3 ❑ SPA's VIEW OF THE ECONOMIC REFORM PROCESS IN SUB-SAHARAN AFRICA

- The donors created SPA to address SSA's economic crisis
  - poor economic growth (1.5 % p.a.)
  - lack of resources to finance imports, public expenditure and debt service
- The SPA Consortium agreed to provide quick disbursing funds to address the financial problem, to poor African countries which agreed to economic stabilization and reform.
- The approach to economic reform was a combination of the stabilization model of the IMF, with the economic views conventional in the industrial countries, and influenced by East Asian experience.
- Prior to SPA there was some early success with this conventional economic policy in Botswana and Mauritius (with resulting growth rates above 6 % p.a.). Ghana enjoyed similar success beginning in 1982, growing at 4.5 % p.a. on average in the remainder of the 80s.
- African countries not eligible for SPA assistance were in some cases assisted by donors outside the SPA framework
- SPA did not coordinate donor project assistance

4 ❑ FINANCING PROVIDED BY SPA

- Initially, 21 SSA countries eligible (defined by IDA eligibility, and having economic programs judged as meriting support, and debt service exceeding 25 % of exports)
- Increased to 31 countries today

- 17 donors disbursed $ 14 billion up to 1996
- IDA provided additional $ 8 billion
- Debt relief handled by Paris club, but the debt repayment needs after Paris club agreement were integrated into BOP financing packages
  - $ 6.9 billion in 1988-90
  - rising to $ 17.6 billion in 1994-96

5 ❑ THE SPA MECHANISM

- Pledges obtained every three years
- Funds committed to country adjustment programs administered by each donor separately
- Donors cofinance one adjustment program in a country, avoiding separate programs promoted by each donor
- SPA meetings twice per year to monitor donor and government performance
- SPA created working groups of donors to study linkages between political liberalization and economic reform, poverty and adjustment, gender, civil service reform, and ways in which to improve public expenditure reviews.

6 ❑ IMPACT

- Economic growth was stimulated in some countries as the result of economic reform, and as the result of the greater investment and imports financed by donors.
  - Economic growth rates for SPA countries as a whole went from the 1.5 % p.a. in 1981-87, to 2.7% p.a. in 1988-93, to 4.1 % in 1994-96.
  - Several countries joined the ranks of highly committed reformers in the late 1980s and early 1990s: Togo, Tanzania, Mali, Cote d'Ivoire, Uganda, Benin, Burkina Faso, Mauritania, Lesotho, Guinea and more recently Ethiopia, Malawi, Senegal, Eritria, Zimbabwe
  - Uganda, Eritria, Cote d'Ivoire, and Togo have been growing at from 5 to 9 % p.a. during the past three years
- The SPA conclusion is that results are appearing gradually, as an increasing number of countries are obtaining good growth response. The SPA donor recommendation is for the above countries to deepen their economic reforms, and for additional countries to join this process

7 ❑ THE MAJOR SHORTFALL HAS BEEN THE LIMITED IMPACT ON POVERTY REDUCTION

- About 45% of SSA's population lives below poverty line, and this number has not changed significantly.
- The limited positive impact of adjustment on poverty that occurred in many of the SPA countries has been through growth. Growth creates income from which to save and invest. Somewhat expanded investment in SPA countries created jobs and opportunities for agriculture. Jobs and

agriculture growth led to some poverty reduction.

- But there was not enough growth to reduce poverty significantly. Much of the benefit of growth that occurred was captured by the well to do. Many of the poor were passed by, and a few were hurt by adjustment.
- The SPA poverty forum found that SSA needs economic growth of 6 to 7 % p.a., and a more equitable distribution of that growth, to have a significant impact on poverty reduction. Those hurt by adjustment require safety nets.

8 ❑ SPA RESPONSE

- With this result, studies have been undertaken in the past several years to assess what was inhibiting stronger supply response (World Bank's Adjustment in Africa, USAID Cornell Study, Dutch, UN, Swedish, Norwegian, and NGO work)
- Our diagnosis is that economic performance is weak where the commitment of government to economic reform is limited, and where the understanding of the needs for economic reform by civil society is absent. This situation results in stop-go reforms in which programs run off track and growth declines. Civil instability has been an important inhibitor in some countries.
- The donor response to these situations was "stop-go" financing: cut off of financing followed by restart
- The combination of government and donor "stop-go" led to lack of sustained reform in affected countries. Stop-go inhibits private investors who look for consistency in policy. Private investment has been inhibited.

9 ❑ DESIGN FLAWS

- There were also design flaws in economic reform programs in the 80s and early 90s. Important weaknesses were:
  - Poor sequencing of reforms in some countries. For example, a too rapid removal of tariffs for manufactures while barriers to investment in manufacturing were maintained led to more manufacturing imports and little investment
  - Parastatal enterprises were often made more efficient, but continued to constitute large drains on the public purse and were not competitive
  - Domestic savings remained low in part due to high budget deficits in many countries
  - The poor were not protected. Public expenditure cuts occurred in primary health and education. Analysis of impact on the poor was not undertaken
- Investment programs financed by donors were often of poor quality in key sectors such as infrastructure, agriculture, health, education and finance
- Institution building was weak

- The debt burden has increased

10 ❑ THE PROPOSED OBJECTIVES FOR SPA: THE FUTURE

- SPA donors to meet in December to agree on a future agenda.
- A sense exists among the donors that the content of their support needs to evolve in order to:
  - help stimulate higher growth rates in more countries (greater supply response)
  - have a greater impact on poverty reduction and on the situation of women
  - donors need to take more of a back seat to government leadership, supporting governments own programs where governments are truly committed
  - expand the range of instruments used to support governments
  - support debt relief more strongly
- While resources available to do this may begin to decline

11 ❑ THE DONORS' STRATEGY FOR ACHIEVING THE OBJECTIVES

12 ❑ STIMULATING GREATER SUPPLY RESPONSE

- Economic reform programs are still needed (financial gap for 1997-99 $ 29 billion); (the gap equals import needs + debt service + change in reserves - exports, transfers, project financing)
- Move to "High Impact Economic reform", needed to obtain growth rates of 6 to 8 % p.a. Programs should be developed at country level, led by governments. In general these reform programs need:
  - More focus on domestic savings through financial sector reform and greater fiscal discipline, and more vigorous treatment of the parastatal problem including privatization
  - investment code changes, judicial reform, civil service reform to attract private investment and to improve public sector management
  - Sector policy reform to deepen economic reform beyond macro-econmic policy (health, education, agriculture require deepening, in part because of the impact on poverty reduction);
  - to support regional integration
  - Poverty reduction and women's programs built into reform to provide a stronger impact on the poor, protecting them where necessary

13 ❑ A MORE PARTICIPATORY APPROACH TO ECONOMIC REFORM

- Greater government effort is required to reach consensus with all stakeholders on economic reform.

- Stakeholder consultation to be a part of performance measurement by donors.
- Negotiation of agreements between donors and governments regarding economic reform programs to be more open.
- More discussion by donors in GCA, OAU, ECA, ADB, civil society within Africa

14 ☐ DONOR DISBURSEMENT BASED ON GOVERNMENT COMMITMENT

- Donors will support commited governments, through an expanded range of instruments
- Donor disbursement in support of economic reform to be based on:
  - past performance and performance criteria, de-emphasizing conditions which are promises of action in the future, especially for countries with good track records, avoiding stop-go financing
  - Once a country is off track, a track record will need to be re-established before new quick disbursing money is provided
  - new tranching formula, such as single tranche disbursed when performance criteria met, or floating tranches of large omnibus operations disbursed when performance criteria met
- Donors may base disbursement on public expenditure in countries where BOP gaps understate resource needs
- SPA to monitor impact on poverty and women, as well as economic and sector performance

15 ☐ DEAL WITH THE DEBT PROBLEM

- More substantial debt relief is being planned. SPA would not coordinate this effort but would assess the needs for debt relief, analyze the impact of debt relief obtained at country level, and take into account the debt burden when estimating financing needs of SPA countries

16 ☐ ENHANCE DONOR COORDINATION FOR COUNTRY LED INVESTMENT PROGRAMS

- Support by donors for comprehensive sector investment programs in important sectors to complement reform: agriculture, health, education, transport, water, financial sectors are key
  - government, not donor, led
  - all interested donors co-finance to avoid separate project approach
  - tailored to public expenditure program
  - complements sector policy reform
- SPA would encourage and monitor SIPs, and support the development of the SIP concept. SPA would not coordinate donor project and investment

assistance at country level, nor would SPA take donor pledges. Governments would coordinate at country level by building solid programs.

17 ❑ CAPACITY BUILDING

- Donors to expand effort at building African capacity through strengthening public sector management, building African institutions in every sector including the private sector, and using existing African talent in investment programs. SPA would study ways to do this, encourage its members to provide appropriate support, but would not coordinate work at country level. Coordination would be governments' responsibility