CPIA AFRICA

ASSESSING AFRICA'S POLICIES AND INSTITUTIONS

SEPTEMBER 2023

Policies for Economic Resilience in a Turbulent World

Office of the Chief Economist for the Africa Region

WORLD BANK GROUP

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Executive Summary

The Country Policy and Institutional Assessment (CPIA) for Africa is an annual diagnostic tool for Sub-Saharan African countries that are eligible for financing from the International Development Association (IDA), the part of the World Bank that helps the world's poorest countries. The CPIA Africa 2023 report provides an assessment of the quality of policies and institutions in all 39 IDA-eligible countries in Sub-Saharan Africa for calendar year 2022. The average overall CPIA score for Sub-Saharan Africa remained unchanged at 3.1 in 2022.

POLICY CONTEXT

Economic and social resilience continues to be tested in all countries in Sub-Saharan Africa amid tight global credit markets, as institutional capacity for restoring stability and delivering sustained growth remains a challenge. Such resilience is also fundamental to responding to global climate change and the expected market shifts as the world economy transitions to green energy. The recovery of economic activity in the region following the slowdown caused by COVID-19 has been multispeed, with wide variation across countries.

Global events that diverted attention away from longer-term development priorities marked 2022. Inflation was the predominant form in which international pressures translated to domestic economies in Sub-Saharan Africa, resulting in stress on social policies and government budgets, on account of divergent responses by governments and private sector competition. In some countries, this has led to significant stress on debt sustainability, highlighting the importance of debt management, budgetary oversight, and financial soundness. An opportunity for regrouping on policy reforms arose in the second half of 2022, as gas prices declined after a mild European winter and China lifted health-related restrictions.

SCORE TRENDS

Despite global economic challenges, more countries in Sub-Saharan Africa saw improvements in their overall CPIA scores compared to the previous year. In Western and Central Africa (AFW), the overall score increased for eight countries—Benin, Cabo Verde, Côte d'Ivoire, The Gambia, Guinea, Guinea-Bissau, the Republic of Congo, and Togo. The overall score increased for four countries in Eastern and Southern Africa (AFE)—Burundi, the Democratic Republic of Congo, Mozambique, and Zambia. In contrast, the overall score decreased for eight countries—Chad, the Comoros, Eritrea, Ethiopia, Ghana, Malawi, São Tomé and Príncipe, and Sudan.

The countries with improved scores made notable advancements in the economic management, policies for social inclusion, and governance clusters. Conversely, the countries with declining scores faced economic management and governance challenges. For the most part, the countries that received downgrades were positioned toward the lower end of the scale, while the upgraded countries generally had overall scores above 3, indicating a growing divergence in scores across the region in 2022.

There is a growing gap in institutional and policy performance between AFW and AFE. In 2022, AFW's average score improved slightly to 3.3, while AFE's score remained unchanged at 3.0. AFW has recovered from previous decreases, while AFE continues to struggle following a significant decline in 2019. Macro-fiscal management is a crucial factor contributing to this gap, with AFW consistently outperforming AFE in economic and public sector categories.

This gap between the subregions is attributable to the relative performance of fragility and conflict-affected situation (FCS) and non-FCS countries, as the FCS countries in AFW outperform those in AFE. Significantly, the gap between the two subregions for FCS countries has widened in clusters A (economic management) and D (public sector management and institutions), highlighting the interconnections between political and economic crises. In contrast, non-FCS countries in AFE outperform those in AFW in three of the four clusters, including economic management, but the gap is not enough to offset the gap between FCS countries.

CLUSTER ANALYSIS

Economic Management

With the increases in global prices for food and energy, monetary and exchange rate policies were central in 2022. Although only three countries have a floating exchange rate, those on a conventional peg experienced lower inflation levels than those on a crawl-like arrangement or an actively managed exchange rate regime. As a result, the large currency unions in AFW were able to maintain relatively low interest rates in the face of tighter global credit markets. One issue with these managed exchange rate regimes and crawl-like arrangements may be the existence of parallel exchange rates, which seem to have exacerbated some instances of extreme currency depreciation and accelerated inflation in 2022, including in Sudan and Zimbabwe.

Although active countercyclical policy is rare in the region, some of the stronger fiscal performers use economic expansions to attempt fiscal consolidations. In countries with less robust fiscal policy, countercyclical management may be more difficult due to a high proportion of rigid areas of expenditure, such as wage bills and amortization of outstanding debt. Wage bill rationalization has led to significant savings in some countries, including Guinea-Bissau, Liberia, and Mozambique.

In the face of tighter credit markets, debt management and transparency have become a key policy priority. Lengthening maturities to reduce the risks from high rollover costs can yield significant benefits, and many countries are engaged in reprofiling their portfolios. In addition, establishing long-term credibility with transparent medium-term policies and strong legal frameworks has led to some success in the region.

While the average score for cluster A remained unchanged at 3.2, the score for the cluster changed for 20 countries, the most changes of any cluster. For 11 countries, the score was upgraded, and for nine, it was downgraded from 2021.

Structural Policies

Private sector reforms are needed to ensure the continuation of economic growth at current levels, especially as tight credit markets and high government debt constrain public investment in many parts of the continent. Although volatility in global markets is expected to persist, the African Continental Free Trade Area presents opportunities that provide a reason for optimism, with the potential to raise incomes by 9 percent by 2035, subject to effective implementation. Some countries have taken advantage of these opportunities, and others have responded to international price volatility through protectionist policies.

Despite advancements in digital financial services, overall financial system usage remained lower than in other regions. Credit to the private sector declined in some countries due to increased government borrowing from commercial banks, leading to macro-financial risks. The financial sector in the region needs to improve in terms of depth, access to financial services, stability, and oversight.

Much of the region was dominated by anticompetitive practices and structures. Yet, some countries made efforts toward improving competition and leveling the playing field.

Fragile countries in Sub-Saharan Africa face specific challenges in trade, financial access, and regulatory frameworks. Trade barriers and high tariffs disproportionately affect these countries, and political and security risks further hinder access to finance and constrain production capacity.

The regional average score for structural policies increased to 3.2 in 2022 due to the increased score for the business regulatory environment criterion. However, the region's average score for the financial sector is very low following a decade of deterioration in the average score, reflecting weaknesses in the depth of the sector and access to finance. Nevertheless, the cluster average for AFW picked up this year, while the average for AFE remained relatively steady, and the cluster averages increased for five countries and decreased for only two.

Policies for Social Inclusion and Equity

Challenges persist in achieving gender equality, with limited progress in enacting laws and policies that promote equal access and protection for men and women. FCS countries face additional obstacles to achieving gender equality. Fragile countries tend to have lower health, education, and environmental sustainability scores, highlighting the link between institutional strength, peace, and development outcomes.

Given the fiscal consolidation imperatives, there is an increased need for cost-effective policies for social inclusion and equity across the region. However, the capacity for delivering such targeted support in some lower-scoring countries is limited by data availability and inefficient operationalization of existing information. Nevertheless, many countries have advanced promising reform programs around human resources, particularly in health and education. In health, some countries have made solid progress in health strategies, program

coverage, and health education reforms. In education, country reforms have focused on teacher management, learning assessment, and curriculum management.

Reforms around environmental sustainability have progressed among pressures to support vulnerable ecosystems in the face of climate change. Notably, countries have started to integrate environmental policy into other policy areas, as evidenced by "green" recovery strategies from COVID-19, local renewable energy generation, and sustainable land management projects as part of agricultural and rural development programs.

The regional average for social inclusion and equity was 3.3.

Public Sector Management and Institutions

In the aftermath of the COVID-19 pandemic, public sector institutions in the region continue to be tested. Good governance and a robust social contract provide the foundation for sustainable development by fostering stability, accountability, efficiency, and investor confidence. Inefficient judicial processes, corruption, and challenges in property registration and contract enforcement were all identified as having digressed in specific countries, with few reforms receiving attention as model cases for emulation. Similarly, as debt levels and financing become an increasing concern for the region, credible borrowing plans and transparent budgeting can provide much-needed flexibility for policy priorities, including through clear oversight in the accumulation of arrears. While some countries have responded to the challenge of fiscal constraints with needed reforms in revenue and tax exemptions, challenges in these areas remain a pressing concern in the region, as relatively narrow tax bases concentrate the political base for such exemptions.

Addressing these issues requires strong public administration and an accountable government, but reforms in public administration are moving faster than those addressing transparency, accountability, and corruption in the public sector. The biggest improvements have been in management of human resources within the government and digitization of government operations and services, with digital human resource management combining the two in some countries (including Benin, Côte d'Ivoire, and Uganda). In contrast, the World Bank's Worldwide Governance Indicators have declined over the past two decades across government effectiveness, regulatory quality, control of corruption, and political stability. In conjunction with regressions on press freedom in some countries, this is a concerning trend.

The governance cluster has had the lowest score among all the clusters, and governments need to pay attention to reforms to improve public sector management and institutions, which is vital for economic growth and development. Unsurprisingly, fragile countries tend to have lower governance scores compared to non-fragile countries, and this gap is most pronounced in components like property rights, rule-based governance, and transparency and accountability. Fragility and violence in these countries contribute to an imbalance in state capacities across different territories, making it challenging to provide consistent services and ensure effective governance. The average governance score for fragile countries in the AFE subregion was 2.4, compared to 2.7 for non-fragile AFE countries. In the AFW subregion, the average governance score for fragile countries was 2.7, while non-fragile AFW countries scored 3.3 on average.

The regional average for public sector management and institutions was 2.9.

Introduction

In 2022, the political and institutional focus was dominated by international events. Following two years in which policy priorities were mostly reactive to the COVID-19 pandemic, the beginning of the year offered hope that countries could shift back to the long-term priorities for development, including resilience to climate change. While this shift in focus did happen to some extent, global events continued to dominate following the Russian Federation's invasion of Ukraine at the end of February. This, combined with lingering supply chain constraints, re-implementation of COVID-19-related restrictions in China, and poor harvests in some countries, led to significant food and energy price shocks.

As a result, it was a mixed year for political and institutional reforms in Sub-Saharan Africa. As the African Continental Free Trade Area (AfCFTA) transitions from ratification to implementation, focus on private sector expansion and regional integration has begun to take priority. However, this effort is occurring against the backdrop of tightening monetary policy in leading economies, resulting in higher costs of borrowing for both public and private projects.

On the public side, economic reform efforts have focused on maintaining stability and boosting resilience through ensuring that debt costs are not restrictive, establishing credible medium-term plans, implementing strategic growth plans to boost underlying growth, building fair and progressive tax bases, and mitigating the impact of higher prices for basic goods. Although the average score for the economic management cluster of the Country Policy and Institutional Assessment (CPIA) remained unchanged at 3.2, 11 countries' scores were upgraded, while 9 were downgraded from their 2021 score, the most changes of any cluster.

On the private side, tight credit markets will require policy to be more focused on facilitation of trade and competition. Although the AfCFTA presents an opportunity for the continent, both tariff and non-tariff trade barriers remain significant in the region. Reducing these barriers will be key for successful implementation of the agreement, and financial integration is a crucial first step. However, in many areas, financial markets are still underdeveloped and access to credit remains a problem. This may be partly due to an uncompetitive banking sector, as explicit efforts to regulate competition in private markets are nonexistent in many countries. Overall, the regional average score for the structural policies cluster dealing with private sector policies increased to 3.2 in 2022.

Economic reforms have been supported by social reforms, as "inclusive growth" requires understanding that the two are linked. For example, the use of social safety nets to deliver targeted relief from inflation can be an efficient alternative to price controls or subsidies. In this respect, 2022 saw significant improvement in some countries around building capacity in the provisions of social programs, including better management of programs through digitizing both operations and data. Hopefully, these efforts toward resilience will prove beneficial as climate shocks grow in frequency and global market volatility continues during the global shift to renewable energy. The overall score for the policies for social inclusion and equity cluster remained steady at 3.3, but the averages increased for two individual criteria, building human resources and policies and institutions for environmental sustainability.

No policy can be effective without credible and capable oversight. In this area, digital solutions offer significant opportunities and have led to success in some countries. Digitization of property registration and land titling, tax payments, fiscal and debt reporting, and public human resource management are all areas of recent progress. However, some backtracking in public sector management has resulted from political conflict and economic crises in the region, a cause for concern in times of tight credit and volatile markets. Although the average score for the public sector management and institutions (governance) cluster remained unchanged, the ongoing trend of downgrades for countries with fragility and conflict-affected situations, particularly in Eastern and Southern Africa, is a cause for concern.

Despite these challenges, more countries in Sub-Saharan Africa saw improvements in their overall CPIA scores compared to the previous year. In Western and Central Africa, the overall score increased for eight countries—Benin, Cabo Verde, Côte d'Ivoire, The Gambia, Guinea, Guinea-Bissau, the Republic of Congo, and Togo. The overall CPIA score increased for four countries in Eastern and Southern Africa—Burundi, the Democratic Republic of Congo, Mozambique, and Zambia. In contrast, the overall score decreased for eight countries—Chad, the Comoros, Eritrea, Ethiopia, Ghana, Malawi, São Tomé and Príncipe, and Sudan.

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How the CPIA Contributes to World Bank Engagement

The annual CPIA exercise captures the quality of a country's policies and institutional arrangements. Its focus is on elements within the country's control rather than outcomes influenced by outside elements. The scores assess whether sustainable growth and poverty reduction can be supported through existing policy and institutional arrangements. The outcome of the CPIA exercise yields scores for 16 criteria, arranged around four "clusters." The average scores for each of these clusters are combined for the overall CPIA score. As the scores represent the capacity for effective use of development assistance, they are one of the main factors determining a country's allocation of development financing from the International Development Association.

The scores represent the combined knowledge and monitoring of several experts. Each year, country teams, comprised of country experts for each criterion, prepare score proposals following engagement with government counterparts to ensure full inclusion of the reforms for the year. Although several published indicators could help guide the ratings, the World Bank staff's professional judgment of country performance against well-specified CPIA criteria plays a crucial role in the final assessments. The CPIA ratings are the product of staff judgment and do not necessarily reflect the views of the World Bank's Board of Executive Directors or the governments they represent.

The CPIA is a unique opportunity for a comprehensive review of country policies and institutions. The regional Chief Economist offices review the proposals submitted by country teams within each of the World Bank's operational regions. They are then submitted to review across the World Bank by the Global Practices and central departments for several rounds until final decisions are reached. This review process is managed by the World Bank's Operations Policy and Country Services Vice Presidency. The assessment exercise is centrally managed to ensure a clear separation between the resource allocation function and the operations for which the allocations are used. As the assessments behind the scores are not disclosed, the process allows for candid discussion between units at the World Bank. The CPIA is important for country monitoring and sharing regional best practices.

The frequency, comprehensiveness, and rigor of this assessment can help drive country engagements and operational priorities. Government counterparts are consulted as the first and last steps in the assessment process, to ensure that all relevant reforms have been considered in the assessment and to provide an opportunity for discussion on future reform priorities. In this respect, the benchmarks provided by the CPIA can be useful for establishing relevant case studies and examples of best practice in specific policy areas between country peers. While the review itself is entirely internal, the criteria for assessment are published, and this report provides a summary of major policy trends in the Sub-Saharan Africa region.

Section 1: The Policy and Institutional Context in 2022

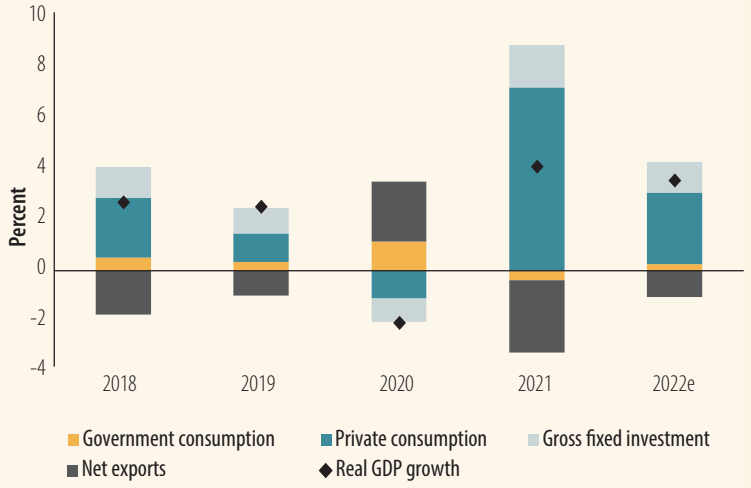
Economic and social resilience continues to be tested in all countries amid tight global credit markets, as institutional capacity for restoring stability and delivering sustained growth remains a challenge. The COVID-19 pandemic, the invasion of Ukraine, and the tightening of monetary policy worldwide following high global food and energy prices are having a lasting impact on structural economic indicators. Moreover, recent international financial and commodity market volatility highlights the need for ongoing policy and institutional reform in International Development Association (IDA)–eligible countries. Furthermore, poverty and social inequalities continue to test institutional resilience to political conflict and constitutional safeguards. As global growth remains uncertain, restoring stability and reviving growth in the region increasingly depend on regional drivers and improvements in domestic capacity for a diverse and robust private sector.

Such resilience is also fundamental to responding to global climate change and the expected market shifts as the world economy transitions to green energy. As global weather patterns are already starting to change, immediate attention is required to devise well-formulated policy and expand institutional capacity in all areas of policy making. This includes adaptation to changing climate patterns, provisioning for stress on social welfare and poverty, and strong economic governance to respond to shifting global demand around fossil fuels and minerals. Climate change is bringing devastating consequences to the region, with an increase in extreme weather events, including floods and droughts that threaten food security and livelihoods. Indeed, Sub-Saharan Africa is on course to surpass Asia as the most food insecure region in the world, with around half the population projected to be food insecure by 2080.

Average growth in Sub-Saharan Africa remained adequate at 3.6 percent in 2022, although this represents a deterioration compared to the sharp rebound to 4.1 percent in 2021. Private sector reforms will be needed to ensure the continuation of such high levels. Following the rebound in 2021, private consumption remained elevated compared to pre-pandemic levels (figure 1.1). This suggests that the level of growth may be partially attributable to a continued rebound from COVID-19. Moreover, the relatively high volatility in consumption compared to investment is problematic, as it suggests that the natural consumption-smoothing tendencies of consumers may be outweighed by households living on subsistence wages. Furthermore, a

Consumption-led growth raises questions on domestic production, with a trade deficit for the region servicing demand.

FIGURE 1.1: Expenditure Decomposition of Growth in Sub-Saharan Africa



Source: World Bank.
Note: GDP = gross domestic product.

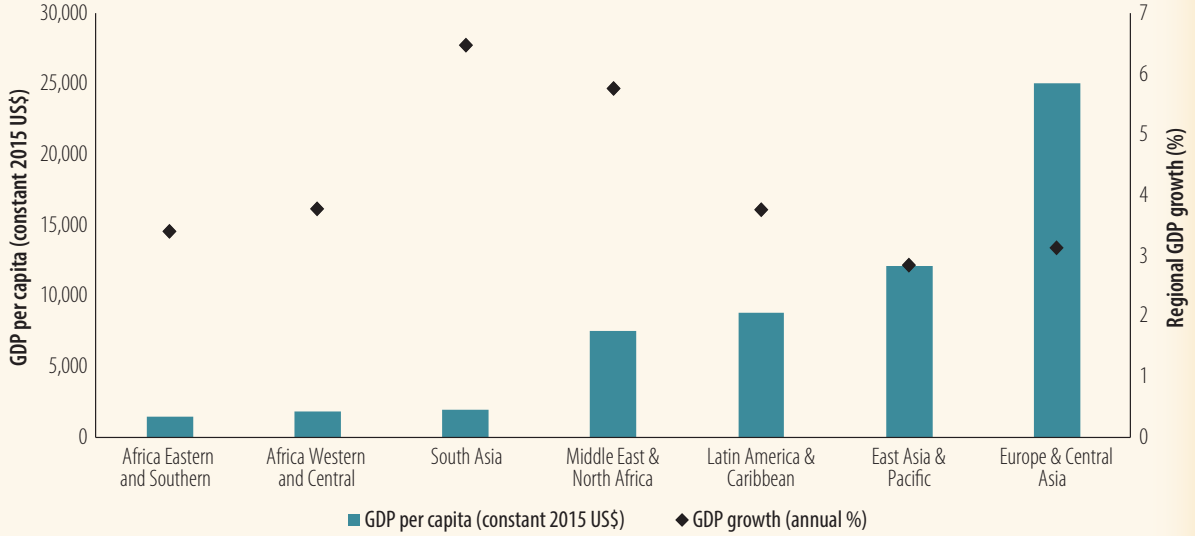
strong negative correlation between the trade balance and private consumption suggests that increases in domestic demand are met by imports rather than domestic production. This low capacity for absorbing domestic demand through production partly reflects low levels of economic complexity across the continent, as the basket of consumption goods is more diverse than local production.

Global headwinds affecting growth from events in the world's largest economies have created turbulence in international markets. In China, economic activity deteriorated markedly in 2022 following COVID-19-related restrictions, unprecedented droughts, and ongoing financial stress in property markets. In the European Union, the war in Ukraine has created a scramble for energy, driving up local prices, while turbulence in food markets from the disturbance in Ukraine's grain exports has harmed global food prices. In the United States, rising food and energy prices, together with a tight labor market, pushed inflation to multi-decade highs in 2022, before price pressures began easing toward the end of the year. Volatility in global markets is expected to continue in the medium term as global environmental crises, including pandemics, are expected to become more frequent due to increasing pressures from climate change. Furthermore, the structural shift required to move consumption away from fossil fuels will lead to significant volatility in global commodity markets in the medium term, further emphasizing the need for resilient institutions at the local level.

Improvements in trade, finance, and the business regulatory environment are imperative for improving competitiveness at the global scale, as growth rates in Sub-Saharan Africa are not sufficiently strong for convergence with wealthier regions. While other regions with low gross domestic product (GDP) per capita have achieved higher growth rates, Sub-Saharan Africa's rates are not sufficient to contribute to convergence (figure 1.2). This type of convergence is also missing between countries within the region, suggesting that idiosyncratic obstacles to growth within countries are impeding capital accumulation.

Growth rates in Sub-Saharan Africa are not sufficient to catch up to the GDP per capita levels of other regions.

FIGURE 1.2: Regional Growth and GDP per Capita

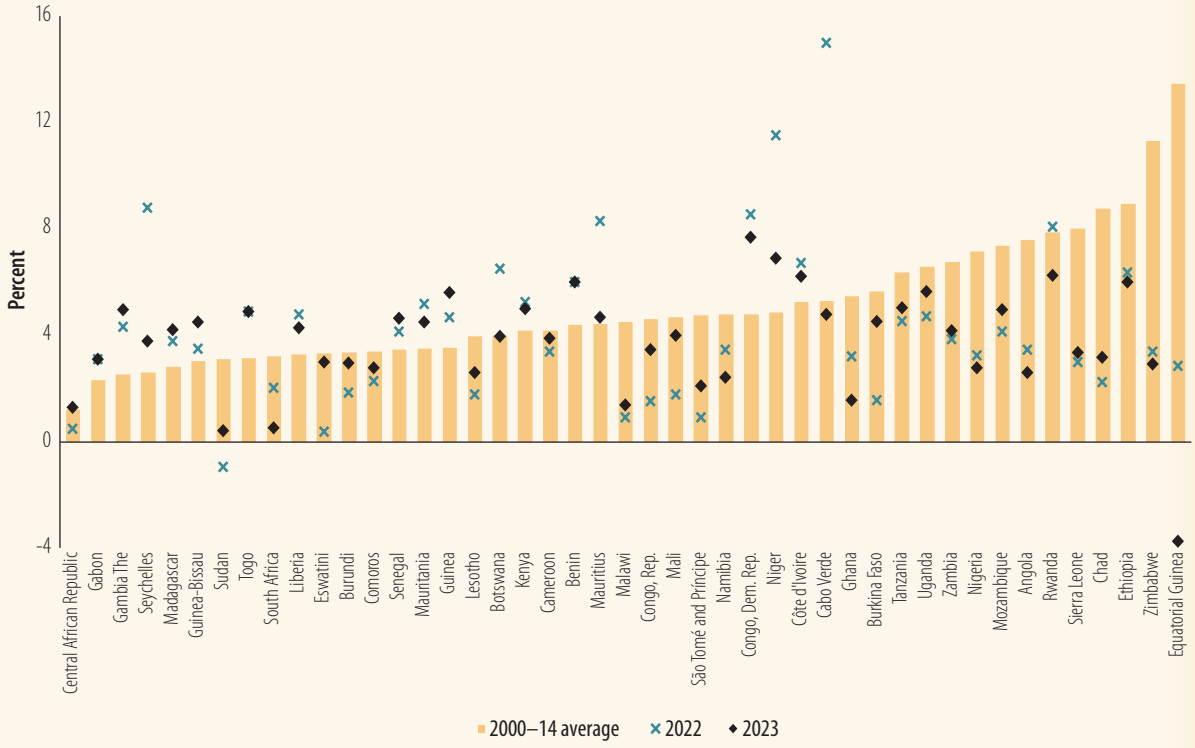


Source: World Bank.
Note: GDP = gross domestic product.

The recovery of economic activity in the region following the slowdown caused by COVID-19 has been multispeed, with wide variation across countries (figure 1.3). Broadly, more than half of the countries in the region are growing at rates below their long-term average. However, large countries on the continent seem to be disproportionately dragging: eight of the 10 largest economies in Sub-Saharan Africa are growing at rates below their long-term average, including Sudan, Nigeria, Angola, and Ethiopia. In terms of GDP per capita, however, there seems to be no clear trend between levels and growth rates, suggesting that country-specific policies may be driving the growth rates.

Nearly half the countries in the region are growing at rates below their long-term average.

FIGURE 1.3: Growth Rates in Sub-Saharan Africa



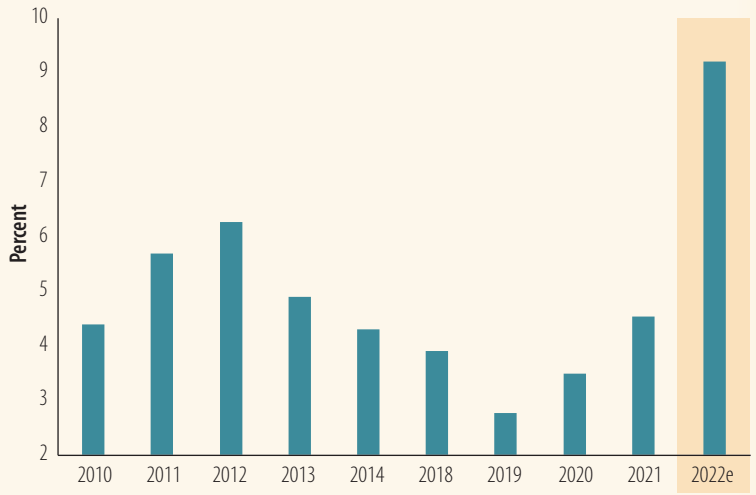
Source: World Bank staff estimates and projections.
Note: The high average growth rate for Zimbabwe reflects the limited number of years for which data were available for comparison.

Inflation was the predominant form in which international pressures translated to domestic economies on the continent. Headline inflation in Sub-Saharan Africa (including energy and food) accelerated to 9.2 percent in 2022, from 4.5 percent in 2021 (figure 1.4). About 40 percent of the countries in the region (19 of 47 countries) registered double-digit average inflation rates at the end of 2022. Inflationary pressures started to abate toward the end of the year as demand slowed and commodity prices eased, but inflation nonetheless remained high worldwide and well above central bank targets in almost all inflation-targeting economies.

Social policies were tested in 2022 as food and energy inflation forced difficult choices on policy makers. Global agricultural and fertilizer prices peaked in the second quarter of 2022, but at the

Following a period of relatively low inflation, headline rates accelerated in 2022.

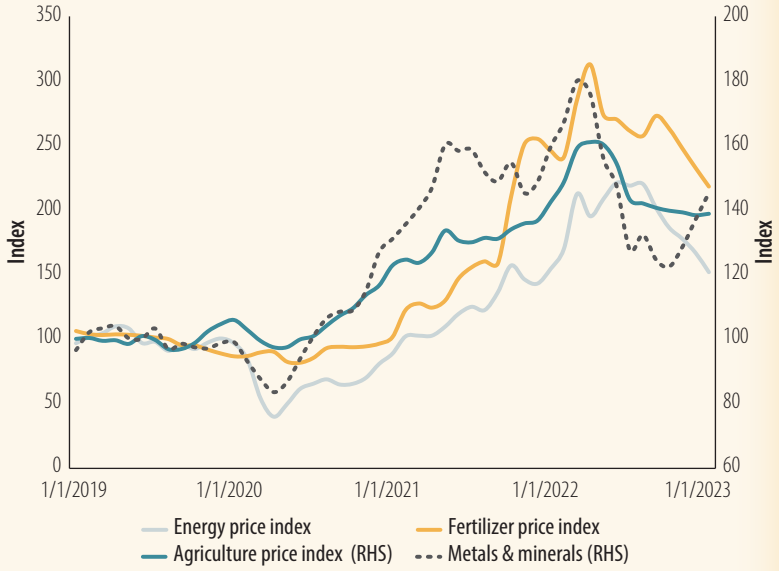
FIGURE 1.4: Median Inflation Rates in Sub-Saharan Africa since 2010



Source: World Bank.

Inflation follows price increases in key commodities, including food and energy.

FIGURE 1.5: Selected International Price Indexes



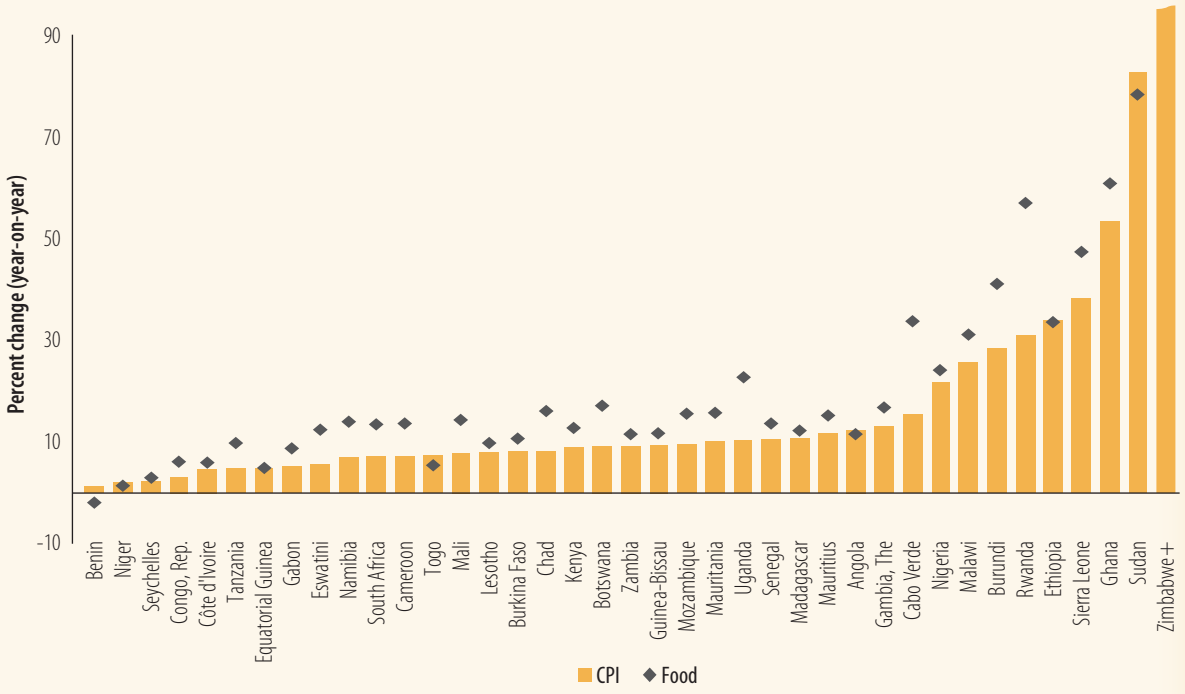
Sources: World Bank; Bloomberg; Haver Analytics.

end of the year they remained elevated compared to pre-COVID-19 levels (figure 1.5). Following the price spike from the Russian Federation's invasion of Ukraine, strong harvests in other major wheat and maize producing countries and the Black Sea Grain Initiative contributed to stabilizing grain prices in the second half of the year. The speed at which this translated into abatement of food price increases differed between countries as high fertilizer costs and extreme weather events kept the agriculture sector subdued in many countries in the region, while currency depreciation and high transportation costs elevated the prices of imported food.

The economies that rely on imports of food products were particularly hard hit (figure 1.6). The rapid expansion of social protection during COVID-19 allowed many of these countries to build capacity to respond to the new shock. Some countries have maintained the steady momentum in gradually strengthening their systems, while others are in the process of leapfrogging, with productive social safety nets and youth employment programs and recent cutting-edge experience of leveraging digital technology and data for rapid shock response at scale, serving as inspiration for the region (Togo, Nigeria, and Senegal, among others). Many countries continued to build the foundational elements of modern social protection systems, including biometric identification, digital payment platforms, interoperable social information systems, and extended citizen engagement.

For countries with elevated inflation, food prices seem to be a main contributor.

FIGURE 1.6: Consumer Price Index Changes and Food Inflation between January 2022 and January 2023



Source: Haver Analytics.
Note: CPI = Consumer Price Index.

The direct response to the inflationary pressures represented a key point of divergence in policy performance for the year. Policy makers across the region resorted to supporting the most vulnerable through a variety of measures that limited the effects of the rise of inflation—especially food inflation—such as direct price subsidies, temporary waivers of tariffs and levies, and income support (through cash and food transfers), among others. While the effort to address inflation was widespread, the effectiveness of the interventions varied, as some measures were more interventionist, less targeted, and more distortionary than others.

The inflationary environment is central to policy concerns through its implications for the availability of international credit, for both public and private sector financing. The major international central banks (the Federal Reserve, the European Central Bank, and the Bank of England) conducted the most rapid monetary policy tightening in more than 40 years. Moreover, most central banks on the African continent followed suit, to combat inflation and often also to reduce the outflow of exchange reserves in countries actively managing exchange rates or maintaining exchange pegs.

The lack of international credit is especially troubling given the recent increases in public debt, both prior to and in response to the COVID-19 pandemic. Public debt in Sub-Saharan Africa has more than tripled since 2010, with a sharp increase prior to the onset of the COVID-19 crisis. Persistent primary deficits across the continent have contributed to public debt increases of nearly 20 percent of GDP since 2015. The median fiscal deficit in Sub-Saharan Africa widened from 4.8 percent in 2021 to 5.2 percent in 2022.

While social protection measures have absorbed significant fiscal space, some of the programs are regressive and benefit the better-off populations. This is especially clear in the case of fuel and electricity subsidies, which are notoriously poorly targeted and costly. With the fiscal tightening required by the growing debt burden, reform of inefficient subsidies has already started in several countries (Nigeria, Cameroon, and Senegal) where the social safety net can play a prominent role in compensating people with low incomes and helping to build consensus around the reform.

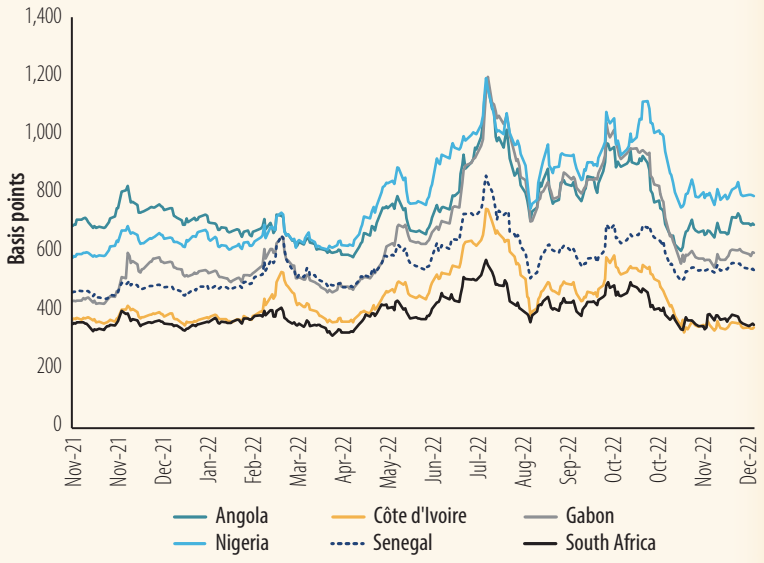
The shift of resources from inefficient and poorly targeted subsidies to modern safety nets offers an inclusive and socially sustainable path for reforms. Still, countries have only started to develop and implement such strategies (Nigeria and Senegal). Complementing this is the continued need to improve the efficiency and effectiveness of spending, especially in the social protection sector by targeting and optimizing the mix and duration of benefits and services provided to beneficiaries. With the looming challenges of adaptation to climate change, countries' efforts to build adaptive social protection systems may prove catalytic, provide access to new sources of financing, and contribute to greater resilience in Africa, leading to renewed progress in poverty reduction and human development.

Although many of the deficits in the region were to service development investments and social programs, they were facilitated by the easy access to credit allowed by international markets. Since 2010, more than 15 countries in the region have issued bonds in international markets, which increased the share of public and publicly guaranteed external debt from 18 percent in 2010 to 27 percent in 2021. Several countries, including Angola, Ghana, and Kenya, issued Eurobonds in 2021 and early 2022, representing significant refinancing risks for large redemptions. In many cases, reprofiling of debt more toward international creditors is a deliberate and well-founded strategy to reduce debt service costs and reduce the domestic distortions from debt financing. With the U.S. and German long-term government bond yields increasing at their fastest pace in nearly three decades in 2022, the higher cost of international financing reduced a potential lifeline for countries with expensive domestic financing (figure 1.7).

This high debt translates into reduced fiscal space for other spending priorities, necessitating the repurposing of public spending toward investments with high output and employment multipliers. Public gross financing

Higher interest rate environments have made borrowing more expensive for governments in Sub-Saharan Africa.

FIGURE 1.7: Bond Spreads for Selected Sub-Saharan African Public Debt



Source: World Bank staff projections.

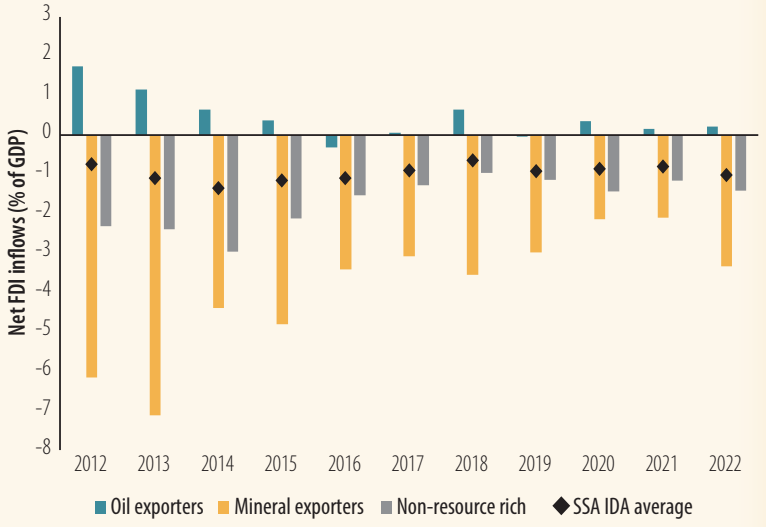
needs have steadily increased from a median of 3 percent of GDP in 2008–14 to 8 percent of GDP in 2015–19, and remained high in 2020–22, at 11 percent of GDP. The increase in external debt service translated into higher ratios of total debt service to exports and debt service to revenue; in Sub-Saharan Africa in 2021, these ratios reached 28 and 41 percent, respectively. As public investment is far more volatile than other government spending, this will likely translate into reduced capacity for public development projects aimed at improving infrastructure. Prioritization and more effective oversight and implementation of such projects will be fundamental for ensuring that the public sector can continue to support growth.

In an extreme case, debt distress can completely halt a country's development and reduce its capacity for policy reform. Bailouts and haircuts to creditors can lead to higher risk premia for future investment needs on international markets, and the potential for twin crises through contagion into banking or foreign exchange markets is significant. Debt distress risks in Sub-Saharan Africa have increased significantly on the back of rising debt levels and increased non-concessional borrowing. As of December 2022, the number of countries in the region at high risk of external debt distress or in debt distress had increased to 22 (from 20 in 2020)—thus representing 58 percent of IDA-eligible countries in the region. Chad, Ethiopia, and Zambia have ongoing requests for external debt restructuring under the G20 Common Framework, as of early 2021, and Ghana submitted a request in early 2023.

Even in the absence of crisis, higher interest rates translate directly into higher financing costs for private sector firms, with government borrowing exacerbating the effect through potential crowding out. Investment growth had already declined from nearly 6.8 percent in 2010–13 to 1.6 percent in 2020–21, with the share of countries in the region reporting declining investment growth reaching a peak of 68 percent in 2020, up from roughly 25 percent in 2010. Many emerging markets and developing economies have faced widespread capital outflows, a severe slowdown in bond issuance, and rising sovereign borrowing spreads, with countries with lower credit ratings facing severer deterioration in financial conditions. Most dramatically, foreign direct investment has contracted on average over the past decade (figure 1.8). The last year IDA countries in

Foreign direct investment has contracted for over a decade.

FIGURE 1.8: Foreign Direct Investment Trends for IDA-Eligible Countries in Sub-Saharan Africa, by Resource Exports



Source: World Bank.

Note: FDI = foreign direct investment; GDP = gross domestic product; IDA = International Development Association; SSA = Sub-Saharan Africa.

the region reported positive average net foreign direct investment inflows was 2010, implying that there has been sustained global divestment from the continent, especially among mineral exporters.

An opportunity for regrouping on policy reforms arose in the second half of 2022. The latter part of the year offered a slight reprieve from inflation, as gas prices declined after a mild European winter and China lifted health-related restrictions. As a result, treasury yields in Africa declined slightly, and nearly half of the countries in Sub-Saharan Africa registered an upward revision in their 2022 growth estimates in the spring 2023 World Bank forecasts. Thus, some countries that had made reforms in revenue management and debt refinancing saw deficits that were lower than expected. However, this reprieve was not universal, especially as countries experiencing debt distress continued negotiations on relief and restructuring programs.

Nevertheless, potential downsides from ongoing international stresses highlight the urgency of institutional improvements. The combination of slowing growth, persistently high inflation, and tightening financial conditions increases the risks of stagflation, financial strains, and weak investment in many countries, with limited scope for continued fiscal intervention. Concerns about debt sustainability in many countries have risen as global financial conditions have made it more difficult to service the debt loads that have accumulated rapidly in recent years, particularly during the pandemic. More persistent inflation could result in significantly more monetary tightening, making private investment more difficult. Even more problematic is the possibility that debt burdens in many countries call into question the health of bank balance sheets. Signs of weakness in an important sovereign or financial institution could trigger contagion effects and financial stress, which would include a broad-based flight to safety and substantial capital outflows from many emerging markets and developing economies.

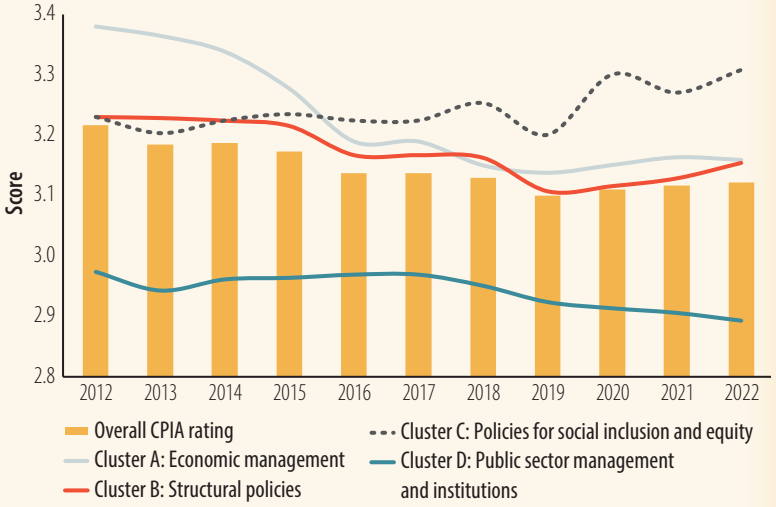
Section 2: Score Analysis and Trends for 2022

The average overall Country Policy and Institutional Assessment (CPIA) score for International Development Association (IDA)–eligible countries in Sub-Saharan Africa remained unchanged at 3.1 in 2022. This continues a long-term trend of relatively stable regional averages following a drop after the commodity price declines in 2015–16. This drop disproportionately affected cluster A (economic management), which has struggled to rebound after the decrease from 3.4 in 2012 to 3.1 in 2017 (figure 2.1). Indeed, compared to 10 years ago, all three criteria in cluster A remain depressed, with the second criterion (fiscal policy) suffering the largest drop (see figure 2.2). The other criteria with drops greater than 0.1 point all have a strong macro-fiscal management component as well, including financial sector (criterion 5), budgetary and financial management (criterion 13), and efficiency of revenue mobilization (criterion 14).

More countries saw improvements in their overall score in 2022 compared to 2021. For 11 countries, the overall score increased by 0.1 point, including Benin (3.8),

Average scores remain below 2012 levels, with the economic management cluster having dropped the furthest.

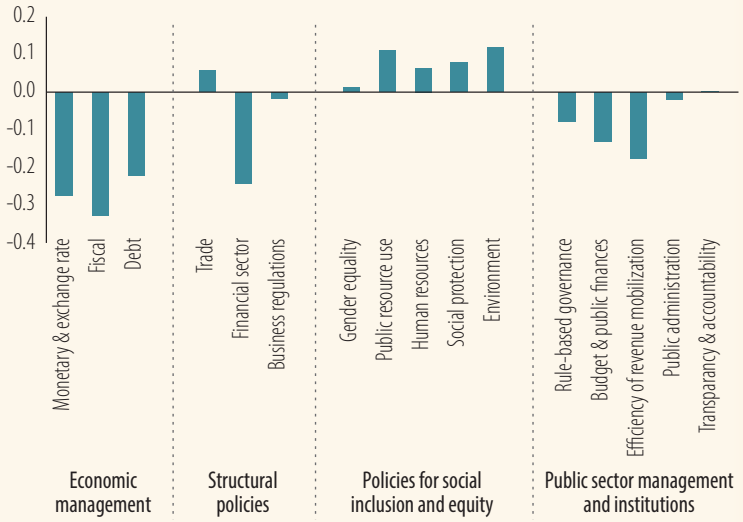
FIGURE 2.1: Evolution of Regional Average Scores and Cluster Averages for IDA-Eligible Sub-Saharan African Countries



Source: World Bank CPIA database, 2023.
Note: IDA = International Development Association.

The biggest long-term decreases were in the economic management cluster and the financial sector.

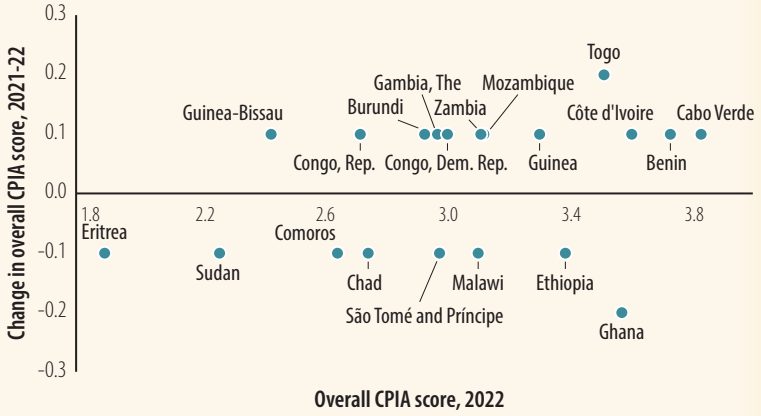
FIGURE 2.2: Changes in Average CPIA Score since 2012, by Criterion



Source: World Bank CPIA database, 2023.
Note: CPIA = Country Policy and Institutional Assessment.

In general, the downgraded countries had lower scores, while the upgraded countries had higher scores, indicating a growing divergence across the region.

FIGURE 2.3: Countries with Changes in Overall CPIA Scores in 2022



Source: World Bank CPIA database, 2023.
Note: CPIA = Country Policy and Institutional Assessment.

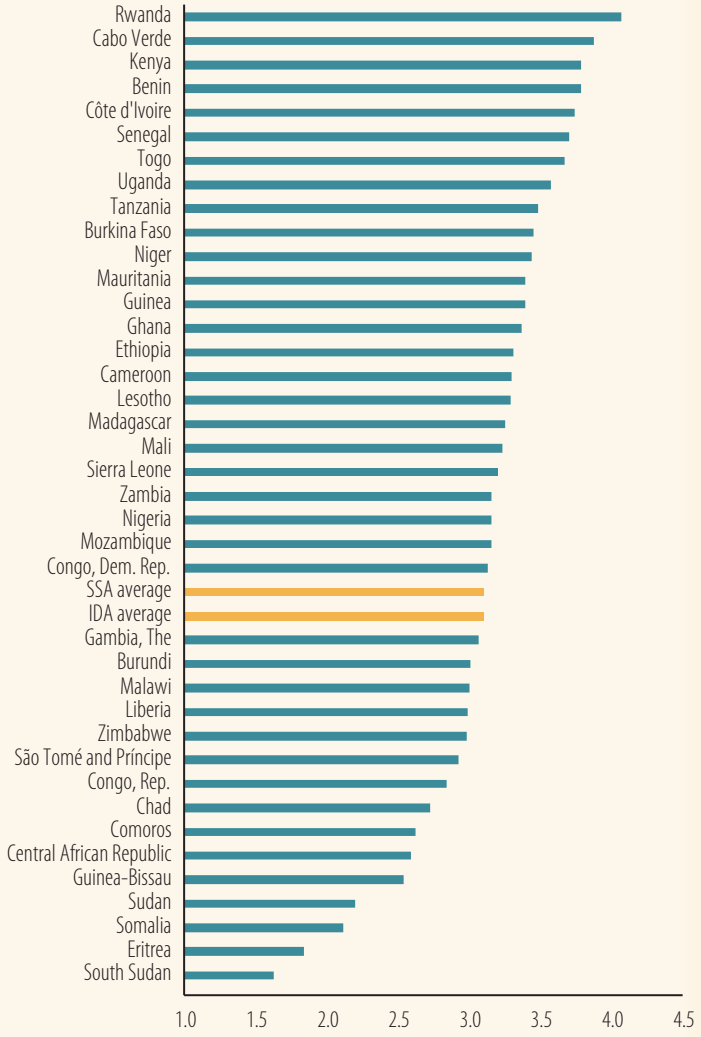
Burundi (3.0), Cabo Verde (3.9), Côte d'Ivoire (3.7), the Democratic Republic of Congo (3.1), The Gambia (3.1), Guinea (3.4), Guinea-Bissau (2.5), Mozambique (3.2), the Republic of Congo (2.8), and Zambia (3.2), while the score for Togo (3.7) increased by 0.2 point (figure 2.3). Among countries that saw an increase, the governance score for three countries (Benin, Côte d'Ivoire, and the Republic of Congo) increased as well.

While there has been only marginal movement in the regional average CPIA score, it is reassuring that fewer countries received downgrades than upgrades. Compared to 12 upgrades, only eight countries' overall CPIA scores decreased. Seven countries' overall scores decreased by 0.1 point—Chad (2.7), the Comoros (2.6), Eritrea (1.8), Ethiopia (3.3), Malawi (3.0), São Tomé and Príncipe (2.9), and Sudan (2.2)—while Ghana's overall score decreased by 0.2 point to 3.4.

Countries with increased scores have experienced the most increases in the economic management, policies for social inclusion and equity, and governance clusters. Similarly, most overall reductions were tied to decreases in the economic management and governance cluster averages. The downgrade in Ghana was on cluster A (economic management), with the cluster average decreasing by 0.8 point and a downgrade in all three criteria in the cluster. In general, the decrease in the score for Chad was due to limited progress on environmental management and further deterioration of the financial sector in 2022.

Rwanda continues to lead the region in the overall score, while South Sudan posted the lowest overall score for 2022.

FIGURE 2.4: Overall CPIA Score Ranking for IDA-Eligible Sub-Saharan African Countries

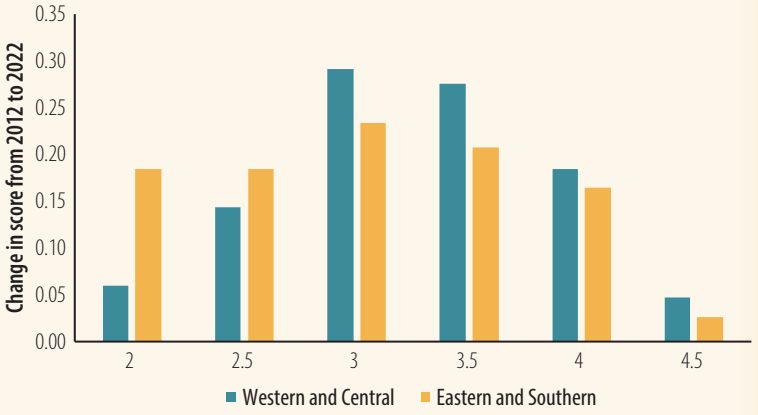


Source: World Bank CPIA database, 2023.

Note: CPIA = Country Policy and Institutional Assessment; IDA = International Development Association; SSA = Sub-Saharan Africa.

AFE's average was brought down by low scores for FCS countries.

FIGURE 2.5: Distribution of 2022 CPIA Scores, by Subregion



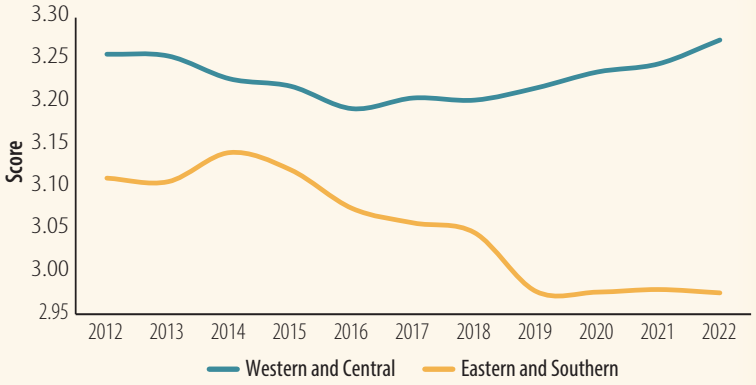
Source: World Bank CPIA database, 2023.

It is noteworthy that the countries that received downgrades in the overall score were largely at the bottom end of the scale, while the upgraded countries all had overall scores above 3, suggesting a further divergence in the scores for the region in 2022. Of the 11 countries that received upgrades, eight were at or above the regional average of 3.1, while seven of the nine countries that received downgrades were below the regional average. However, the countries with the highest overall score (Rwanda at 4.1) and lowest score (South Sudan at 1.6) recorded no change for the year (see figure 2.4 for a ranking of overall country scores).

The gap between Western and Central Africa (AFW) and Eastern and Southern Africa (AFE) expanded in 2022, as the average score improved slightly from 3.2 to 3.3 in AFW while remaining unchanged in AFE at 3.0 (figures 2.5 and 2.6). Indeed, AFW's overall scores seem to have recovered from the downgrades following the commodity price decreases in 2014–15, as the subregional average reached its level in 2013. In contrast, the average CPIA scores for AFE remain depressed following a significant decline in 2019, from which the subregion has not yet recovered.

The gap between AFE and AFW expanded in 2022, as AFW continued its recovery from 2016 levels.

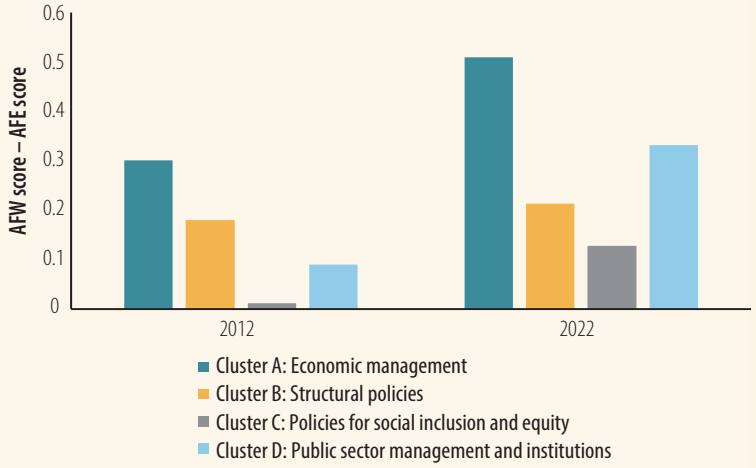
FIGURE 2.6: Evolution of Average Scores for AFW and AFE over Time



Source: World Bank CPIA database, 2023.
Note: AFE = Eastern and Southern Africa; AFW = Western and Central Africa.

The rising gap between the sub-regions is largely attributable to differences in macro-fiscal management, highlighting the impacts of economic crises.

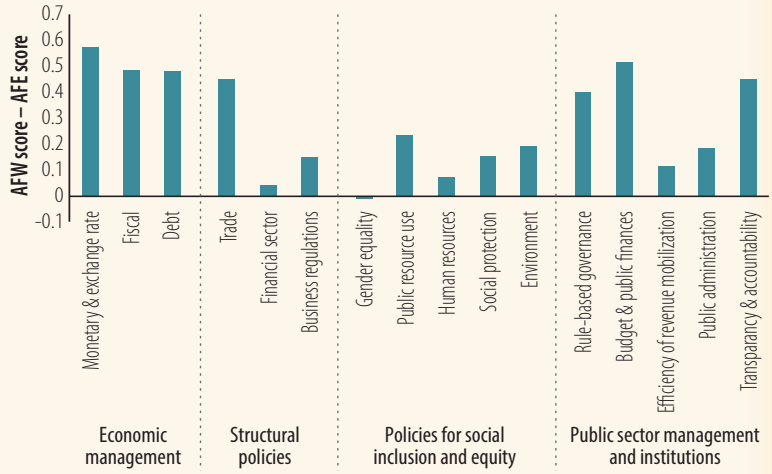
FIGURE 2.7: Difference in Scores between AFW and AFE, by Cluster



Source: World Bank CPIA database, 2023.
Note: AFE = Eastern and Southern Africa; AFW = Western and Central Africa.

The AFW subregion has maintained a consistent lead over AFE across categories since 2012.

FIGURE 2.8: Difference in Scores between AFW and AFE, by Cluster Criteria, 2022-12



Source: World Bank CPIA database, 2023.
Note: AFE = Eastern and Southern Africa; AFW = Western and Central Africa.

The increased gap between the subregions is largely attributable to differences in macro-fiscal management, highlighting the impact of economic crises. Figures 2.7 and 2.8 show the differences in average scores between AFW and AFE, with positive numbers representing higher scores in AFW. While AFW has maintained a consistent lead over AFE across all categories since 2012, the gap has grown largely through clusters A (economic management) and D (public sector management and institutions) (see figure 2.7). Among the individual criteria, those that currently exhibit the largest differences between subregional averages are monetary and exchange rate policy; quality of budgetary and financial management; fiscal policy; debt policy and management; trade; and transparency, accountability, and corruption in the public sector. Apart from the last criterion, they are mostly focused on macro-fiscal issues, which are severely affected by economic crises.

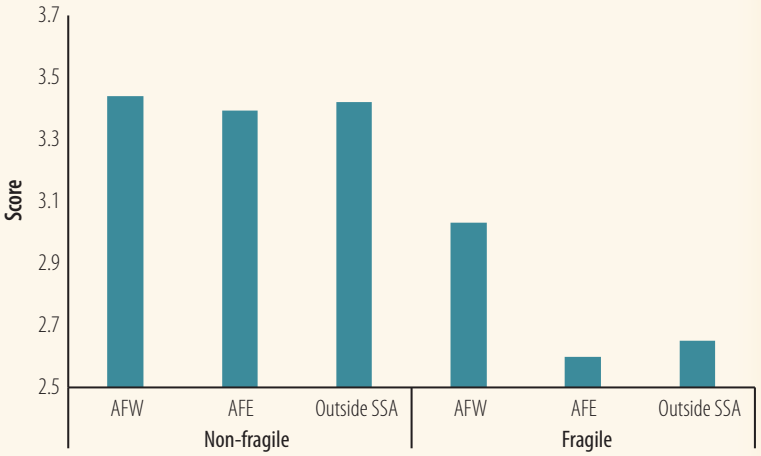
The impact of crises is highlighted by a handful of countries at the bottom end of the distribution. The four lowest scoring countries, South Sudan, Eritrea, Somalia, and Sudan, are located in AFE, while the highest scoring country, Rwanda, is also located in the same subregion. Indeed, AFE

exhibits a wider range of scores, from 1.6 to 4.1, compared to 2.5 to 3.9 for AFW. However, the overall CPIA score drops off dramatically for the four lowest performers. The average score for AFE without these countries is almost identical to the score for AFW. This distributional effect can also be seen through the composition of all the scores in each region (see figure 2.5). Here, the biggest gap arises at the low end of the scale, with the number of scores of 2.0 or 2.5 in AFE far surpassing those in AFW.

The performance of countries in fragile and conflict-affected situations (FCS) partly explains the relative outcomes of the two subregions (figure 2.9). While the proportion of FCS states is similar between the two subregions, the FCS states in AFW perform significantly better on the CPIA, while non-FCS states have relatively similar outcomes in AFE and AFW. Indeed, FCS countries comprise the nine lowest scoring countries, including the Republic of Congo (2.8), Chad (2.7), the Central African Republic (2.6), the Comoros (2.6), Guinea-Bissau (2.5), Sudan (2.2), Somalia (2.1), Eritrea (1.8), and South Sudan (1.6). The only non-FCS country scoring below 3.0 is São Tomé and Príncipe (2.9). Moreover, of the nine countries registering downgrades in their overall score this year, seven are FCS countries.

The performance of FCS states partly explains the relative outcomes of the subregions.

FIGURE 2.9: Overall CPIA Scores, by Fragility and Conflict Status, 2022



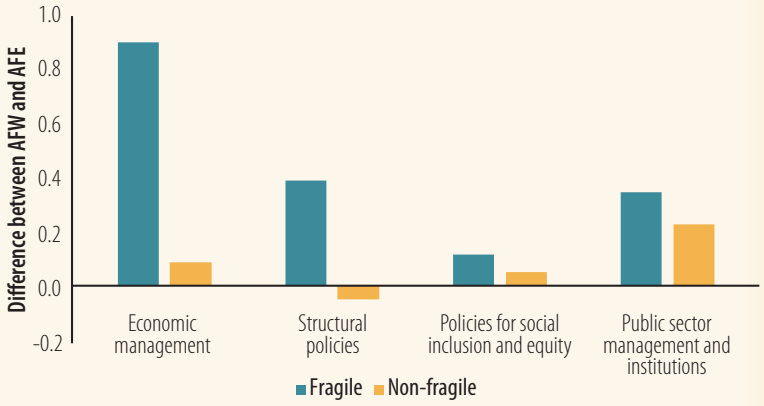
Source: World Bank CPIA database, 2023.

Note: AFE = Eastern and Southern Africa; AFW = Western and Central Africa; SSA = Sub-Saharan Africa.

The relative success of FCS states in AFW may be due to their membership in monetary unions. Of the nine FCS countries in AFW, eight are members of the Economic and Monetary Community of Central Africa or the West African Economic and Monetary Union, with only Nigeria, the largest economy, managing its money supply outside a union. These unions benefit from a series of macro-fiscal controls that can lead to strong economic governance, including the political independence of monetary authorities and regulatory requirements such as maintaining fiscal deficits under 3 percent and banking capitalization requirements. In addition, membership in such unions could dilute the potential stress on currency pegs and reserve levels when political events occur. The benefit from these currency unions is apparent from the relative difference in scores for cluster A (economic management) for FCS states between the two subregions (figure 2.10).

Fragile countries in AFW perform much better in economic management than those in AFE.

FIGURE 2.10: Difference between Average Scores for the Subregions, by Cluster, 2022



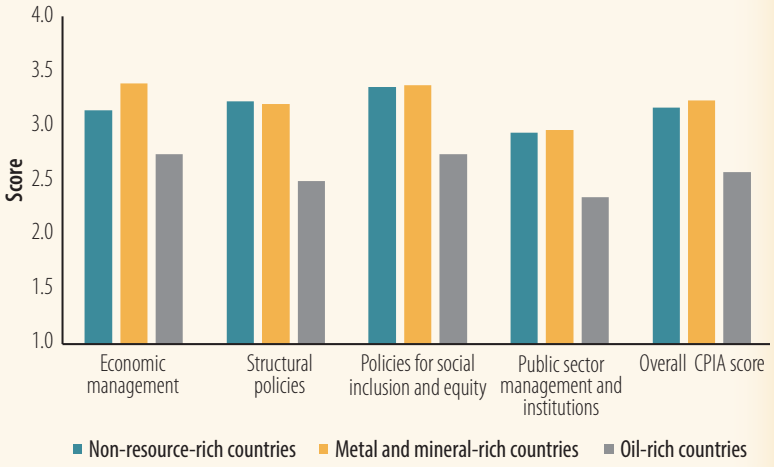
Source: World Bank CPIA database, 2023.

Note: Positive numbers indicate higher values for AFW. AFE = Eastern and Southern Africa; AFW = Western and Central Africa.

The stark gap in the economic management cluster scores between FCS and non-FCS countries highlights the interconnections between political and economic crises. Fragile countries in AFW outperform those in AFE most in the first cluster, by 0.9 point on average (figure 2.10). This contrasts with the other clusters, in which the differences are much lower, at 0.4, 0.1, and 0.3, respectively. On the other hand, non-FCS countries in AFE outperform those in AFW in three of the four clusters, including economic management. To some extent, the relative importance of economic management and FCS status in the diverging scores between the subregions may be due to the high volatility of scores in the economic management cluster, which had the highest number of yearly changes in 2022, in line with previous years. Moreover, when countries experience downgrades in this cluster, they may be severe, with several criteria being downgraded simultaneously, as was the experience for Ethiopia, Ghana, and São Tomé and Príncipe in 2022.

Metal and mineral-rich countries perform relatively evenly with non-resource-rich countries. The four oil-rich countries perform worse overall.

FIGURE 2.11: Average Cluster Scores, by Resource Type, 2022



Source: World Bank CPIA database, 2023.

The decline in the CPIA scores since 2015 suggests that resource-rich countries have been largely responsible for the deterioration in performance. Interestingly, however, the primary distinction is between countries that are rich in oil and those that are not, with countries rich in minerals and metals outperforming non-resource-rich countries (figure 2.11). Overall, oil-rich countries have performed the worst in the public sector

management and institutions cluster, although the gap between oil-rich and other countries had been relatively consistent across clusters. However, as there are only four oil-rich IDA-eligible countries in the region, their average performance may be attributable to the low performance of South Sudan, which recorded the lowest average score for the year. Nevertheless, all four oil-rich countries performed worse in cluster D than their average score. Table 2.1 shows the changes in CPIA scores, by cluster, for the countries in Sub-Saharan Africa.

TABLE 2.1: CPIA 2022 Changes in Scores at a Glance

CLUSTER	INDICATORS	Benin	Burkina Faso	Burundi	Cabo Verde	Cameroon	Central African Republic	Chad	Comoros	Congo, Dem. Rep.	Congo, Rep.	Côte d'Ivoire	Eritrea	Ethiopia	Gambia, The	Ghana	Guinea	Guinea-Bissau	Kenya	Lesotho	Liberia	Madagascar	Malawi	Mali	Mauritania	Mozambique	Niger	Nigeria	Rwanda	São Tomé and Príncipe	Senegal	Sierra Leone	Somalia	South Sudan	Sudan	Tanzania	Togo	Uganda	Zambia	Zimbabwe
A: Economic management	Monetary & Exchange Rate	0	0	0	0	0	0	0	0	0.5	0.5	0	0	-0.5	0	-0.5	0	0.5	0	0	0	0	0	0	0	0	0	-0.5	0	-0.5	0	-0.5	0	0	-0.5	0	0	0	0	-0.5
	Fiscal Policy	0	0	0	0	0	0	0	0	0.5	0	0	0	0	0	-1	0.5	0	0.5	0	0.5	0	-0.5	0	0	0	0	0	0	-0.5	-0.5	0	0	0	0	0.5	0	0	0	0
	Debt Policy	0	0	0	0.5	0	0	0.5	0	0.5	0	0	0	-0.5	0.5	-1	0.5	0.5	0	0	0	0	-0.5	0	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B:Structural policies	Trade	0	0	0	0	0	0	0	0	0	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-0.5	0.5	0	0	0
	Financial Sector	0	0	0	0	0	0	-0.5	0	0	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0.5	0	0	0	0	0	0	0.5	0	0	0	0	0	0.5	0	0	0
	Business Environment	0	0	0	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0	0	0
C: Policies for social inclusion and equity	Gender Equality	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0	0.5	0	0	0	0	0	0	0	0
	Equity of Public Resource Use	0	0	0	0	0	0.5	0	0	0	0.5	0	0	-0.5	0.5	0	0	0	0	0	0	0	0	0	0	0	0.5	0	0	0	0	0	0	0	0	0	0	0	1	0
	Building Human Resources	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0	0	0	0	0	0	0.5	0	0	0	0	0	0
	Social Protection & Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0	0	0	0	0	0	0	0
	Environment Sustainability	0	0	0.5	0.5	0	-0.5	-0.5	0	0	0	0.5	0	0.5	0	0	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0	0	0
D: Public sector management and institutions	Property Rights & Rule-based Governance	-0.5	-0.5	0	0	0	0	0	-0.5	0	0	0	-1	0	0	0	0	0	0	0	0	0	0	-0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Quality of Budget. & Finan. Mgt.	0.5	-0.5	0	-0.5	0	0	0	0	0	0.5	0	0	0	0	0	0	0	-0.5	0	0	0	-0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Effic.of Revenue Mobilization	0	0	0.5	0	0	0	0	0	0	0	0	0	0	-0.5	0	0	0	0	0	-0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	-0.5	0	0	0	0	0
	Quality of Public Admin.	0.5	0	0	0	0	0	0	0	0	0	0.5	0	0	0	0	0	0	0	0	0	0	0	-0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0	0
	Transpar, & Corrup. in Public Sector	0	0	0.5	0	0	0	0	0	0	0.5	0	0	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Source: World Bank CPIA database, 2023.

Note: Country label colors indicate change in overall CPIA score: blue for increase and red for decrease.

Section 3: Analysis of the CPIA Components

CLUSTER A: ECONOMIC MANAGEMENT

Cluster A assesses the quality of macroeconomic management. It covers monetary, exchange rate, fiscal, and debt policies.

Due to the turbulence in the global economy and tightening in international financial markets, there was a large degree of change in economic management in Sub-Saharan Africa in 2022. In response to domestic inflation and the need for steady currency reserves, central banks in Africa raised policy rates to varying degrees. Monetary and exchange rate policy stability was tested by a contraction in global debt markets as major central banks raised interest rates. Fiscal consolidation increasingly became a policy objective, as deficits remained a concern due to narrow revenue bases across the continent, and intervention in food and energy markets resulted in expanding expenses for many governments. The combination of high interest rates and persistent fiscal deficits drew attention to debt policy, where there was progress in active debt management and improved transparency in 2022. Nevertheless, tight international credit markets forced some countries to resort more to domestic debt, undermining efforts to reprofile liabilities toward longer-term and more international debt.

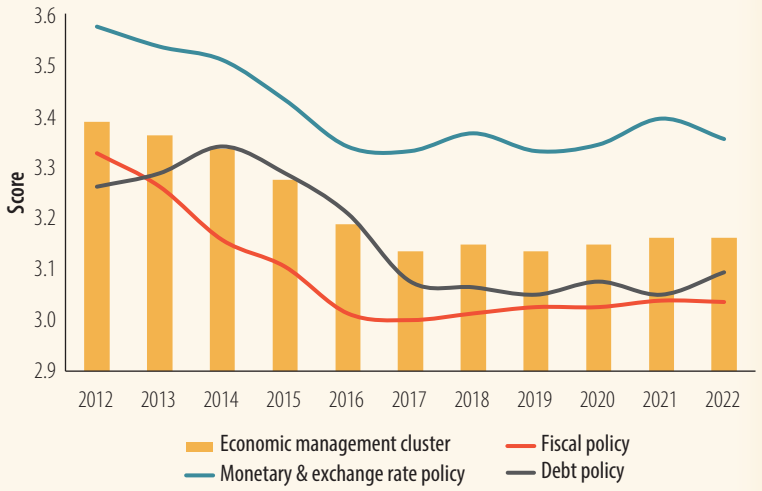
Domestic and local conditions also evolved over the course of the year. Inflation was already elevated in many parts of the continent prior to the Russian Federation's invasion of Ukraine, and robust economic growth has remained elusive in recent years. This resulted in export bundles mostly consisting of primary goods, with household staples being imported in return. In addition, the lack of stable currencies led people in some countries to trade using more reliable international currencies, thereby further undermining the local currency, exposing local markets more to international exchange fluctuations, and reducing the impact of monetary policy. This increased the impact of global commodity price fluctuations on domestic economies and reduced their resilience to global fluctuations.

Overall, governments in the region handled the local and global challenges relatively well, especially in countries with improved performance in economic management. While the average score for cluster A remained unchanged at 3.2, the average score for the cluster changed for 20 countries, the most changes of any cluster. For 11 countries, the score was upgraded, and for nine, it was downgraded from 2021 (table 3.1). Within the category, the Democratic Republic of Congo showed the biggest improvements, with increases in all three criteria, while Guinea and Guinea-Bissau increased in two criteria. On the downside, however, Ghana decreased in all three criteria, while Ethiopia, Malawi, and São Tomé and Príncipe decreased in two categories.

Despite the recent increases, the scores in this category remained lower than they were prior to the 2014–15 commodity price drop (figure 3.1). The current regional average of 3.2 was below the 2015 score of 3.3, and well below the consistent average of 3.4 between 2008 and 2013. Furthermore, the regional averages for all three criteria within the cluster remained below their 2014 values. This reflects a material decline in fiscal positions as a result of declining mineral revenue, which has also affected debt through persistent deficits and placed pressure on monetary and exchange regimes.

The cluster average has remained steady from 2021, with slight gains in debt policy being offset by losses in monetary and exchange rate policy.

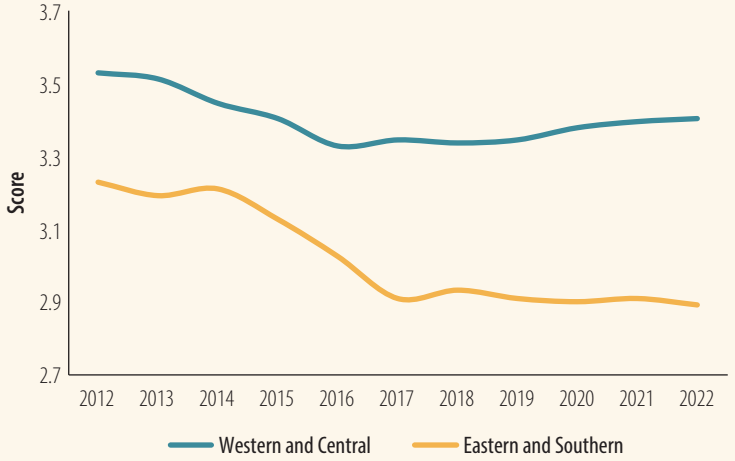
FIGURE 3.1: Evolution of Individual Criteria Scores within Cluster A



Source: World Bank CPIA database, 2023.

The gap between AFE and AFW increased in cluster A, which is a key contributor to the gap in overall scores between the subregions.

FIGURE 3.2: Evolution of Average Cluster A Scores for the Subregions



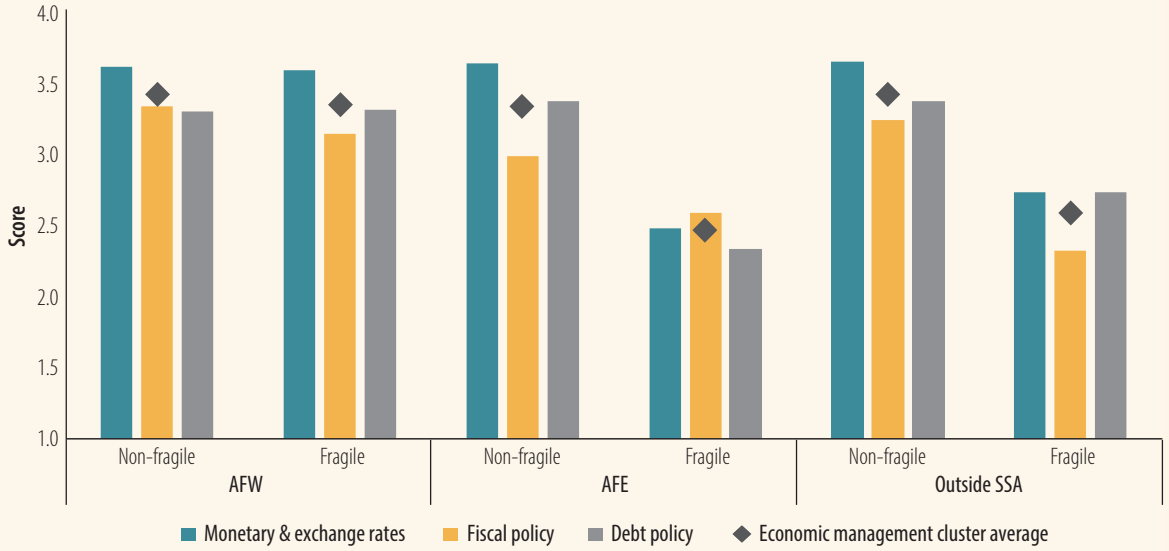
Source: World Bank CPIA database, 2023.

The scores for Eastern and Southern Africa (AFE) have deteriorated in recent years, while those for Western and Central Africa (AFW) have partially recovered due to the relatively strong performance of the subregion's fragile and conflict-affected countries (figures 3.2 and 3.3). Following a recent minimum in 2016, AFW had recovered slightly in this cluster, in which countries with fragility and conflict-affect situations (FCS) fared on par with non-FCS countries on monetary and exchange rate policy and debt management policy and only slightly worse on fiscal policy (figure 3.3). In contrast, FCS states in AFE scored consistently lower on all three criteria for the cluster, with monetary and debt policy showing the largest gaps. Monetary and exchange rate policy is handled by major currency and economic unions in AFW for a majority of countries, so the consistency of scores across the region for this criterion is somewhat by design. Similarly, prudential controls imposed by the monetary and economic unions may also play a role in ensuring that responsible fiscal and debt policies are undertaken. One example is the 3 percent deficit ceiling imposed by the West African Economic and Monetary Union (WAEMU) on its members.[1]

1 The 3 percent deficit was suspended in light of the COVID-19 pandemic, but it is expected to return in the near term.

In contrast to AFE and countries outside Sub-Saharan Africa, fragile countries in AFW performed similarly to non-fragile countries in this cluster.

FIGURE 3.3: Economic Management Cluster Scores, by Fragility Status



Source: CPIA database, 2023.
Note: AFE = Eastern and Southern Africa; AFW = Western and Central Africa; SSA = Sub-Saharan Africa.

TABLE 3.1: Changes in the Economic Management Cluster Scores, 2022

CPIA criterion	Increases	Decreases
Monetary and exchange rate policy	Democratic Republic of Congo, Guinea-Bissau, Republic of Congo	Ethiopia. Ghana, Nigeria, São Tomé and Príncipe, Sierra Leone, Sudan, Zimbabwe
Fiscal policy	Democratic Republic of Congo, Guinea, Kenya, Liberia, Tanzania	Ghana, Malawi, São Tomé and Príncipe, Senegal
Debt policy and management	Chad, Democratic Republic of Congo, The Gambia, Guinea, Guinea-Bissau, Madagascar, Mozambique	Ethiopia, Ghana, Malawi
Economic management cluster average	Cabo Verde, Chad, Democratic Republic of Congo, The Gambia, Guinea, Guinea-Bissau, Kenya, Liberia, Mozambique, Republic of Congo, Tanzania	Ethiopia, Ghana, Malawi, Nigeria, São Tomé and Príncipe, Senegal, Sierra Leone, Sudan, Zimbabwe

Source: CPIA database, 2023.

MONETARY AND EXCHANGE RATE POLICY

This criterion covers the extent to which the monetary and exchange rate policy framework (i) maintains short- and medium-term internal and external balance and is consistent with price stability objectives, and (ii) offers flexibility to deal with internal and external shocks.

With the increases in global prices for food and energy, monetary and exchange rate policies were central in 2022. In general, economic institutions maintained stability over the course of the year, with improvements in institutional capacity. Moreover, resilient political independence of monetary authorities was largely maintained, with the large monetary unions performing especially well. However, some countries resorted to monetary financing of the deficit, which led to downgrades in scores in all instances where this occurred.

TABLE 3.2: Exchange Rate Regimes among IDA-Eligible Countries in Sub-Saharan Africa

Conventional peg	Crawl-like arrangement	Managed arrangement[a]	Floating[b]
Benin[a]	Burundi	Gambia, The	Madagascar
Burkina Faso[c]	Congo, Dem. Rep.	Kenya	Somalia
Cabo Verde	Ethiopia	Liberia	Uganda
Cameroon[d]	Ghana	Nigeria	
Central African Republic[d]	Guinea	Sierra Leone	
Chad[d]	Malawi	Sudan	
Comoros	Mauritania	Tanzania	
Congo, Rep.[d]	Mozambique	Zimbabwe	
Côte d'Ivoire[c]	Rwanda		
Eritre	South Sudan		
Guinea-Bissau[c]	Zambia		
Lesotho			
Mali[c]			
Nigera			
São Tomé and Príncipe			
Senegal[c]			
Togo[c]			

Source: IMF AREAER 2021.

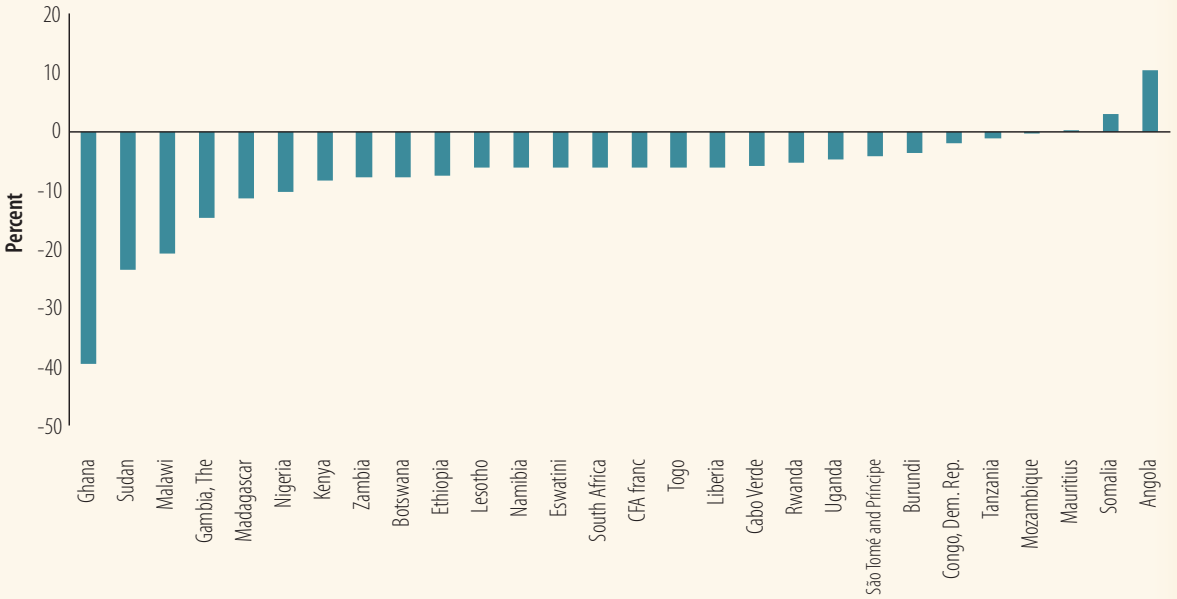
Note: IDA = International Development Association.

a. "Stabilized arrangement" and "other managed arrangement."
b. "Floating" and "free-floating."
c. Member of the West African Economic and Monetary Union.
d. Member of the Economic and Monetary Community of Central Africa.

As the region is home to various exchange rate regimes, a wide variety of policies have been used to reduce the volatility of exchange rates and pass-through inflation. Only three International Development Association (IDA)–eligible countries in the region are on a floating exchange rate, with active exchange controls (including currency pegs) in all other countries (table 3.2). In 2022, exchange rates in the region mostly depreciated, making imported goods, including food and energy, more expensive (figure 3.4). In this context, countries with fixed

Exchange rates in the region mostly depreciated, making imported goods, including food and energy, more expensive.

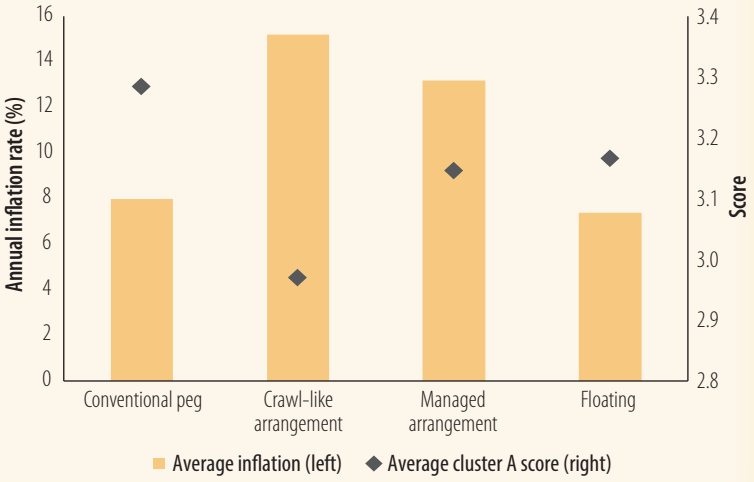
FIGURE 3.4: Cumulative Exchange Rate Movements between January 1, 2022, and January 1, 2023



Source: Bloomberg.
Note: Reserve Bank of Malawi devalued the official Malawi kwacha-US$ exchange rate by 25 percent in May 2022.

Countries with fixed exchange rates maintained relatively low levels of inflation, averaging 8.0 percent in 2022.

FIGURE 3.5: Inflation Rates in 2022, by Exchange Rate Regime



Source: World Bank.

exchange rates maintained relatively low levels of inflation, averaging 8.0 percent in 2022 (figure 3.5). The three countries with floating rates, Madagascar, Somalia, and Uganda, also kept inflation at manageable levels, averaging 7.4 percent for the three countries. These experiences contrasted with countries that maintained a crawl-like peg or an actively managed exchange rate, whose inflation levels reached double-digit averages (15.2 and 13.9 percent, respectively) over the year. Part of the difference may have been due to the expensive fiscal measures that are often used to limit the pass-through of exchange rates to inflation, with the resulting deteriorating fiscal position potentially further stressing exchange controls and exacerbating inflationary pressures.

One key concern for managed and crawl-like arrangements is the possibility that parallel markets can influence exchange rate movements. Capital controls that often accompany such arrangements can lead to scarcity of forex reserves, forcing the government to prioritize specific transactions and charge a premium for official foreign exchange transactions. As a result, significant premiums can be charged for obtaining foreign currency to trade in unofficial transactions, creating a supply constraint for key imported products such as food and energy. These "parallel market premia" can spike during periods of exchange rate volatility, leading to elevated levels of exchange rate pass-through to inflation. For example, these premia reached 65 percent in Burundi (July 2022), 11 percent in The Gambia (October), 71 percent in Nigeria (October), and over 100 percent in Ethiopia and Zimbabwe (September and May, respectively).

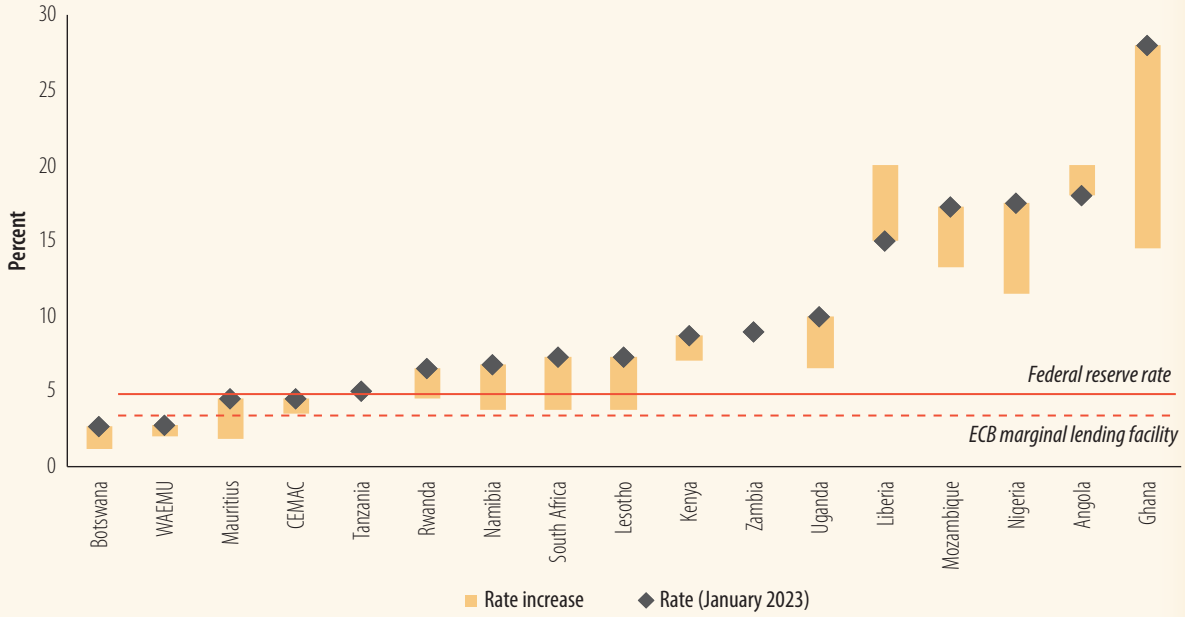
These parallel rates contributed to periods of hyperinflation in Sudan and Zimbabwe. In Sudan, attempts at liberalizing foreign exchange markets led to a sudden depreciation as banks and exchange companies were able to buy and sell currency without central bank intervention. This forced a backtrack on intervention and created a significant premium in the short term. This has only compounded preexisting conditions following the October 2021 coup, including a pause in donor support, capital flight, and monetary financing of the deficit. In Zimbabwe, a failed funding round for the government led to pressure on the exchange rate. Coupled with the introduction of credit expansion for speculative purposes to take advantage of high arbitrage opportunities offered by the parallel market, this contributed to a parallel market currency sell-off, with a depreciation of 50 percent, which was the main driver of the inflation spike in the first half of the year.

Limiting the exposure to currency risks and diversifying the drivers of exchange rate movements contribute to the objective of maintaining short- to medium-term stability. In the Democratic Republic of Congo, de-dollarization of the economy is a major priority for this reason, with a variety of interventions to reduce vulnerability to U.S. monetary policy and exchange rate shifts, leading to a relatively modest depreciation of the exchange rate in 2022 (see box 3.1). Similarly, Guinea has diversified its foreign currency mix in its external debt portfolio and the borrowing instruments used in its domestic portfolio.

Political independence of monetary authorities and central bank credibility are central concerns for monetary policy management in the face of higher inflation levels while many countries face significant debt constraints. The higher interest rates required to combat inflation increase the borrowing costs of existing debt, creating an incentive for fiscal authorities to pressure central banks to maintain low rates. However, this conflicts with the sound monetary goal of keeping inflation at manageable levels. Regional monetary unions can create de facto independence by diluting political influence from any individual government, which has potentially been a contributing factor to the relatively low levels of interest rate increases required by the central banks in the WAEMU and the Economic Community of Central African States of 2.75 and 4.50 percent, respectively (figure 3.6).

WAEUMU and CEMAC countries have low policy rates, partly due to de facto political independence.

FIGURE 3.6: Interest Rate Movements between January 1, 2022, and January 1, 2023



Sources: Haver Analytics; International Monetary Fund International Finance Statistics.

Note: The bars depict cumulative variation in the interest rate (in percentage points) from January 2022 to January 2023. CEMAC = Economic and Monetary Community of Central Africa; ECB = European Central Bank; WAEMU = West African Economic and Monetary Union.

Some countries improved their institutional arrangements for sound monetary management during the course of the year. For instance, the Democratic Republic of Congo established a new board for its central bank in July 2021, with institutional safeguards to strengthen financial and operational autonomy, with operationalization of the new arrangement and the building of credibility continuing into 2022.

Monetary policy independence was threatened or undermined in some countries in the region in 2022. At the extreme side, countries including Ethiopia, Ghana, Nigeria, São Tomé and Príncipe, Sierra Leone, and Sudan resorted to monetary financing of the deficit, which is often a sign of governments struggle to find outside sources of financing. This represents a one-to-one correlation with the downgrades in the economic management criterion for the region. Moreover, there is evidence of rising fiscal dominance in some Sub-Saharan African countries, as central banks' net claims on the central government have increased since the start of the pandemic and remain high for some countries, linking fiscal developments to inflation expectations.

Similarly, banking sector stability remains a key priority for monetary authorities, as the prospect of twin crises in the face of tight credit markets and exchange rate volatility is a pressing concern. Rwanda, a country with consistently strong performance in economic management policy, reinstated its reserve requirement to the pre-COVID-19 level of 5 percent at the end of 2022.

Similarly, Kenya, another consistently strong performer, passed legislation to bring previously unregulated digital credit providers under the Central Bank of Kenya's regulatory ambit, which is expected to strengthen consumer protection and support the government's Anti-Money Laundering and Combating the Financing of Terrorism efforts.

Overall, the average Country Policy and Institutional Assessment (CPIA) score for this criterion decreased from 3.4 to 3.3 in 2022. While AFW's average score decreased from 3.7 to 3.6 and AFE's average score remained constant at 3.1, both subregions contributed to the decrease in the score. The AFE subregion recorded four countries with downgrades (Ethiopia, São Tomé and Príncipe, Sudan, and Zimbabwe) and one upgrade (the Democratic Republic of Congo), while the AFW subregion only recorded three downgrades (Ghana, Nigeria, and Sierra Leone) while registering two upgrades (Guinea-Bissau and the Republic of Congo).

FISCAL POLICY

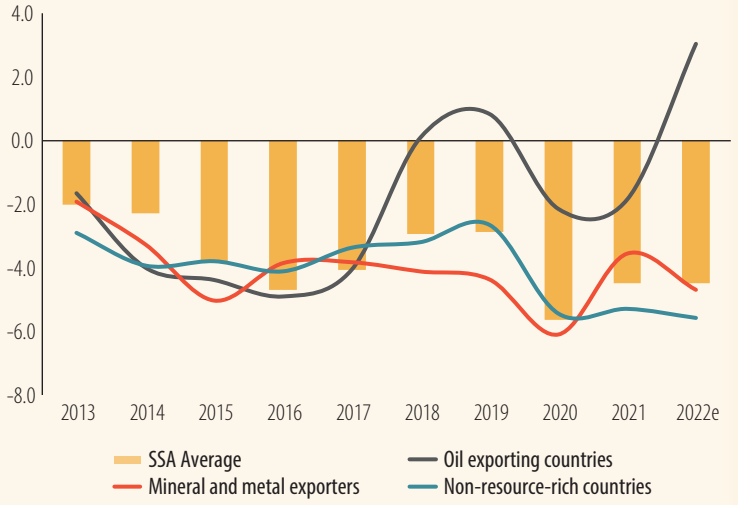
This criterion assesses the quality of fiscal policy in its stabilization and allocation functions. The stabilization function deals with achieving macroeconomic policy objectives in conjunction with coherent monetary and exchange rate policies—smoothing business cycle fluctuations and accommodating shocks. The allocation function is concerned with the appropriate provision of public goods.

In the context of high inflation in the region, fiscal policy needs to be anchored in strong macroeconomic fundamentals such as countercyclical spending, well-defined revenue streams, and clearly targeted fiscal incentives. This is especially important for countries with fixed exchange rates and in currency unions, as the lack of monetary autonomy necessitates a heavy reliance on fiscal policy to respond to economic cycles. Moreover, reducing fiscal and debt sustainability risks is crucial for monetary policy transition in the context of high debt levels, as rising interest rates may increase the risk of fiscal stress, thus leading to currency depreciation and a higher rate of inflation.

Unfortunately, the region seems to suffer from persistent fiscal deficits, with 2022 levels above the average for the past 10 years (figure 3.7). While oil-exporting countries posted fiscal surpluses on balance, both mineral- and metal-rich and non-resource-rich economies averaged negative fiscal balances at magnitudes above pre-COVID-19 trends, as export earnings from rising metal prices were insufficient to offset the significant increase in import bills due to high food and energy prices. The impact of commodity prices on resource-rich countries depends on the net effects on trade. In countries where exports held up and their proceeds increased at a faster pace than the growth of the import bill, there was an expansion in economic activity. The opposite was true in countries with widening current account and fiscal deficits. In oil abundant countries, stable and relatively high oil prices—on average—led to increased external and fiscal revenues, which shifted the current and fiscal accounts into surpluses. This will only contribute to rising debt levels and potentially cause lenders to be concerned about the long-term viability of current spending levels.

Fiscal deficits remain persistent, as post-COVID recovery has not led to consolidation.

FIGURE 3.7: Evolution of Fiscal Balance in Sub-Saharan Africa



Sources: National Accounts Statistics; World Bank Macro-Fiscal Model database.
Note: GDP = gross domestic product; SSA = Sub-Saharan Africa.

While active countercyclical policy is rare in the region, some of the stronger fiscal performers use economic expansions to attempt fiscal consolidations. Benin and Togo, two of the strongest performers in this category, engaged in significant fiscal consolidation efforts prior to the COVID-19 pandemic, when both economies were growing. This led to some extra capacity for countercyclical spending during the pandemic, which brings into question whether they would be able to return to their consolidation path following the post-pandemic recovery. Unfortunately, additional expenses from responses to international price shocks and security spillovers from their northern borders have created legitimate needs for heightened fiscal policy response, delaying the return to consolidation. Kenya, another top performer whose score increased for 2022, has used this period for consolidation, with a projected decrease in the fiscal deficit by 1.2 percent of gross domestic product (GDP). Moreover, this consolidation has come through potentially long-lasting institutional reforms, including harmonization of tax expenditures and improvements in tax administration, leading to an increase in total revenue of 1.5 percent of GDP.

In countries with less robust fiscal policy, countercyclical management may be more difficult due to a high proportion of rigid areas of expenditure from wage bills and amortization of outstanding debt. To some extent, inflation may exacerbate the problem as governments face pressure to increase public sector wages in response to higher prices, potentially leading to a higher proportion of public finances dedicated to employee compensation. For example, Malawi implemented a 14 percent increase in wages and salaries, contributing to compensation of public employees reaching a decade-high level of 6.4 percent of GDP, 0.7 percent of GDP higher than the initial target.

Institutional reforms aimed at addressing the costs of government wage bills can represent a first step toward consolidation and active fiscal management. Guinea-Bissau has made serious efforts at wage bill rationalization, including pay and hiring freezes, use of blockchain to control entry and exit from the civil service, and a government-financed census that removed "ghost workers" and workers hired irregularly during the pandemic. This has led to a projected decrease of the wage bill of 0.9 percent of GDP, freeing up crucial fiscal space for the country. Wage bill

reform has led to significant savings in several countries, including Mozambique, Liberia, and Benin. Both the WAEMU and the Economic and Monetary Community of Central Africa contain wage bill limits as part of their convergence criteria. For such countries, government financing constraints may lead to increased spending during periods of growth as critical investment may be required when liquidity is readily available.

Price controls and subsidies to combat increasing costs of fuel and food are costly and ineffective, leading to concerns for countries that adopt them. In Cameroon, increased spending on fuel subsidies completely offset the revenue gains from higher oil prices in 2022. Moreover, these measures provide limited effectiveness in shielding the general population from large external price shocks, as the prudent response for countries with such subsidies during the recent international shock was to pass through the price increases to the customer. For example, following an increase in the cost of subsidies of 0.9 percent of GDP, Liberia increased the retail prices of gasoline, diesel, and rice by 26, 32, and 13 percent, respectively, in conjunction with targeted social protection including cash transfers. Countries that engaged in such subsidies and price controls included the Burkina Faso, Burundi, Cabo Verde, the Comoros, The Gambia, Guinea, Kenya, Madagascar, Mauritania, the Republic of Congo, and Sudan.

In contrast, fiscal response to rising household consumption costs through income support or targeted tax exemptions can be more prudent. This approach has the benefit of being less distortionary and costly to the government, while not providing the perverse incentive to the government to limit supply, which a subsidy might carry. Countries that saw increases in their score for the fiscal policy criterion that adopted this approach included the Democratic Republic of Congo and Rwanda. Ethiopia has phased out fuel subsidies, leading to fiscal savings of up to 1 percent of GDP by 2023, freeing up revenue for other development priorities, including targeted assistance.

As a result of higher pressure on expenditures, it is imperative to improve revenue capacity to increase collection. Chad notably expanded revenue capacity through improvement in tax and customs administration. At the same time, Guinea undertook a reform of mining sector taxation with measures aimed at improving accounting standards to reduce the ability of mining companies to declare their profits in other countries. Other countries that instituted reforms aimed at revenue generation include Lesotho and Madagascar, although the improvements were not significant enough to merit a score increase. Nonetheless, revenue generation remains a problem on the continent, with only two of the 39 IDA-eligible countries in the region estimated to post an overall fiscal surplus for 2022.

Overall, the CPIA score for this criterion remained constant at 3.0, with the scores for both subregions remaining constant (at 3.3 for AFW and 2.8 for AFE). The AFE subregion posted increases for three countries (the Democratic Republic of Congo, Kenya, and Tanzania) and decreases for only two (Malawi and São Tomé and Príncipe). In contrast, the AFW subregion posted only two increases (Guinea and Liberia), while Ghana's score decreased by a full point and Senegal's decreased by half a point.

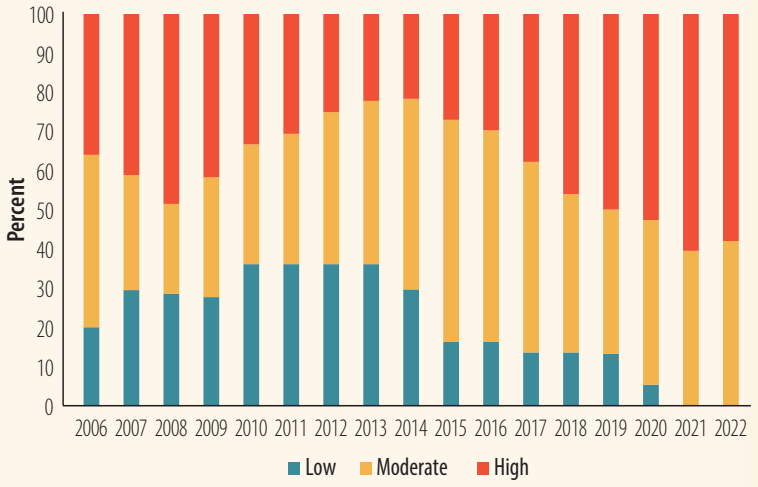
DEBT POLICY AND MANAGEMENT

This criterion assesses whether the country's debt management strategy is conducive to ensure medium-term debt sustainability and minimize budgetary risks. The criterion covers (i) the extent to which external and domestic debt is contracted with a view to achieving/maintaining debt sustainability, and (ii) the effectiveness of debt management functions.

Persistent deficits have led to increasing concerns about debt distress. Following years of persistent deficits, partly to fund long-term investments for development, and recent state intervention that was necessary to deal with the fallout from the COVID-19 pandemic, public debt in Sub-Saharan Africa has crept up to an average of 56 percent of GDP for the region. The AFE subregion has a higher level of public debt than the AFW subregion, but AFW's public debt has increased faster in recent years—especially during the pandemic. As of December 2022, the number of countries in the region at high risk of external debt distress or in debt distress had increased to 22 (from 20 in 2020)—thus representing 58 percent of IDA-eligible countries in the region (figure 3.8). The surge in debt prior to the pandemic can be attributed to the rising government financing needs, low global interest rates, poor domestic revenue mobilization, and inadequate public investment management systems. Governments' efforts to reprofile debt to more international sources have been undermined by the global decrease in liquidity, reducing the relative price differential for external funds and greatly expanding expected debt service costs for any loans expected to roll over soon. As a result, higher levels of domestic debt are likely to lead to crowding out of public and private investments.

Over half the countries in the region are classified as high risk of external debt distress.

FIGURE 3.8: Risk of External Debt Distress for Low-Income Countries



Source: Joint World Bank–IMF Debt Sustainability Analyses for Low-Income Countries.

Note: The number of countries varies by year, and countries listed as "in distress" are not included. IMF = International Monetary Fund.

Although the relative benefit of reprofiling domestic debt to international debt has been undermined by tighter international markets, significant benefits remain from lengthening maturities to reduce the risks from high rollover costs. For example, The Gambia emphasized issuing longer-dated securities with Treasury bonds representing 51 percent of domestic debt by September 2022 compared with 45 percent a year before. Similar efforts have been made in Guinea, which also used longer-maturity debt to finance the repayment of domestic arrears, and Mozambique, which has targeted increasing the share of domestic debt with maturities over five

years from 5 percent in 2022 to 25 percent in 2025, in addition to increasing the share of external concessional financing from 30 percent in 2022 to 55 percent in 2025. Concessional loans from international financial institutions provide relief from constrained international credit markets, but the availability of such loans depends on the political capital of donor countries.

Amid the pandemic crisis, a series of initiatives were introduced to alleviate the liquidity and solvency problems of governments in low-income countries, including debt restructuring. One of these initiatives, the Common Framework for Debt Treatments, was designed to address a wide range of sovereign debt challenges and ensure broad participation of creditors with fair burden sharing. Four Sub-Saharan African countries are seeking debt restructuring via the Common Framework: Chad, Ethiopia, and Zambia, and, more recently, Ghana. Chad is the only country that has reached an agreement with its creditors under the Common Framework—albeit an agreement that does not include an actual debt reduction—contributing to an upgrade in the CPIA score for debt policy and management. In contrast, the scores for Ethiopia and Ghana were downgraded for 2022. Similarly, Malawi has been classified as being in debt distress since November 2022, having escalated quickly from a classification of moderate risk of debt distress for most of 2021.

Establishing long-term credibility with transparent medium-term policies and strong legal frameworks can be critical for reducing risk premia and attracting international finance. Most notably, there have been significant gains in analytic capacity and data transparency in recent years, encouraged by the World Bank's Sustainable Debt Financing Policy initiative. Cabo Verde recently instituted a series of reforms aimed at improving the legal framework around debt management, including transparency in debt-related reporting and fiscal risk management, similar to the reforms in Togo in recent years, resulting in an upgrade of its score for the debt policy and management criterion.

Regular reporting, such as through Medium-Term Debt Strategies and Annual Borrowing Plans, can have significant impacts on transparency and establish credibility with external creditors. Indeed, five countries published Annual Borrowing Plans (ABPs) in 2022 for the first time or after a pause, including The Gambia, Mali, Niger, the Republic of Congo, and Uganda, while Côte d'Ivoire improved its reporting of the ABP (see table 3.3). Similarly, three countries published debt management strategies, including Medium-Term Debt Strategies, which had not published them in 2021, including Mozambique, the Republic of Congo, and Sierra Leone. In total, eight IDA-eligible countries in Sub-Saharan Africa published their ABP in full with less than three months delay, while 22 published debt management strategies with targets for domestic and external debt.

TABLE 3.3: Public Debt Management Status Compared to the Debt Policy and Management Score

Country	Debt policy and management score	Debt Management Strategy (DMS)	Annual Borrowing Plan (ABP)
Eritrea	1.5		
Somalia	1.5		
South Sudan	1.5		
Sudan	1.5		
Congo, Rep.	2		
Malawi	2		
Burundi	2.5		
Comoros	2.5		
Gambia, The	2.5		
Ghana	2.5		
Guinea-Bissau	2.5		
São Tomé and Príncipe	2.5		
Zambia	2.5		
Zimbabwe	2.5		
Cabo Verde	3		
Central African Republic	3		
Chad	3		
Ethiopia	3		
Liberia	3		
Mauritania	3		
Mozambique	3		
Sierra Leone	3		
Cameroon	3.5		
Guinea	3.5		
Lesotho	3.5		
Togo	3.5		
Burkina Faso	4		
Congo, Dem. Rep.	4		
Côte d'Ivoire	4		
Kenya	4		
Madagascar	4		
Mali	4		
Niger	4		
Nigeria	4		
Rwanda	4		
Senegal	4		
Tanzania	4		
Uganda	4		
Benin	4.5		

Source: World Bank Debt Transparency Report 2022.

Note: For DMS, red signifies "no published DMS covering current year," orange signifies "published DMS with no targets," and green signifies "published DMS with targets for domestic and external debt." For ABP, red signifies "no published ABP or partial ABP published with delay >3 months," orange signifies "partial ABP published with delay <3 months or full ABP published with delay >3," and green signifies "comprehensive ABP published before the start of the year."

Addressing debt levels in Sub-Saharan Africa would require a comprehensive solution from borrowing countries and greater coordination with creditors. Comprehensive debt solutions will require debt suspension, reduction, resolution, and transparency. So far, countries that received International Monetary Fund (IMF) and World Bank financing during the pandemic have committed to specific governance measures to improve accountability and transparency—including arrangements to track COVID-19-related spending. At the same time, the World Bank and IMF are collaborating with other development partners to help strengthen governance, accountability, and transparency.

Overall, the average CPIA score for this criterion remained unchanged at 3.1 for IDA-eligible countries in Sub-Saharan Africa. While the average for both subregions also remained unchanged (3.3 for AFW and 2.8 for AFE), rounding to the tenth of a point masks the progress made, especially in AFW, with five countries with upgraded scores (Cabo Verde, Chad, The Gambia, Guinea, and Guinea-Bissau) and only one downgrade (Ghana), albeit by a full point. In AFE, the changes were more balanced, with two upgrades (the Democratic Republic of Congo and Mozambique) and two downgrades (Ethiopia and Malawi).

CLUSTER B: STRUCTURAL POLICIES

Cluster B covers policies affecting trade, the financial sector, and the business regulatory environment.

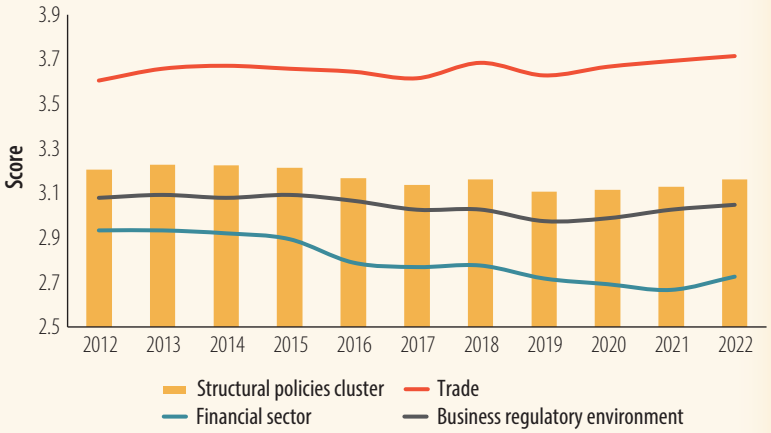
The diversification of economic activity through private sector development is a central component for developing resilience to price volatility in international markets. This includes reforms aimed at facilitating trade, providing financial services to the domestic economy, and establishing a coherent regulatory environment with institutional capacity for oversight.

The top-performing countries in cluster B showed institutional efforts to reduce compliance costs, improve regulations, and utilize digital technologies. For example, digital financial services have increased access to finance. However, financial access and usage of formal financial services still need to improve, and the regulatory environment for African private businesses needs to show more progress, with better regulatory oversight needed in entry, competition, and factor markets. Within this cluster, the score for trade is relatively high, and the African Continental Free Trade Area (AfCFTA) is expected to drive trade reforms in Africa, with 46 of the 54 signing parties having ratified the agreement. Implementation of protocols, liberalization of tariffs, and removal of non-tariff barriers are vital priorities for the region.

Overall, the regional average score for structural policies increased to 3.2 in 2022 due to the increased score for the business regulatory environment criterion (figure 3.9). However, the region's average score for the financial sector is very low following a decade of deterioration in the average score, reflecting weaknesses in the depth of the sector and access to finance. Nevertheless, the cluster average for AFW picked up this year, while the average for AFE remained relatively steady (figure 3.10), and the cluster averages increased for five countries and decreased for only two (table 3.4).

Structural policies saw some improvement, with slight upticks in the averages of all three criteria.

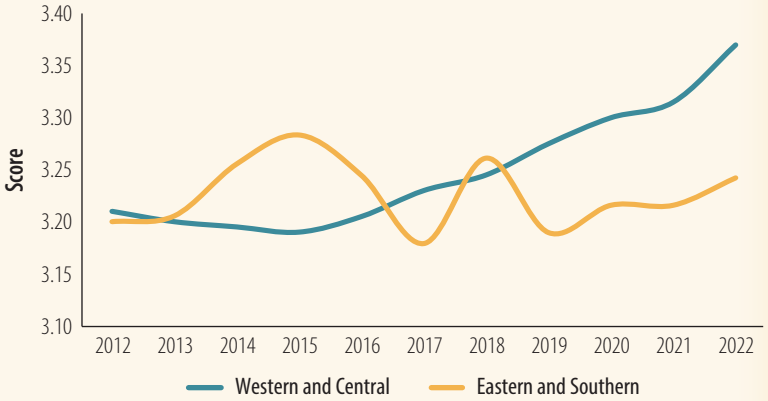
FIGURE 3.9: Evolution of Individual Criteria Scores within the Structural Policies Cluster



Source: CPIA database, 2023.

The improvement in scores was most pronounced in AFW.

FIGURE 3.10: Evolution of Average Scores for the Structural Policies Cluster for the Subregions



Source: CPIA database, 2023.

TABLE 3.4: Changes in the Structural Policies Cluster Scores

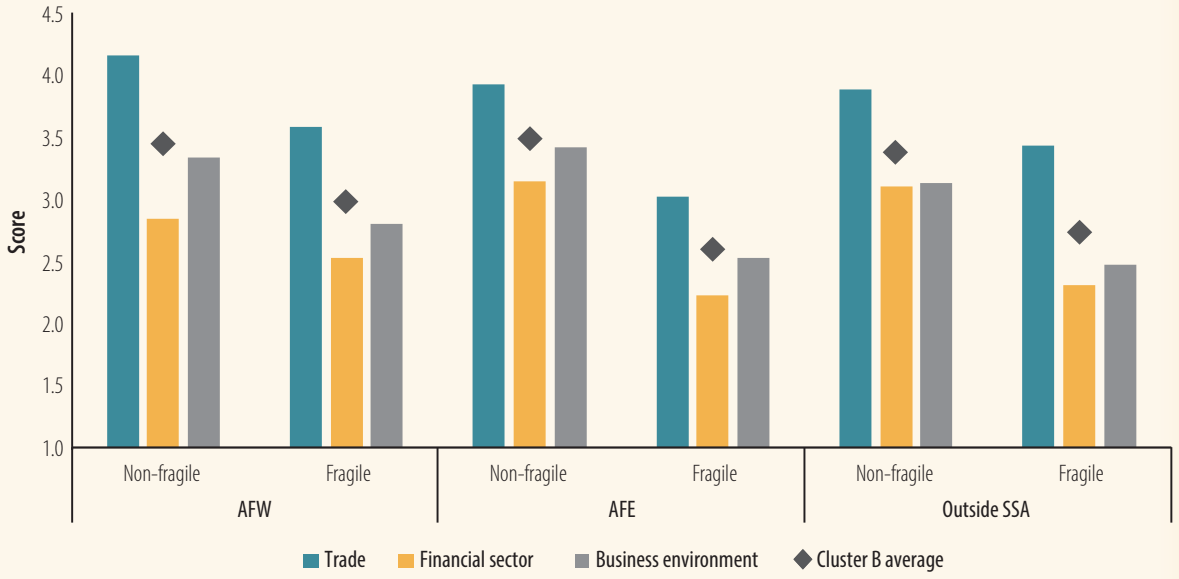
CPIA criterion	Increases	Decreases
Trade	Côte d'Ivoire, Togo	Tanzania
Financial sector	Côte d'Ivoire, Mali, Senegal, Togo	Chad
Business regulatory environment	Cameroon, Togo	
Cluster B average	Cameroon, Côte d'Ivoire, Mali, Senegal, Togo	Chad, Tanzania

Source: CPIA database, 2023.

Fragile countries need more help with trade, financial access, and the regulatory framework in the region (figure 3.11). Such countries disproportionately face trade barriers and high tariffs, which hinder their ability to engage in international trade. Additionally, the impact of political and security risks on access to finance and production capacity constraints exacerbates these challenges. Although it would be expected that FCS states would have some deterioration of private sector policies, due to state capture from the conflict or from ineffective trade and regulatory enforcement due to governance capacity in a conflict, FCS states in AFE seem to do relatively poorly even compared with other FCS states, with trade policy comprising the largest difference (figure 3.11).

The relatively strong performance of fragile countries in AFW for this cluster is bolstered by financial sector performance.

FIGURE 3.11: Structural Policies, by Fragility Status



Source: CPIA database, 2023.
Note: AFE = Eastern and Southern Africa; AFW = Western and Central Africa; SSA = Sub-Saharan Africa.

TRADE

This criterion assesses how the policy framework fosters global integration of goods and services. It covers the trade regime and trade facilitation.

After a strong trade recovery following the COVID-19 crisis in 2021 and the beginning of 2022, Sub-Saharan Africa has faced headwinds from a global slowdown in the latter part of 2022. Both exports and imports of goods showed signs of slowing down in the last quarter, and only imports remained higher than in the final quarter of 2021. As mineral oil and extractives dominate the continent's exports, resource-rich countries' fortunes significantly impacted the continent's performance, with several oil-producing countries facing capacity challenges and lower prices. In contrast, capacity expansion in mineral sectors fueled growth and tempered the overall impact on exports elsewhere. For non-resource-rich countries, deteriorating terms of trade dampened exports due to notably higher costs of inputs. At the same time, services exports in Sub-Saharan Africa had not yet reached pre-pandemic levels. Tourism arrivals in Africa increased as COVID-19 restrictions were lifted but remained 12 percent lower in the first quarter of 2023 compared to the corresponding period in 2019. On a more positive trend, digitally delivered services from Africa continued to progress strongly in 2022.

Africa's trade outlook will continue to be hindered by global risks, constraining the potential for interregional expansion. Ongoing inflationary pressures and rising interest rates are expected to dampen global economic demand, while commodity prices are subject to further volatility risks. Furthermore, geopolitical risks from larger economies are expected to drive volatility in global commodity prices and demand, including the quality of growth in China following its post-COVID-19 reopening and ongoing conflict between Russia and Ukraine. As a result, the prices of some foods, fuel, and fertilizers may remain elevated.

In contrast, the continued momentum in intracontinental trade from the AfCFTA is expected to help push trade reform forward. Small national markets and the need to access critical inputs that are not available locally imply that leveraging regional cooperation in Africa could be the way forward for African exports. Now that the AfCFTA has been ratified by 46 of the 54 signing parties, focus is shifting to effective implementation of the agreement's protocols. Starting with the liberalization of tariffs and implementation of rules of origin, effective implementation will also include deeper trade reforms to facilitate trade and remove non-tariff barriers. If it is realized practically, the free trade area could provide a catalyst for further trade reforms on the continent, given the need to address stubbornly high barriers to intraregional trade, improve the diversification of exports in terms of products and markets, and integrate value chains within the continent. According to World Bank calculations, if fully implemented, the AfCFTA could raise incomes by 9 percent by 2035. This will require the most ambitious goals of the arrangement to be realized, including harmonizing policies on e-commerce and investment policies to boost foreign direct investment and intellectual property. With deep continental integration, Africa's exports to the rest of the world could be 32 percent higher by 2035 relative to the status quo scenario, and intra-African exports could grow by 109 percent, led by manufactured goods. However, Africa's trade outlook is subject to several internal downside risks, including the ability to continue securing external financing and climate and conflict-related shocks, which highlights the urgency of effective implementation of the agreement.

The opportunities from intraregional trade are key to the development strategy in some countries, with Côte d'Ivoire and Togo passing key reforms in 2022 as part of larger trade-centric strategies. Both countries improved trade facilitation through development of processing systems. In Côte d'Ivoire, this took the form of the online trade single-window system, which includes modules for customs declaration transaction tracking and electronic licensing. In Togo, this took the form of automation of customs clearance procedures and digitization of the authorization requests. Both countries have also improved customs control and oversight of enforcement. In Togo, customs clearance facilities for certified reliable operators and a risk-based inspection mechanism have enhanced customs control to allow for prioritization of inspections, focusing resources on high-risk shipments, and expedited trade for trusted and compliant traders. Similarly, Côte d'Ivoire has instituted voluntary compliance, quality audit functions, and the revitalization of the Accredited Economic Operators program to enhance efficiency and transparency in customs procedures.

Future trade for the continent will take place in a very different policy context than in previous years, with the urgent need to implement policies to fight climate change and the rise of domestic-market-first policies, including domestic subsidies, in most leading global markets. Such policies were a driver of Tanzania's downgrade in the CPIA score for this criterion. Specifically, high tariff rates and complex non-tariff measures increased in recent years, while inadequate trade facilitation measures became more of a burden.

The changing environment will require countries on the continent to rethink their policies. African countries will have to adapt more quickly to the impact of climate change, including the greening of trade logistics, trade policies that facilitate the adoption of green technologies, less distortive trade policies affecting agricultural goods, and improved capacity in the implementation of standards.

Overall, the average score for 2022 remained unchanged for Sub-Saharan Africa. Although some countries have implemented reforms to improve trade and investment in the region, progress has been slow or there has been limited evidence of effectiveness. The 2022 scores reflect a continued lack of significant progress on trade policy reforms, with two countries' scores going up (Côte d'Ivoire and Togo) and one country's score going down (Tanzania). This continues a trend observed in last year's report and reflects a more challenging environment for international trade in Sub-Saharan Africa.

FINANCIAL SECTOR

The financial sector criterion assesses policies and regulations that affect (i) financial stability; (ii) the sector's efficiency, depth, and resource mobilization strength; and (iii) access to financial services.

The low scores reflect underlying weaknesses in the depth of the financial sector and access to financial services, as well as weaknesses related to financial sector stability and oversight. Although advances in digital financial services have led to significant increases in access to finance in many countries, usage of the financial system remains low relative to other regions

and there are significant underserved populations in many countries, including women and people in rural areas. Credit to the private sector has also declined in several countries in recent years, partially driven by an increase in government borrowing from the commercial banking sector. This, in turn, has led to an increase in macro-financial risks.

Despite the significant stress on financial systems in many countries during the past year, the CPIA scores for the financial stability subcomponent improved for five countries, while declining for one. Financial stability risks remain elevated throughout the region, partially due to continued concerns related to the potential impact of COVID-19 pandemic measures that were put in place in many countries, which could mask asset quality issues and significant sovereign exposure by the banking sector. Pressures in this area increased as the household sector's debt servicing capacity was further degraded by rising food inflation and higher interest rates as central banks in the region sought to curb accelerating inflation. Reflecting these stability risks, the financial stability subcomponent average for both AFE and AFW was the lowest among the three subcomponents. Against this challenging backdrop, several countries have strengthened their supervision, safety nets, and crisis management and resolution frameworks during the past year, which contributed to the improvements in the scores for several countries (for example, Côte d'Ivoire, Mali, and Togo).

The access to finance subcomponent exhibited the most significant increase compared to last year and also averaged the highest score among the three subcomponents. This reflects the significant gains that have been made in recent years in laws, regulatory frameworks, and financial infrastructure, but the subcomponent also benefited from the increase in digital financial services that have led to a rapid increase in access to finance. The two are linked, as improvements in legal and regulatory frameworks around the usage of financial and digital financial products have led to disruption in a previously stagnant sector.

The average score for 2022 was 2.7 in both AFE and AFW, with no change from the previous year. This average remains far below the cluster average and is the lowest among the cluster's criteria. Overall, there were relatively few changes in ratings on the financial sector policies and institutional capacity criterion of the CPIA report between 2021 and 2022 in the Sub-Saharan Africa region (both the AFE and AFW subregions), and this finding also applies to fragile and non-fragile country groupings in both regions.

Only five countries saw a change in their score in 2022. Four increased by 0.5 (Côte d'Ivoire, Mali, Senegal, and Togo), while one decreased by 0.5 (Chad). The country scores for IDA countries ranged from 1 to 3.5, with 54 percent of the countries receiving a score between 2 and 2.5. This relatively low regional score continues to underscore that many countries face challenges in all three areas assessed, remain vulnerable to shocks, and have underdeveloped financial markets that cannot efficiently provide financial services to households and enterprises.

BUSINESS REGULATORY ENVIRONMENT

The business regulatory environment criterion assesses the legal, regulatory, and policy environment for private businesses. It has three subcomponents that measure the efficacy of regulations affecting (i) entry, exit, and competition; (ii) ongoing business operations; and (iii) factor markets (labor and land).

Amid a challenging global environment, reforms that foster private investment have become more urgent. As economies in the region face high inflation, insufficient fiscal space, elevated interest rates, and high levels of debt, concern about crowding out investment in the private sector is well-founded. Policy measures aimed at facilitating long-term competitiveness include strengthened market contestability, infrastructure development, skills development, labor market agility, and facilitation of trade.

Regulatory administration for business remains a significant concern across the continent, with often cumbersome bureaucratic processes for business entry, exit, and ongoing operations. While recent regulatory improvements have been made in Ghana, Nigeria, and Sierra Leone, the performance has been mixed in terms of outcomes such as the rates of business entry and exit. Similarly, many countries in the region lack clear procedures for insolvency, making it difficult to close a firm. In contrast, the increase in Cameroon's score in 2022 was largely due to progress in reducing the burden on firms from operational licensing, permits, compliance, and inspection requirements through a digitized platform.

Markets in the region are often characterized by anticompetitive practices and structures—with monopolies, most of them owned by the government, holding large market shares in the key economic sectors. Countries have increasingly called on state-owned enterprises (SOEs) to contribute to countercyclical investment and employment policies during periods of crisis, for example, during the COVID-19 pandemic (Freund and Pesme 2021). However, an overriding concern is that SOEs can increase fiscal burdens, distort incentives for private investors, and remain in business despite lower performance. In Mozambique, despite recent efforts to strengthen the legal and regulatory framework for SOEs, they still operate in at least 30 sectors. While seven sectors are legal or de facto monopolies, the private sector competes against SOEs in the other 23 sectors. In at least half of these sectors, an SOE controls more than 50 percent of the estimated market share.

However, a few countries in the region are working toward improving market-based competition, including Togo and Somalia. Togo has increased its efforts to support access to finance and market information for small and medium-sized enterprises, by expanding the coverage of the credit bureau and providing assistance (both information and training) to help companies to gain and utilize market intelligence. The government has also improved its online platform for issuing building permits and water connections, including new functionalities to facilitate the decentralization process, reduce turnaround time for processing building permits, and enable online payment of fees related to water connections. Somalia has also registered an improvement in this area, by launching a new online business registration system in 2022. The online system has significantly reduced the lead times for business name reservation and business license issuance. Further improvements are expected with the finalization of the online payment module, which will eliminate the need for manual intervention to reconcile account payments.

Within factor markets, access to land remains a key concern in the region. Land administration and management is often characterized by cumbersome and unclear processes for acquisition and registration, especially by foreign investors and in countries where most of the land is owned by the state (such as Ethiopia and Tanzania) or untitled (Kenya). However, Zambia has made significant reforms in land administration as part of the efforts to streamline land administration and management. The Lands and Deeds Registry (Amendment) Act allows for a digitalized land registration system, including certificates of title to be issued and stored in electronic form, and documents relating to an interest in land to be executed using electronic and digital signatures. In addition, such documents may be lodged for registration by means of a device or facility that records or stores information electronically.

The private sector is also affected by stringent labor regulations. Guinea-Bissau's Labor Code is obsolete and imposes onerous restrictions on the hiring and dismissal of workers, working hours, and the use of term contracts, reducing incentives for firms to hire workers formally. Provisions that are particularly burdensome include the need to register all workers with the labor inspectorate, the need to submit a list of employees annually to the government, and obligatory review of all employment contracts by the government. Along with other factors, such provisions reinforce informality and impact labor productivity in the region.

As in 2021, for the Sub-Saharan Africa region overall, the median score for the business regulatory environment for IDA countries was 3.0 for 2022, with 24 countries across AFE and AFW scoring between 3.0 and 4.0. Bottom-scoring outliers scored close to the average score for IDA countries classified as fragile in 2021. Further comparison suggests that although AFE was a significant driver of the average score for IDA countries classified as fragile until 2019, neither AFE nor AFW weighed heavily in the fall in the average score for IDA countries since 2020.

The score was not decreased for any of the reviewed countries in 2022. However, issues related inefficiency and slow or inconsistent implementation of reforms continue to affect the scale of their impact on private sector–led, long-term growth. For 2022, the CPIA score for the business regulatory environment increased to 3.1. The average scores for the AFE and AFW subregions for 2022 were 3.0 and 3.1, respectively. The main variations from 2021 to 2022 were improvements for Togo (4) and Cameroon (3.0) in AFW.

CLUSTER C: POLICIES FOR SOCIAL INCLUSION AND EQUITY

Cluster C addresses social inclusion and equity polices and reforms. It covers gender equality, equity of public resource use, building human resources, social protection and labor, and policies and institutions for environmental sustainability.

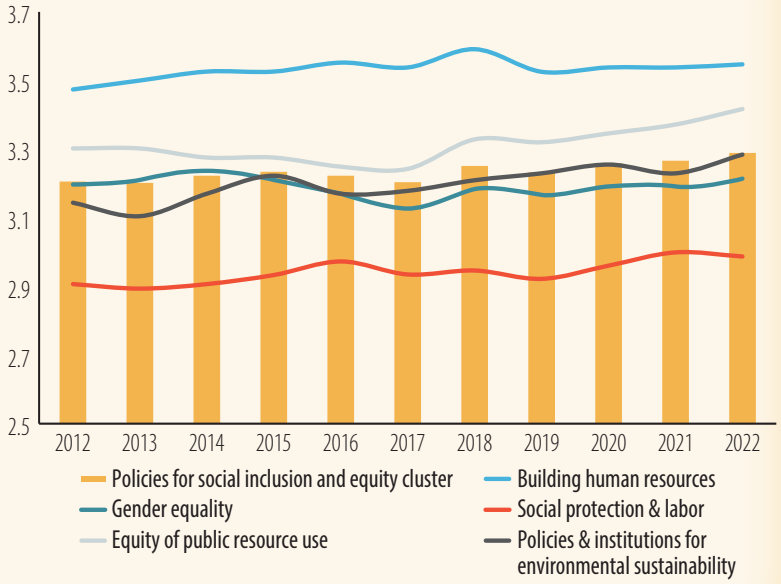
Positive developments were observed in building human resources in 2022. Several countries achieved high health scores due to solid performance in health strategies, policy and planning, program coverage, and health information systems. In education, positive changes were observed in some countries where reforms were implemented to support equitable access to quality education, including teacher recruitment and retention, learning assessments, and budget allocation.

In the environmental sustainability criterion, efforts were made to improve public participation, indicating that stakeholders had increased engagement and involvement in environmental decision making. Significant improvements were observed in the management of freshwater resources and marine and coastal resources. Finally, the adoption of "green" recovery strategies and sustainable landscape management projects, such as those implemented in Mali and Niger, demonstrated a commitment to addressing the adverse effects of COVID-19 while promoting environmental sustainability and supporting communities.

However, challenges persist, including limited advancements in achieving gender equality and the need for better availability of poverty measurement data. Although social protection programs were expanded in response to the COVID-19 pandemic, fiscal constraints and the necessity for increased financing continue to be significant concerns.

Averages in this cluster improved, with the scores for building human resources and the environment increasing the most.

FIGURE 3.12: Evolution of Individual Criteria Scores within Cluster C

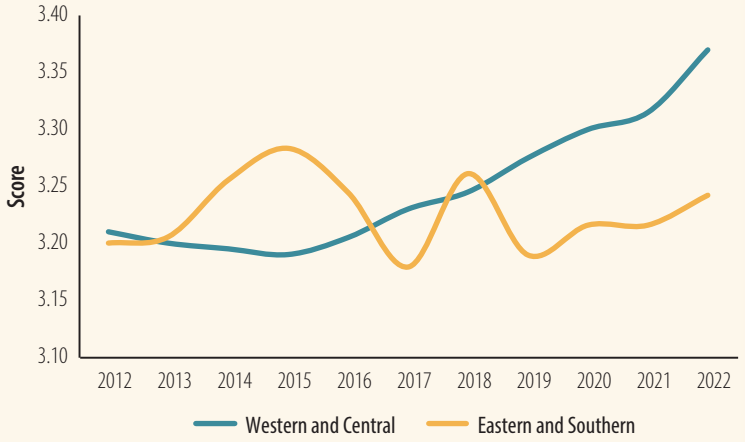


Source: CPIA database, 2023.

For example, the average score for gender equality in Sub-Saharan Africa has remained unchanged (at 3.2) since 2014, indicating limited progress in enacting laws and policies that promote equal access and protection for men and women (figure 3.12). However, while progress has been relatively slow, the average for AFW has increased consistently since 2016 (figure 3.13). Countries in FCS tend to have lower scores, highlighting the connection between institutional strength, peace,

The cluster average score for AFW has increased consistently since 2016.

FIGURE 3.13: Evolution of Average Scores for Cluster C for the Subregions



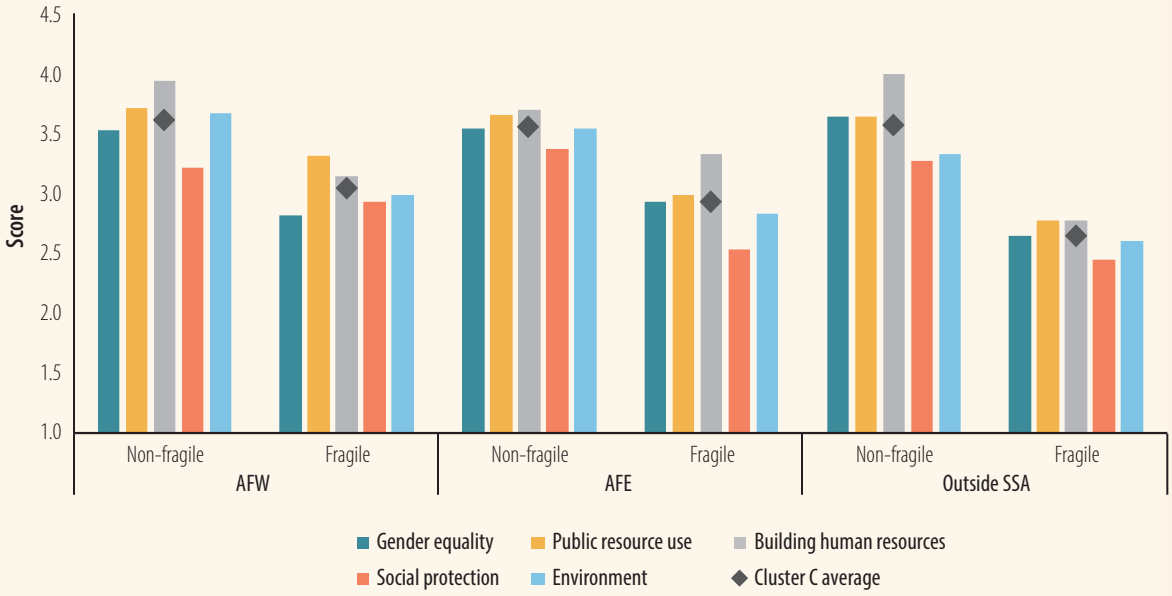
Source: CPIA database, 2023.

and gender equality (figure 3.14). Similarly, there is still a need for improvement in the availability, accessibility, and usage of poverty measurement data in Sub-Saharan African countries.

In Sub-Saharan Africa, the average score for cluster C remained relatively stable at 3.3 (figure 3.12). The scores for gender equality (3.2), equity of public resource use (3.4), and social protection and labor (3.0) were unchanged from 2021. The average increased for building human resources (3.6) and policies and institutions for environmental sustainability (3.3). For 13 countries, the average score for the cluster was upgraded by 0.5 point (Benin, Burundi, Cabo Verde, Côte d'Ivoire, The Gambia, Guinea-Bissau, Niger, the Republic of Congo, São Tomé and Príncipe, Sierra Leone, South Sudan, Togo, and Zambia), and only one country's average score declined (Chad) (table 3.5).

Fragile countries in AFW perform relatively well on public resource use, while those in AFE perform relatively well on building human resources.

FIGURE 3.14: Trends in the Average Scores for the Social Inclusion and Equity Cluster



Source: CPIA database, 2023.
Note: AFE = Eastern and Southern Africa; AFW = Western and Central Africa; SSA = Sub-Saharan Africa.

TABLE 3.5: Changes in Scores for the Policies for Social Inclusion and Equity Cluster and Its Components

Component	Increases	Decreases
Gender equality	Benin, São Tomé and Príncipe, Sierra Leone	
Equity of public resource use	Central African Republic, Republic of Congo, The Gambia, The, Niger, Zambia	Ethiopia
Human resources	Niger, South Sudan	
Social protection and labor	The Gambia, The, Sierre Leone	
Policies & institutions for environment sustainability	Burundi, Cabo Verde, Cote d'Ivoire, Ethiopia, Guinea-Bissau, Togo	Central African Republic, Chad
Cluster C: Policies for social inclusion and equity	Benin, Burundi, Cabo Verde, Côte d'Ivoire, The Gambia, Guinea-Bissau, Republic of Congo, São Tomé and Príncipe, Sierra Leone, Sudan, Togo, Zambia	Chad

Source: CPIA database, 2023.

GENDER EQUALITY

The gender equality criterion of the CPIA assesses the extent to which a country has enacted and put in place laws, policies, mechanisms, institutions, and programs that promote equal access for men and women to human capital development and productive and economic resources, and which give men and women equal status and protection under the law.

Overall, Sub-Saharan Africa is becoming an example for other regions on the advancement of gender policies. The Women, Business and the Law report for 2023 finds that Sub-Saharan Africa constituted more than half of all reforms globally, with 18 legal reforms enacted by seven countries—Benin, Côte d'Ivoire, Gabon, Malawi, the Republic of Congo, Senegal, and Uganda. However, with high levels of poverty and gender gaps and many lingering social issues around gender, the urgency for further reform remains. Furthermore, these legal reforms will be contingent on enforcement, with an effective legal and judicial system being a necessary condition for advancement.

It is promising to see advancements in incorporating women into economic activity, as this can yield strong dividends both socially and economically. For example, Côte d'Ivoire, Gabon, and Senegal removed restrictions on the types of jobs or sectors where women can work. Gabon also mandated equal pay for work of equal value. Finally, supporting men and women in parenthood, Malawi amended existing legislation to entitle fathers to take at least two weeks of paternity leave, and Senegal prohibited the dismissal of pregnant workers.

As the effects of global climate change accelerate, the distinct impacts on women and girls will require policy attention as adaptation and resilience become increasing priorities. Natural disasters, made more frequent by climate change, have been shown to have a greater negative

impact on the life expectancy of women compared to men, and natural disasters and climate shocks are also associated with an increase in gender-based violence. Income shocks related to droughts have been seen to increase the rate of child marriage, with families marrying off their daughters early to obtain the bride price.

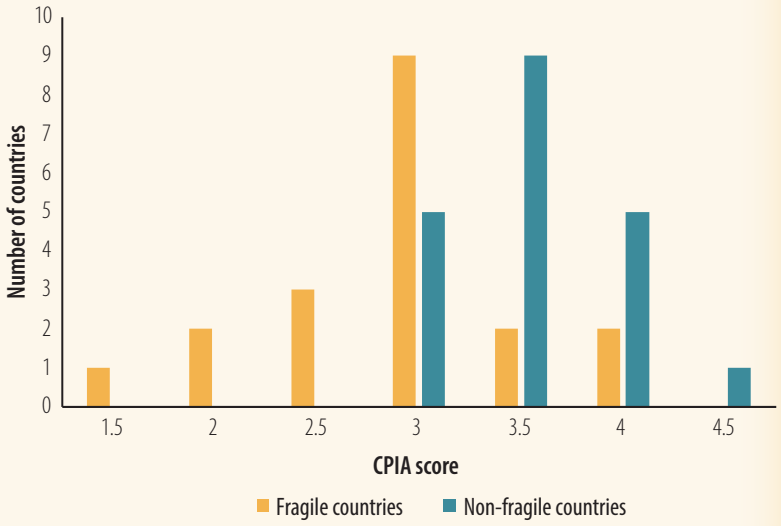
Underlying gender inequalities in endowments, economic opportunities, and agency contribute to the gender gaps around key climate adaptation strategies, including climate-smart agriculture, social safety nets, weather insurance, migration, and income diversification. Recent evidence suggests that women face greater constraints to benefitting from adaptation strategies, including constraints related to land rights, asset possession, and financial inclusion. For example, women's weaker decision-making authority and control over land may inhibit their ability to adopt improved inputs and cultivation practices facilitated by climate-smart agriculture. In Malawi, farm input subsidies were associated with a 200 percent increase in the probability of female-headed households adopting modern maize. Similarly, in Uganda, financial incentives and low-cost informational campaigns have proven effective at increasing the co-titling of husbands and wives on land titles. Women are the main decision maker for just 26 percent of land plots in the country and the primary owner of only 16 percent of maize plots, on which their husbands are less likely to use more modern species. Sierra Leone has also advanced gender-based land reform, with the enactment of a Customary Land Rights Act in 2022 providing women the equal right to hold, use, inherit, succeed to, or deal with land.

Combatting these gender gaps will require institutionalizing gender equality in government operations at high levels, to address interrelated multisectoral constraints. In this regard, São Tomé and Príncipe recently approved a new law stipulating that at least 40 percent of decision-making positions, including in the central and regional government, parliament, and public administration directorates, must be held by women. In Benin, the recently announced Institut National de la Femme will be attached to the Presidency, with the aim of designing, coordinating, and monitoring gender-related reforms. Finally, Sierra Leone passed a wide-ranging Gender Equality and Women's Empowerment Act in 2022 that includes provisions related to women's representation in elected office, in addition to gender budgeting, maternity leave, and protections against gender discrimination in access to finance and employment.

Gender-based violence remains a pressing concern, especially with extremist violence in parts of the region. In Benin, reforms have included a new law that significantly expands the definition of gender-based violence and revises the Criminal Code to increase or incorporate criminal sentences for sexual harassment, rape, child marriage, forced marriage, and female genital mutilation, and a new set of standard operating procedures ensuring proper treatment of survivors of gender-based violence and free provision of services to survivors. While not directly leading to a change in the score for 2022, the Republic of Congo and Côte d'Ivoire introduced laws explicitly targeting domestic violence for the first time, with the former also introducing a law criminalizing sexual harassment in the workplace. As extremist violence has been a persistent concern, especially in the Sahel and countries bordering the Sahel, efforts to address this violence have included economic reforms and increased social protection in vulnerable areas. As women are especially vulnerable to this type of violence, these social programs should consider security from gender-based violence as part of their formulation.

A significant gap has arisen between non-fragile and fragile countries across the region.

FIGURE 3.15: Gender Equality CPIA Scores, by Fragility Status



Source: CPIA database, 2023.

Overall, the average score across all countries in Sub-Saharan Africa for the gender equality criterion of the CPIA has remained unchanged since 2014, at 3.2. The average scores for both subregions have also remained unchanged at 3.2. In this case, however, rounding to the tenth of a point hides cause for optimism, as three countries (Benin, São Tomé and Príncipe, and Sierra Leone) registered an increase for gender equality, while no country saw a decrease. A more notable gap in the CPIA scores is observable between countries on the World Bank's list of FCSs (2.9) and those not on the list (3.6). This gap highlights the association between the strength of a country's institutions, including those critical to supporting gender equality, and its degree of peace and stability (figure 3.15). This association is also reflected in data on key gender outcomes (such as those related to maternal health, domestic violence, and gender gaps in schooling), which tend to be weaker in fragility, conflict, and violence contexts. This gap should highlight the urgency of addressing climate change in the region from a gender perspective.

EQUITY OF PUBLIC RESOURCE USE

This criterion of the CPIA describes how public expenditures and revenue collection patterns are translated into national poverty reduction strategies. The first component deals with the availability of quality poverty measurement tools and their usage in poverty reduction policies. The second deals with the proper identification of vulnerable groups and the existence of a strategy to address their needs. Finally, the third component deals with the progressiveness of public expenditure and its alignment with poverty reduction goals. All three indicators have the same weight to estimate the total score for the criterion.

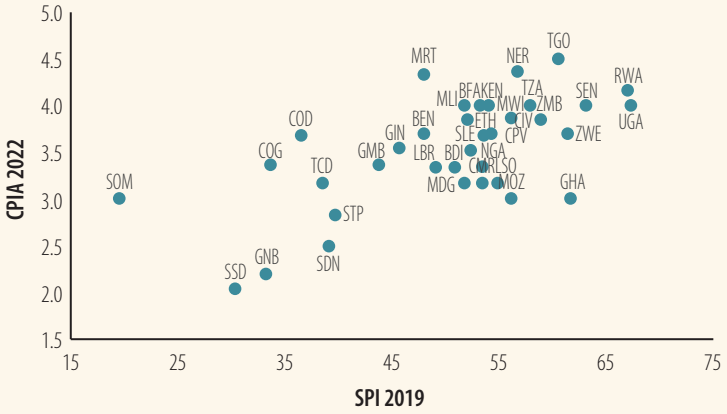
There were improvements in 2022 in the availability of poverty data for public use and in the revenue collection system compared to last year. The decline in the budget share of poverty-targeted expenditure and limited targeting of social spending in 2022 negatively impacted efforts to address poverty and inequality in Ethiopia, which contributed to a downgraded score for this criterion. The ongoing conflict in the Tigray region disrupted social safety nets and services, exacerbated vulnerabilities, and left poor and vulnerable groups without adequate support.

The average score for equity of public resource use reflects the extent to which poverty measurement data are available and accessible to the public and how they are used for public policy. Most of the improvements came from increased availability of household surveys, for example, a new round of surveys being produced in Chad and Madagascar. This is important news, as countries in the region have fewer than two household surveys in the past 10 years on average. But this improvement has not reached all countries: Equatorial Guinea and the Central African Republic recently produced their first household surveys, and Eritrea still does not have one. The lack of surveys prevents the social policy from being data driven, proper assessment of the impacts of social programs, and full identification of the poor.

The CPIA score for public resource use is closely related to a country's Statistical Performance Indicator, the World Bank's new official tool for measuring a country's statistical capacity. This indicator assesses a country's capacity to generate reliable statistics that contribute to monitoring the country's governance and economic performance. This is especially relevant for tracking progress in poverty reduction and fulfilling reporting obligations to international donors. Countries with lower capacity in their statistical systems also have low usage of available household surveys in their poverty policies. This is reflected through a positive correlation between the CPIA score for equity of public resource use and the country's overall Statistical Performance Indicator score (figure 3.16)—a higher statistical capacity score for a country means a higher score for the average CPIA. Countries with lower scores, including Guinea-Bissau, Somalia, and South Sudan, need support to improve their collection and use of household surveys and their statistical systems.

Statistical capacity is a major constraint on effective deployment of public resources.

FIGURE 3.16: Relationship between the Statistical Performance Index and the CPIA Score



Source: CPIA database, 2023; World Bank Statistical Performance Indicators, 2021.
Note: CPIA = Country Policy and Institutional Assessment; SPI = Statistical Performance Index.

At 3.4, the regional average score for Sub-Saharan African countries for the overall criterion remained broadly the same in 2022 as in 2021. AFW (3.6) scored higher than AFE (3.3), which implies that in AFW, there is greater implementation and usage of household surveys. No country in AFE scored over 4.0. In AFW, Mauritania, Niger, and Togo scored 4.5. CPIA scores increased for this criterion for the Central African Republic, The Gambia, Niger, the Republic of Congo, and Zambia, and Ethiopia's score decreased.

BUILDING HUMAN RESOURCES

The building human resources criterion assesses the quality of national policies and public and private sector delivery in health and education. The health component includes reproductive health, public health care, nutrition, and the prevention and treatment of communicable diseases. The education component includes public education, training, literacy, and early childhood development.

Human resources represent a significant area of vulnerability for Sub-Saharan Africa. With the highest population growth worldwide, the region routinely scores lowest in a series of human capital indicators. Indeed, in the World Bank's Human Capital Index, the region had the lowest average score for all three components: childhood survival, schooling, and health. Compared to a child in Europe and Central Asia, a child born in Sub-Saharan Africa can expect to be only 58 percent as productive. While there has been some policy progress, the region is particularly vulnerable to recent global events, as Africa comprises 16 of the 24 countries pinpointed by the Food and Agriculture Organization and the World Food Programme as hunger hotspots.

The average CPIA score for this criterion has been relatively stagnant over the past decade, between 3.5 and 3.6. It reached 3.6 in 2018, only to be downgraded in 2019 and increase again in 2022, reaching 3.6.

Health

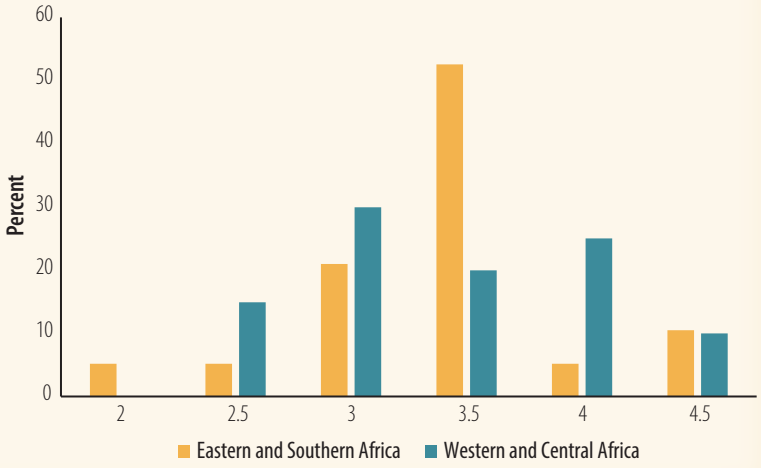
As in the previous year, progress in health financing remained slow in 2022, with insufficient strides in revenue generation and budget, where budget allocations to the sector that were mainly input-based, with little progress toward strategic purchasing. Although data availability and health information systems improved somewhat across program areas, these gains need to be commensurate with the promise that innovations in information systems hold for tracking program coverage.

The regional average score for health was 3.4, which was slightly above the 2021 average of 3.3 and below the average score for the overall building human resources criterion (3.5). At the country level, however, there was significant variation. Nine countries recorded an increase (Burundi, the Comoros, Côte d'Ivoire, Madagascar, Mauritania, Niger, Nigeria, Sierra Leone, and Somalia), and only three countries' scores decreased (Ethiopia, Senegal, and Sudan).

The average scores mask some interesting compositional elements between the subregions and in FCS states. While the two

The distribution of AFW country scores is more countries performing well in the 4.0-4.5 range.

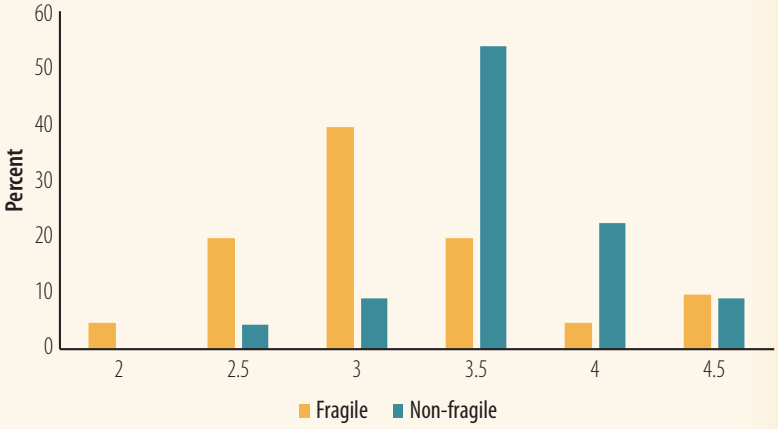
FIGURE 3.17: CPIA Health Score Distribution, by Subregion



Source: CPIA database, 2023.

Fragility is a key driver of health scores as most fragile countries scored 3 or below, while most non-fragile countries scored above 3.

FIGURE 3.18: Distribution of Health Scores for Fragile and Non-Fragile Countries



Source: CPIA database, 2023.

subregions have identical scores of 3.4, the distribution of AFW is more skewed, as more countries performed very well in the 4.0-4.5 range and more countries are in the tail end of the distribution at 2.5. AFE has markedly more countries at 3.5 (figure 3.17). Similarly, while non-fragile countries' average CPIA score for health of 3.7 is higher than the 3.2 average of fragile countries, some fragile countries performed very well, including Burundi, The Gambia, and Zimbabwe (figure 3.18). Furthermore, the difference in scores between the health subcomponent and the overall cluster remains more pronounced for countries in fragile situations.

Education

Sourcing, monitoring, and compensation of teachers continues to be a concern in the region. In South Sudan, the protracted economic crisis has reduced the government's capacity to pay teachers' salaries and families' ability to pay school fees. Many teachers have departed the profession due to irregular payments, an issue experienced across the region to varying degrees. The Government of Cameroon adopted legislation in 2022 that complements comprehensive education reform enacted in 2020. The new legislation promotes merit-based recruitment of teachers, including through local job posting and retention of newly recruited teachers, with incentives to stay at least five years in a position.

Learning assessment and curriculum management are also pressing concerns. In 2022, Cameroon conducted learning assessments of students in grades 4 and 6, and a pilot learning assessment of students in secondary education (grades 8 and 10) was institutionalized through a legal framework with a clear mandate to assess learning performance. This was part of a larger agenda to strengthen the national learning assessment system, which included a budget line for the system in the Ministry of Basic Education 2021-2023 medium-term expenditure framework. In South Sudan, there was progress in the coverage and standardization of examinations conducted at the end of the primary and secondary cycles and overseen by the National Secretariat of Examinations. Nonetheless, areas for improvement remain, such as enhancing data reliability and the regularity of exams.

The average education score has remained unchanged at 3.5 since 2014. The average education scores for IDA countries in AFE and AFW were 3.5 and 3.6, respectively. Two countries recorded positive changes in their scores: South Sudan in AFE and Cameroon in AFW. The most frequent value achieved by nine countries in AFE was 3.5. Meanwhile, the median score achieved by seven countries in AFW was 4, followed by six countries with a score of 3.5. In the education sector, positive changes were observed in Cameroon and South Sudan, where reforms were implemented to support equitable access to quality education, including teacher recruitment and retention, learning assessments, and budget allocation. In 2022, significant gaps remained between fragile and non-fragile countries. FCS countries had an average education score of 3.2, compared to 3.9 for non-fragile IDA countries.

SOCIAL PROTECTION AND LABOR

The social protection and labor criterion assesses social protection and labor policies and programs across five dimensions: the overall social protection system, social safety net programs, labor market programs and policies, local service delivery and civil society participation in community development programs, and pension and old-age savings programs.

The volatility of international markets highlights the need for well-funded, responsive, and comprehensive social protection programs. Following the new challenge of accelerated inflation, especially for food and fuel products, due to Russia's invasion of Ukraine and disruptions of global markets, significant movement has been achieved in updating social protection strategies in the region. In Côte d'Ivoire, the National Multisectoral Safety Nets Program, adopted in April 2022 as part of an update to the national social protection strategy, was a significant milestone for the government toward a more coordinated and efficient social safety net system. However, the urgency of the need for protection of the most vulnerable and the magnitude of the problem led to stable scores despite these improvements.

The pension system in several countries has undergone reforms to cover informal sector workers, with innovative schemes rapidly expanding in Chad, Côte d'Ivoire, Kenya, Lesotho, Madagascar, Mozambique, and Rwanda. Most of those schemes are in their infancy, but their emergence and gradual expansion are essential for achieving greater coverage of the poor and vulnerable populations. Specific country cases offer concrete illustrations of key structural and crisis-spurred developments in Africa's social protection sector.

In the face of the high level of informal social and economic arrangements among the poor in the region, identifying and reaching the most vulnerable is a pressing concern. In Burkina Faso, implementation of a Unique Social Registry through mobilizing the technical secretary's staff and the development of a coherent methodology were a significant step toward building an adaptive social protection system. The pilot operational phase of the registry was planned to start in January 2023, with plans to scale up nationwide by December 2024. In Mauritania, the social safety nets have achieved almost complete coverage of people experiencing poverty. The Tekavoul program has reached nearly 100,000 beneficiary households to date (47 percent of the poorest quintile and close to 100 percent of the extremely poor), and the Elmaouna cash

transfer program reached 165,531 households in 2022. In Nigeria, the National Social Register is coordinated by the National Social Safety Nets Coordination Office. As of February 2023, it was estimated that the register captured over 70 percent of the poor, or 15.4 million households (61.6 million individuals). Compared to 4 million households (approximately 16 million individuals) in August 2020, this was a 3.9-fold increase.

Moreover, providing timely relief, especially after a crisis, represents a significant logistical challenge requiring consistent development of institutional capacity. In Mauritania, the Tekavoul program recently piloted a shock response intervention, Tekavoul shock, which allows it to expand vertically and horizontally in case of a shock. Its payment mechanism (with features of the government-to-person platform) allows for the delivery of benefits in time, along with the necessary staff capacity and a sufficiently flexible payment system. The Ghanaian Ministry of Gender, Children, and Social Protection initiated a Single-Window Citizen Engagement service system, which provides a single platform for beneficiaries to submit grievances and information for social protection programs. In addition, future developments of the payment systems are in the planning phases, including a new payment platform in Burkina Faso to be launched by the end of 2024 and use of the National Social Register in Nigeria to deliver timebound and large-scale cash transfers to mitigate the impact of subsidy removal and other shocks on the poor and vulnerable population.

Countries are strengthening their adaptive social protection delivery systems by leveraging digital technologies. In Sierra Leone, Rokel Commercial Bank's Simkorpor Plus electronic payment system to provide emergency cash transfer payments to urban informal sector workers was used to deliver support during COVID-19 and expanded with electronic verification mechanisms for rural and extremely poor households. In Togo, the COVID-19 pandemic offered the opportunity to show the dynamism of social safety nets with the swift development and implementation of the Novissi program, which made innovative use of new technologies and data to provide income support to 25 percent of the adult population (920,000 individuals). Novissi relied entirely on digital platforms for identification, targeting, delivery, and grievance redress. Through Novissi, partnerships were established with mobile network operators to enable mobile money transfers to individuals. There are plans to develop a payment bridge system that will map unique identifiers to a bank account or mobile money account, enabling bulk payments for social protection programs to be credited from the single Treasury account to individual unique identifier-linked accounts of beneficiaries. This capacity is being used to launch a new flagship program, Novissi+.

The average overall score across the region on the social protection and labor criterion was maintained at 3.0 in 2022, with no change since 2020, when the increase in the score reflected efforts to use the social safety nets to shield affected people from the negative impacts of the COVID-19 pandemic. Most countries sustained their commitment to social protection, as reflected in the overall stability of their scores. The average overall scores for the AFW and AFE subregions remained similar, as in the previous year, with AFW at 3.1 and AFE at 2.9. The countries that remained at the overall score of 4.0 represented around 10 percent of the region's IDA countries, with two in each subregion.

POLICIES AND INSTITUTIONS FOR ENVIRONMENTAL SUSTAINABILITY

This criterion examines the effectiveness of environmental policies and institutions overseeing the protection and use of natural resources and pollution management. The institutional assessment considers cross-cutting issues, including the quality and effectiveness of environmental impact assessment systems and environmental governance factors, namely, access to information, public participation, cross-sectoral coordination, and accountability. In addition, assessments of environmental themes cover air and water pollution, solid and hazardous waste, freshwater resources, marine and coastal resources, ecosystem and biodiversity management, renewable and nonrenewable resources, and climate change.

Countries are steadily continuing to recover from the COVID-19 pandemic. Newly approved World Bank–financed sustainable landscape management projects in Mali and Niger, for example, are prioritizing a "green" recovery, which is crucial for mitigating the adverse effects of COVID-19 on poverty, conflict, and climate change, by enhancing environmental and natural resource management while supporting communities to diversify income-generating opportunities. "Green" growth strategies can help in sustainable management of natural resources, including oceans, land, and forests, to address the growing crisis of poverty, economic distress, climate change, pandemic risks, and rising fragility and conflict.

Regular and growing climate shocks are causing considerable loss of outputs, reducing human capital accumulation, and leading to potentially devastating ecological and economic tipping points in the region. However, the countries have significant opportunities for resilient and lower-carbon development. Rapid, resilient, and inclusive growth is the best form of adaptation to climate change and the best strategy for meeting development goals in an effective, sustainable, and productive way. The costs of inaction are far greater than the costs of action, and early and targeted action on policies and programs can move countries toward a greener, more resilient, prosperous, and inclusive future.

In general, the region performed better on institutional cross-cutting support (regional average of 3.7), including social engagement around climate, compared to environmental outcomes (regional average of 3.3). In Ethiopia, the environmental agency concluded consultations to incorporate social considerations into project screening and approval processes. Furthermore, the Government of Ethiopia initiated multiple measures to transition from fossil fuel utilization to renewable energy sources in transportation and other sectors, alongside the adoption of low-carbon technologies. Burundi's score on this criterion increased from 3.5 to 4 due to improvements in public consultations for project design studies and Environmental and Social Impact Assessments, implementation of action plans to protect riverbanks across the country, elaborated policy instruments for solid waste management, improvements in regulation and capacity building for reforesting degraded lands, and implementation of management plans for protected areas.

The average score for the policies and institutions for environmental sustainability criterion was 3.3 in 2022, up from 3.2 in 2021. This increase was mainly driven by gains among IDA countries in the AFW subregion. Rwanda and Togo led the region with an average score of 4.5, followed by eight countries with a score of 4, 14 countries with a score of 3.5, eight countries with a score of 3, and seven countries scoring 2.5 or below. The scores show a significant disparity between the two subregions, with AFW (3.4) surpassing AFE (3.2) in performance. Countries affected by violent conflict continued to struggle, with an average score of 3, and countries with high levels of institutional and social fragility had an average score of 2.9. There is a significant gap between the average scores for countries affected by violent conflict in AFE (2.7) and AFW (3.2).

The areas that improved the most across the subregion were public participation, solid and hazardous waste management, freshwater resource management, and marine and coastal resource management. The average score for public participation remained the highest (at 3.9), while the average scores for air pollution and marine and coastal resource management remained the lowest (both at 2.8). The top performing sector-specific measures included ecosystem and biodiversity (average score of 3.6), alongside climate change (average score of 3.7).

CLUSTER D: PUBLIC SECTOR MANAGEMENT AND INSTITUTIONS

Cluster D covers public sector governance and capacity issues, namely, property rights and rule-based governance; quality of budgetary and financial management; efficiency of revenue mobilization; quality of public administration; and transparency, accountability, and corruption in the public sector.

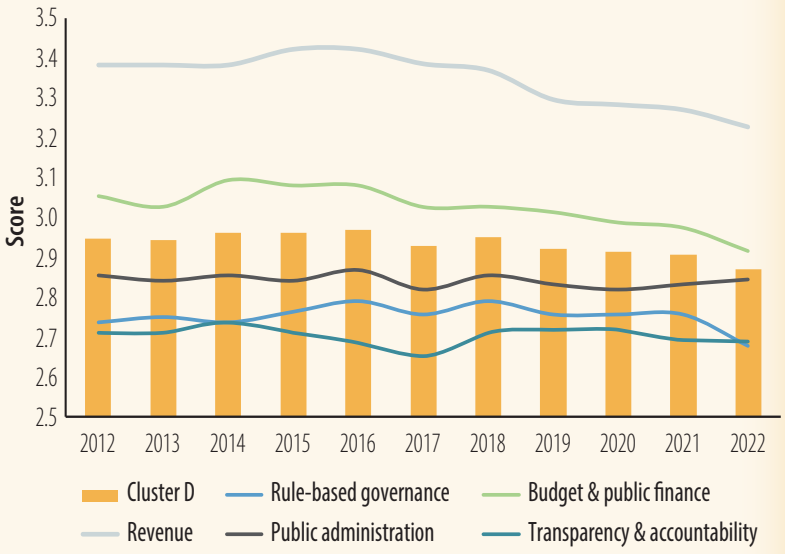
Public sector governance, the fight against corruption, and the need for resource mobilization are at the top of the list of development priorities on which governments should focus. The quality of public sector governance is of critical importance in promoting inclusive and sustainable economic growth. For example, it plays an important role in determining the provision of basic goods and services, a key policy tool for addressing inequality and poverty. Poor governance distorts the allocation of resources, impairs the provision of public goods and services, and undermines the business climate while promoting corruption, rent-seeking activities, and state capture, all of which slow growth and exacerbate inequality. Under poor governance, firms are unlikely to enter certain industries and innovate if property rights are not well-defined and enforced, limiting domestic and foreign investment. There is considerable empirical evidence that underscores the importance of strong governance as a basis for inclusive and sustainable growth.

In the aftermath of the COVID-19 pandemic, public sector institutions in the region continue to be tested by multiple crises, including increased climate-related disasters and fallout from the crisis in Ukraine. These stresses are reflected in the sustained low average score for cluster D, which remained at 2.9 for the Africa region in 2022, the same level as for the previous three years. The governance cluster has been the lowest among all the clusters, and governments need to pay attention to reforms to improve public sector management and institutions, which is vital for economic growth and development. Good governance and a robust social contract provide the foundation for sustainable development by fostering stability, accountability, efficiency, and investor confidence.

The average scores for each of the five criteria of the cluster were broadly similar to their levels in 2021 (figure 3.19). Efficiency of revenue mobilization remained the

The scores for property rights and rule-based governance, revenue mobilization, and budgetary and financial management decreased in 2022.

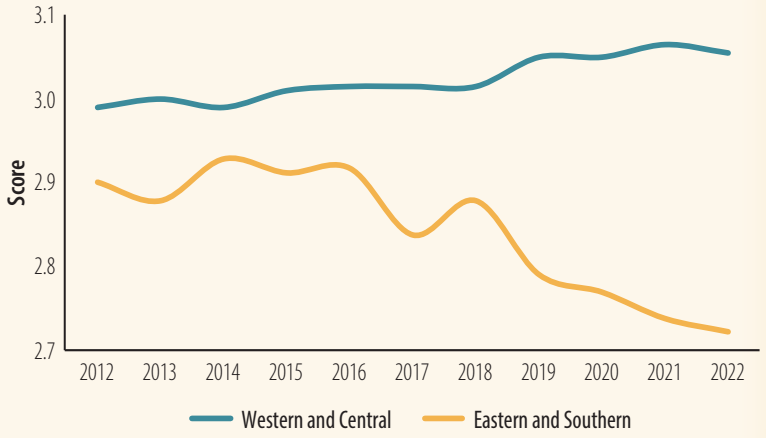
FIGURE 3.19: Evolution of Individual Criteria Scores within Cluster D



Source: CPIA database, 2023.

The divergence between the subregions increased in 2022, driven by decreases in AFE.

FIGURE 3.20: Evolution of Cluster D Scores by Subregion



Source: CPIA database, 2023.

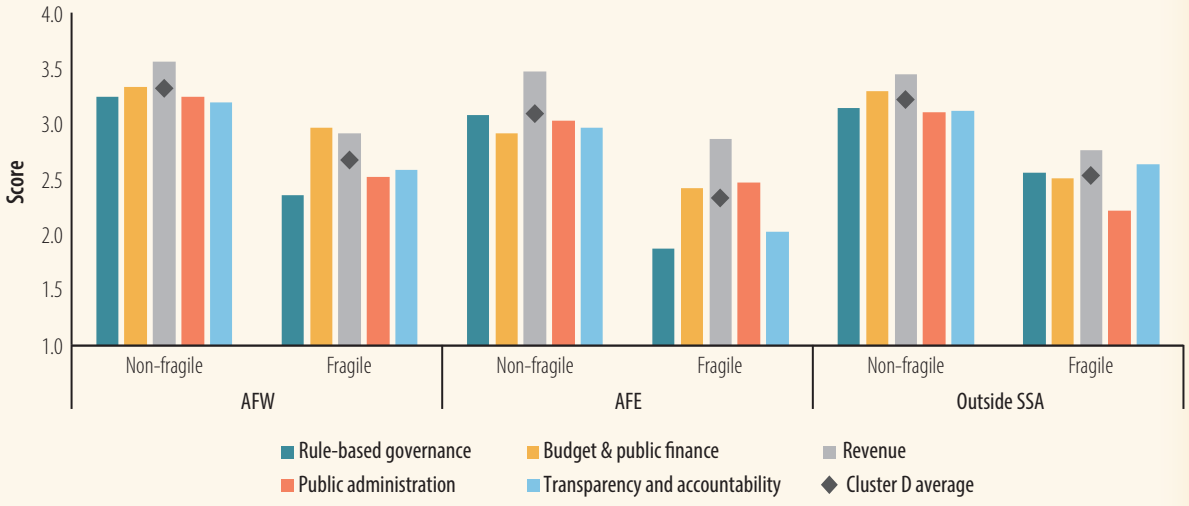
best performing criterion, but declined slightly over the past few years. The property rights and rule-based governance criterion had the biggest decline since 2021, passing the transparency and accountability criterion with the lowest average score within the governance cluster.

Although the average score for the governance cluster remained unchanged, there were significant differences in governance performance between the subregions and between fragile and non-fragile countries. Against the regional cluster D average score of 2.9, the AFW subregion maintained an average score of 3.1, compared to 2.7 for the AFE subregion (figure 3.20). Looking at longer term trends, the average score for Sub-Saharan Africa has continued to decrease slightly from a peak in 2014/2015, perhaps reflecting the overall economic downturn following the commodity boom. Although AFW has outperformed AFE on the governance cluster consistently over the past 10 years, starting in 2018, the subregions started to diverge slightly when further decimal places are taken into account. This performance gap is most pronounced for the quality of budgetary and financial management criterion, and it is smallest for efficiency of revenue mobilization.

AFW's average score of 3.1 for the public sector management and institutions cluster was not only higher than AFE's 2.7, but also exceeded the average score for all IDA countries excluding Sub-Saharan Africa, which was 3.0 in 2022. Thirteen of AFW's 20 countries scored equal to or above the average IDA country score. The AFW subregion on average led IDA countries in other regions on three criteria: budgetary and financial management, efficiency of revenue mobilization, and quality of public administration (figure 3.21). In contrast, eight of AFE's 19 countries' scores were equal to or above the IDA average. The AFE subregion lagged both AFW and IDA in all criteria other than efficiency of revenue mobilization where it scored the same as IDA countries.

Fragile countries in AFE performed relatively poorly in rule-based governance and transparency and accountability.

FIGURE 3.21: Cluster D Scores, by Fragility Status



Source: CPIA database, 2023.
Note: AFE = Eastern and Southern Africa; AFW = Western and Central Africa; SSA = Sub-Saharan Africa.

The Africa region's underperformance on the public sector and management and institutions cluster (the governance cluster) appears to have been driven to a large extent by fragile countries' low scores—both the AFW and AFE subregions showed considerably weak governance in fragile countries relative to non-fragile countries (figure 3.21). The average governance score for fragile countries in AFE was 2.4, compared to 2.7 for non-fragile AFE countries. In the AFW subregion, the average governance score for fragile countries was 2.7, compared to 3.3 for non-fragile AFW countries. In both subregions, fragile countries lagged non-fragile ones most significantly on the property rights and rule-based governance and transparency and accountability criteria of the cluster. This highlights the correlation between fragility and poor governance.

Seven countries in the AFW subregion experienced changes in their average scores for the governance cluster in 2022. Three countries recorded an increase of 0.5 in their average score, while the score fell for four countries. In AFE, seven countries experienced changes in their score in 2022, including decreases for five countries and increases for two. Unlike 2021, changes in scores were concentrated in the property rights and rule-based governance criterion (five countries decreased; no country increased), the quality of budgetary and financial management criterion (four countries decreased; two countries increased), and the efficiency of revenue mobilization criterion (three countries decreased; one country increased) (table 3.6). For the quality of public administration criterion, there were three increases and one decrease, while the transparency, accountability, and corruption criterion recorded three increases and no decreases.

TABLE 3.6: Changes in Cluster D Average Scores, by Component, 2022

Component	Increases	Decreases
Property rights and rule-based governance		Benin, Burkina Faso, Comoros, Eritrea, Mali
Quality of budgetary and financial management	Benin, Republic of Congo	Burkina Faso, Cabo Verde, Kenya, Malawi
Efficiency of revenue mobilization	Burundi	The Gambia, Liberia, Sudan
Quality of public administration	Benin, Côte d'Ivoire, Uganda	Mali
Transparency, accountability, and corruption in the public sector	Burundi, The Gambia, Republic of Congo	
Cluster D changes	Benin, Burundi, Côte d'Ivoire, Republic of Congo, Uganda	Burkina Faso, Cabo Verde, Comoros, Eritrea, Kenya, Liberia, Malawi, Mali, Sudan

Source: CPIA database, 2023.

PROPERTY RIGHTS AND RULE-BASED GOVERNANCE

This criterion assesses the extent to which economic activity is facilitated by an effective legal and judicial system and rule-based governance structure in which property and contract rights are respected and enforced.

The year 2022 was challenging for property rights and rule-based governance. Inefficient judicial processes, corruption, and challenges in property registration and contract enforcement were all identified as having digressed in specific countries, with few reforms receiving attention as model cases for emulation.

Judicial reform remains elusive in many countries, as judicial independence can be politically tricky to negotiate. A decline in the quality of the legal and judicial system as measured by cross-country indicators accounted for the downgrading of Burkina Faso and Eritrea. While judicial independence is guaranteed by law in Burkina Faso, the constitution was suspended twice in 2022 following military coups. A downward trend of judicial effectiveness was registered in 2022 by the Index of Economic Freedom, the Rule of Law Index, and Africa Integrity Indicators. Eritrea suffers from an underdeveloped legal framework, lack of transparency, and unpredictability in the administration of justice. Judicial effectiveness deteriorated as measured by several cross-country indicators in 2022. In Mali, the scores for civil justice have remained consistently low and declined in 2022.

Corruption is also a serious concern, as it can hinder economic competition and lead to an erosion in trust in civil authorities. In Mali, the revision of the Law on the Prevention and Suppression of Illicit Enrichment, which was intended to broaden its application, has stalled due to political constraints. This has hindered efforts to address issues of corruption and illicit enrichment. In Benin, petty bribery and patronage systems are common obstacles, especially when interacting with the judiciary, law enforcement, and customs authorities. Although the government is setting up various mechanisms to fight corruption and make these institutions efficient, there are significant challenges.

Finally, enforcement of contracts and protection of property rights must be established as a precondition for economic development and shared prosperity. In the Comoros, the law theoretically protects property rights, but registries and other institutions perform poorly, making protecting private property uncertain and enforcing contracts weak, leading to a decrease in the score. The protection of private property remains uncertain, and the process for registering land has been time-consuming and ineffective. The lack of a functioning registry system and the coexistence of formal and traditional land management rules create conflicts and challenges. In Benin, property registration remains a challenge, enforcement of contracts needs to be more balanced, and the judicial process is inefficient.

The regional average score for this criterion came in at 2.7 in 2022, a decrease from the score of 2.8 that was registered consistently from 2019 through 2021. With an average score of 2.9, AFW continued to score higher than AFE, at 2.5. The overall decrease was due to three countries in AFW—Benin, Burkina Faso and Mali—and two in AFE—the Comoros, and Eritrea. No country registered an increased score for this criterion.

QUALITY OF BUDGETARY AND FINANCIAL MANAGEMENT

This criterion assesses the extent to which a comprehensive and credible budget is linked to priorities, financial management systems ensure that the budget is implemented as intended, and accounting and fiscal reporting are timely and accurate.

In the area of budgetary and financial management, two themes dominated the policy movements in 2022: budget credibility and arrears. As debt levels and financing become an increasing concern for the region, securing relatively competitive financing through credible borrowing plans and transparent budgeting can provide much-needed flexibility for policy priorities. In establishing this credibility, a key element is clear oversight in the accumulation of liabilities through unregulated government commitments, such as arrears.

Credibility arose as an area of focus in 2022 in both positive and negative respects. On the positive side, Benin's Debt Office (Caisse Autonome d'Amortissement) carried out an overhaul of its debt management practices. Key actions included increasing transparency and reporting and strengthening the oversight of the financial health of SOEs to reduce fiscal risks of contingent liabilities from guaranteed, nonguaranteed, and on-lent debt, following the adoption in September 2020 of a new SOE Law. Compared to most of its peers, Benin maintains higher standards of budget transparency through the disclosure of all relevant fiscal information in a timely and systematic manner, and this was recognized in a higher transparency score for the 2021 Open Budget Survey. On the negative side, Burkina Faso's downgrade for this criterion

reflects uncertainties arising from political instability. While the 2022 budget was adopted on time, there have been no amendments following the two military coups. This undermines the credibility of the budget as priorities that change with each new government are not accurately reflected in the budget.

Credibility is severely undermined by the accumulation of arrears. Fortunately, financial management reforms for public investment forecasting and management in Benin have improved budget execution rates to minimal deviation. This has led to improved budget predictability and a reduced stock of arrears over the past two years to less than 1 percent of total expenditure. In the Republic of Congo, progress in the timelines of external auditing of public accounts by the Supreme Audit Institution underlies the increase in the score for this criterion. Ineffective commitment controls and the inability to track the accumulation of arrears were reasons for the decrease in Malawi's score. The government carries out disproportionate in-year expenditure cash rationing and adjusts the budget during the mid-term budget review to address the often overly optimistic revenue estimates, highlighting the relationship between budget credibility and arrears, as unrealistic budgets significantly contribute to expenditure variance. Overall, Malawi's deviations of expenditure from budget are expected to grow by 55.6 percent from fiscal year 2018/19 to fiscal year 2022/23. The regional average score for this criterion remained unchanged at 3.0 in 2022. Likewise, the subregional averages remained the same at 2.7 for AFE and 3.2 for AFW. The scores increased for two countries—Benin and the Republic of Congo—and decreased for four countries—Burkina Faso, Cabo Verde, Kenya, and Malawi.

EFFICIENCY OF REVENUE MOBILIZATION

This criterion covers tax policy and tax administration and assesses the overall pattern of revenue mobilization, including not only the tax structure, but also revenues from all sources as they are collected.

Tax exemptions, especially around value-added tax (VAT), remain a pressing concern in the region, as relatively narrow tax bases concentrate the political base for such exemptions. In Sudan, tax expenditures on imports have been estimated to be 37 percent of the total trade tax revenues collected (duty, VAT, and additional taxes on imports). Of this figure, VAT has accounted for the largest share of tax expenditure (43 percent), followed by import duty (40 percent) and additional taxes (16 percent). Exemptions granted to investors under the investment law accounted for the largest share of total tax expenditures on import duty and taxes; the second largest contributor came from an exemption on the Common Market for Eastern and Southern Africa member country imports. VAT collection was estimated to be around 3.7 percent of GDP in 2022. Similarly, The Gambia's low tax-to-GDP ratio of 10.8 percent was driven partly by the proliferation of VAT exemptions, difficulties in taxing government institutions, and the prevalence of zero-rated goods. VAT performance and productivity were low compared to those of aspirational and regional peers, while international trade taxes were substantial, accounting for more than 26 percent of total collections, relying on a narrow excise base of 6.8 percent of revenue in 2020. In early 2022, to contain inflationary pressures arising from increases in global fuel prices, tax collections on petroleum products were reduced, which caused a revenue loss of 0.2 percent of GDP during the first quarter of the year. The absence of a robust VAT system and the resulting reliance on trade taxes were major reasons for Liberia's downgrade as well.

However, some countries responded to the challenge of fiscal constraints with needed reforms in revenue and tax exemptions. The Government of Burundi took measures to increase revenue and rationalize public expenditure. Key reforms included the adoption of new taxes (on mobile phone megabits, anti-pollution tax on imported used vehicles, and road fees) and removal of exemptions (sales made by companies). Measures to improve collection and enforcement included strengthened laws and information technology infrastructure, strengthened monitoring of exemptions and VAT reimbursements, and acceleration of the recovery of arrears. Non-tax measures included the shift of the management of proceeds from the sale of health insurance cards from the health centers to the Burundian Revenue Authority, a new annual flat-rate road charge, new or increased fees for issuance of exemption certificates, changes in tax declarations already processed, and reactivation of a customs agency that was deactivated due to an infringement.

The regional average score for this criterion for 2022 was 3.3, a decrease from the 2021 score of 3.4. This largely reflected the average decrease in the AFW subregion's average score from 3.4 in 2021 to 3.3 in 2022. AFE's average score remained unchanged at 3.2. The only country to register an increased score on this criterion was Burundi. The three countries that saw a decline on this criterion were The Gambia, Liberia, and Sudan.

QUALITY OF PUBLIC ADMINISTRATION

This criterion assesses the functioning of the core administration—defined as the civilian central government and subnational governments, excluding health and education personnel and police—in three areas: managing its own operations, ensuring quality in policy implementation and regulatory management, and coordinating the larger public sector human resources management regime outside the core administration.

Two major themes in the quality of public administration were represented in the changes in scores for the year. First, the quality of oversight of the central government to provide consistent services across regions and government functions contributed to both upgrades when it was implemented well and downgrades when it was missing. Second, proper oversight of human resources within the government was central for achieving effective use of resources and reducing absenteeism within the public services.

Benin's public administration capacity has markedly improved since 2018, with scores well above the regional averages. Monitoring of priority reforms at the center of government has led to steady improvements in public administration, including monitoring and evaluation capacity, adoption of information systems in central ministries, and decentralization of administrative services to provide more accountability at the local level. These have been supported by programs to reengineer government processes, and the digitalization of services, which was accelerated as part of the response to COVID-19 and further consolidated in 2022.

By contrast, the decrease in Mali's score reflects a slowdown of public sector management reforms as the country remained in a period of transition. There was an imbalance among the capacities of the state across different territories, which was exacerbated by fragility and

violence. For the stability of the country, it will be critical to ensure a positive state presence across the territory, particularly in regions affected by insecurity and conflict. In the meantime, local governance and service delivery remain incomplete. The decentralization framework could more clearly define roles, competencies, and local service delivery standards. Meanwhile, financial resources transferred from the central government to local governments, although increasing, are perceived to be inadequate by local populations. This contributes to poor delivery of basic public services at the local level and eroding confidence in the state. At the same time, local governments display limited capacity to plan and execute investment projects related to the transfers. Since June 2022 and the end of Economic Community of West African States sanctions, development activities have slowly rebounded. However, international partners have not yet resumed direct budget support to the government as key reforms are still suffering from low implementation.

Wage bill reforms were successful in 2022 in Benin and Côte d'Ivoire, providing useful case studies for other countries in the region. Côte d'Ivoire's strong integrated human resource management system (SIGFAE) led to savings of 42 billion CFA francs per year through reduction of ghost workers. All steps of personal management, including recruitment, evaluation, and promotion, are now handled electronically through SIGFAE. Biometric enrollment was integrated into SIGFAE in 2022 to strengthen the security and reliability of the database, eliminate the residual rate of absenteeism in the public services, and optimize resource management. In addition, a jobs and skills framework was adopted for the education sector as a dynamic tool to optimize workforce alignment with the skills needed for public administration.

Benin compares favorably with other countries in the region in terms of control of the wage bill and has made progress in the adoption of new processes and management systems for human resource management and workforce planning, which was reinforced in 2022. The government adopted a new general statute for civil servants and continued efforts to modernize and improve public administration performance. In 2021 and 2022, the Ministry of Civil Service implemented six initiatives to improve human resource management: (i) the creation of user relations services counters, (ii) the establishment of local service centers for civil servants, (iii) the digitization of pension processing, (iv) the digitization of the recruitment system, (v) the adoption of electronic document management, and (vi) the digitalization of personnel archives.

Finally, Uganda's upgrade reflects improvements in human resource management through implementation of the Human Capital Management System, which was rolled out to 60 sites within the government and linked to the integrated financial management and information system, national ID, and other systems.

The regional average score for this criterion increased to 2.9, while the average scores for AFW and AFE increased, respectively, to 2.8 and 3.0. This reflects the increased scores of three countries—Benin, Côte d'Ivoire, and Uganda—with Mali being the only country to register a decrease.

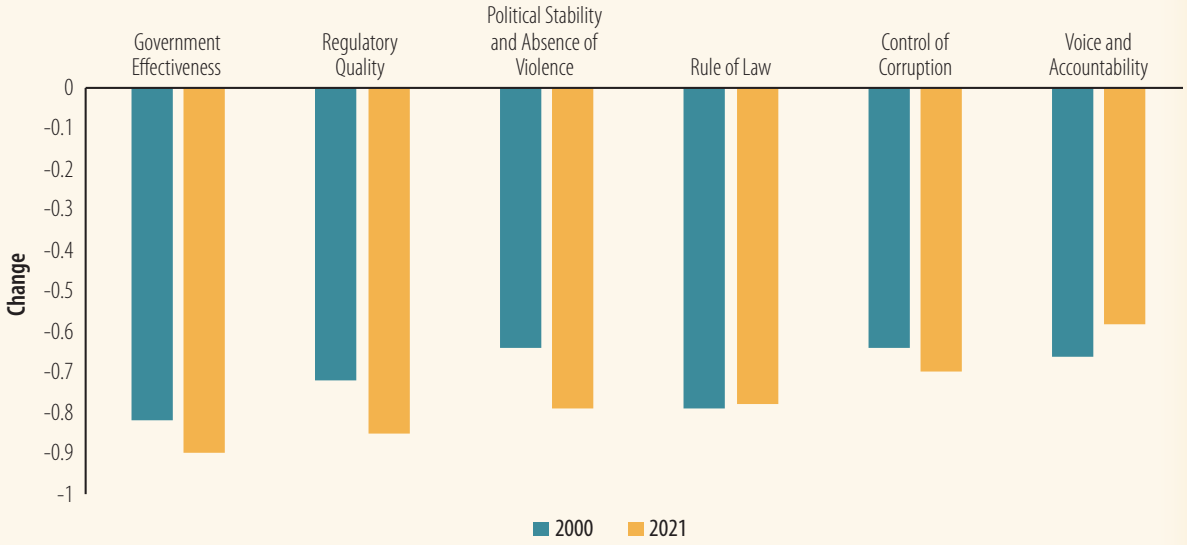
TRANSPARENCY, ACCOUNTABILITY, AND CORRUPTION IN THE PUBLIC SECTOR

This criterion assesses the extent to which the executive, legislators, and other high-level officials can be held accountable for their use of funds, administrative decisions, and the results obtained. The criterion covers the accountability of the executive and other top officials to effective oversight institutions, access of civil society to timely and reliable information on public spending and public policies, state capture by narrow vested interests, and integrity in the management of public resources.

Improvements in the transparency of government processes, accountability of the executive, and political independence of the media were the main themes that were highlighted in this criterion for the year. The continent's attention from international governance monitoring organizations can facilitate technical support and aid in reforms fostering transparency. However, significant challenges remain, as only some countries have seen improvements in the World Bank's Worldwide Governance Indicators, with the averages for IDA-eligible Sub-Saharan African countries declining in most areas (figure 3.22).

Long-term slippage of governance indicators is concerning.

FIGURE 3.22: Worldwide Governance Indicator Averages for IDA-Eligible Countries in Sub-Saharan Africa



Source: World Bank Worldwide Governance Indicators.
Note: IDA = International Development Association.

Government transparency and commitment to good governance remain key priorities for countries on the continent. Of the 12 priority countries partnering with the Natural Resource Governance Institute, seven are located in Sub-Saharan Africa. Similarly, 11 of the 39 countries covered by this report are national members of the Open Government Partnership program. In addition, the Government of the Republic of Congo adopted a roadmap for the country's membership in the Open Government Partnership program to improve its performance in terms of budget transparency. This includes the adoption in 2022 of a new decree on public procurement management units that sets a solid foundation for integrity in the management of public resources and independence of public procurement entities. While implementation is not systematic, the 2022 public expenditure and financial accountability score confirmed that

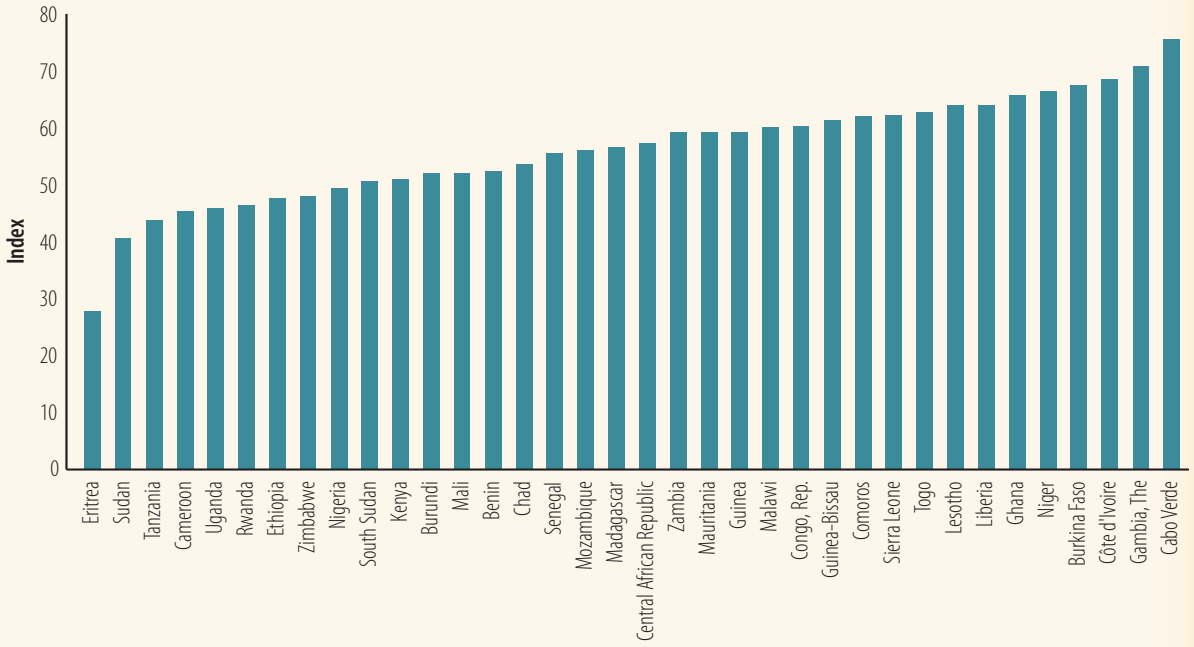
the framework for transparency in public access to budget information is clearly established. For instance, the Court of Accounts and Budgetary Discipline makes public all the reports it sends to the government and to the Parliament.

Although there has been little movement since 2000 in the regional average for the World Bank's Worldwide Governance Indicators, some countries have improved. Among the average scores for countries covered by this report, only "voice and accountability" and "rule of law" saw improvements between 2000 and 2021, and the improvement on "rule of law" was minimal. Nevertheless, The Gambia's upgraded score for this CPIA criterion reflects increased accountability of the executive as evidenced by year-on-year improvements in Worldwide Governance Indicator indexes measuring "voice and accountability," "rule of law," and "control of corruption." The government's commitment is reflected in several milestones in support of improved transparency and accountability, including the adoption of an Access to Information Law in 2021, which grants citizens the legal right to information held by the government and private entities on behalf of the public. The government has further committed to prioritize transparency and citizen engagement as a pillar of the 2022-2026 Country Partnership Framework and IDA Turn Around Allocation. Finally, improvement in integrity in the management of public resources is evidenced by the approval of the 2022 Gambia Public Procurement Authority Bill, the State-Owned Enterprise Bill 2022 in the National Assembly, as well as the implementation of a new pay and grading scheme for the civil service, which seeks to improve the distribution and equity of public salaries.

Finally, the scrutiny provided by civil society, including a free press, remains a key ingredient in government accountability (figure 3.23). The region has seen a steady decline in its median

The World Press Freedom Index declined from a high of 72.2 in 2013 to 57.2 in 2022, with nearly 40 percent of the countries classified as difficult places for journalists against 33 percent in 2022.

FIGURE 3.23: World Press Freedom Index for IDA-Eligible Countries in Sub-Saharan Africa, 2022



Source: Reporters Without Borders.
Note: IDA = International Development Association.

World Press Freedom Index value, from a high of 72.2 in 2013 to 57.2 in 2022, with nearly 40 percent of countries now classified as "difficult." This has led Reporters Without Borders, the agency responsible for the index, to label Africa "a high-risk continent for journalists."

The regional average score for this criterion was unchanged at 2.7 in 2022, with the average score for AFE remaining at 2.5 and the average for AFW increasing slightly to 3.0. Three countries were upgraded in 2022—Burundi, The Gambia, and the Republic of Congo.

COUNTRY TABLES

EASTERN AND SOUTHERN AFRICA

Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.0	▲ 0.1	3.7	2.5
Below IDA Avg.	Increase	(Policies for Social Inclusion and Equity)	(Public Sector Management and Institutions)

Population (millions)	12.9
GDP (current US$, billions)	3.1
GDP per capita (current US$)	238.4
International poverty rate (US$2.15) (% of population)	72.1
Human Capital Index (2020)	0.39

Country Policy and Institutional Assessment 2022

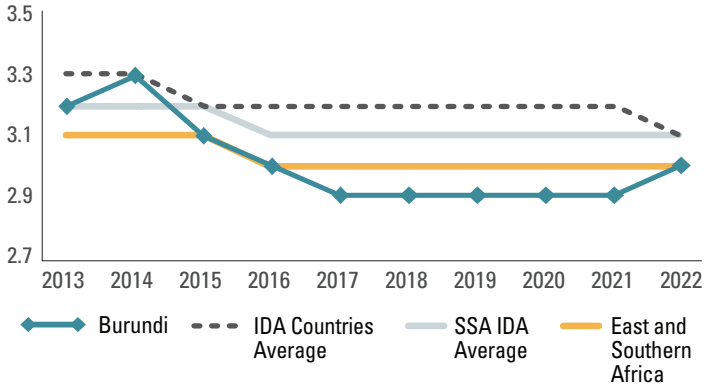
Indicator	Burundi	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**2.7**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	2.5	2.8	3.4	3.4
Fiscal Policy	3.0	2.8	3.0	3.0
Debt Policy and Management	2.5	2.9	3.1	3.1
Structural Policies	**3.2**	**3.5**	**3.2**	**3.2**
Trade	4.0	2.7	3.7	3.7
Financial Sector	2.5	3.0	2.7	2.8
Business Regulatory Environment	3.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**3.7**	**3.2**	**3.3**	**3.3**
Gender Equality	4.0	3.3	3.3	3.3
Equity of Public Resource Use	3.5	3.5	3.5	3.4
Building Human Resources	4.0	2.9	3.6	3.6
Social Protection and Labor	3.0	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	4.0	3.2	3.3	3.2
Public Sector Management and Institutions	**2.5**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.0	2.7	2.7	2.8
Quality of Budgetary and Financial Management	2.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.5	2.8	3.3	3.2
Quality of Public Administration	2.5	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.0	2.7	2.7	2.9
Overall CPIA Score	**3.0**	**3.0**	**3.1**	**3.1**

Highlights

- Significant progress on environmental policy included increased community participation in decision-making, projects for solar energy, and climate change mitigation plans.
- Performance was strong in social inclusion and equity, particularly in gender equality and building human resources.
- Despite measures to increase revenue and rationalize public expenditure, tax revenues have declined as a percentage of gross domestic product.
- Policy actions are needed to strengthen the legal system, enforce contracts, enhance transparency, and limit the political influence of vested groups.

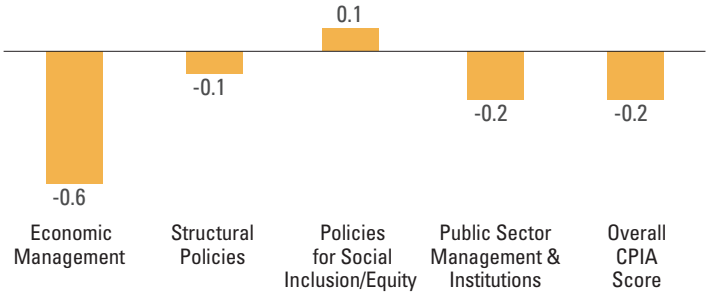
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



Definitions:

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- **West and Central Africa**: 20 SSA IDA countries with CPIA scores in 2022
- **East and Southern Africa**:19 SSA IDA countries with CPIA scores in 2022

Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
2.6	▼ 0.1	2.9	2.1
Below IDA Avg.	Decrease	(Policies for Social Inclusion and Equity)	(Public Sector Management and Institutions)

Population (millions)	0.8
GDP (current US$, billions)	1.2
GDP per capita (current US$)	1,484.9
International poverty rate (US$2.15) (% of population)	18.6
Human Capital Index (2020)	0.40

Country Policy and Institutional Assessment 2022

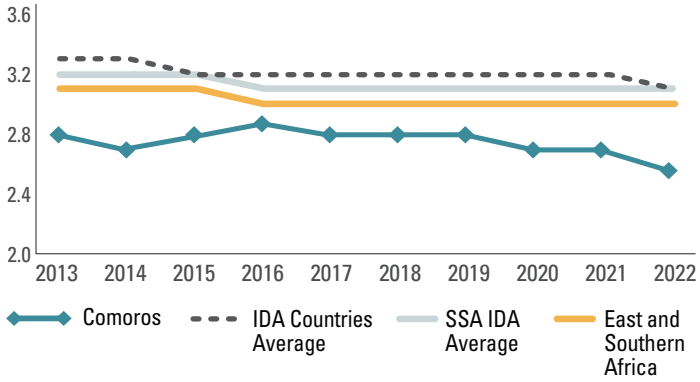
Indicator	Comoros	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**2.7**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.0	2.8	3.4	3.4
Fiscal Policy	2.5	2.8	3.0	3.0
Debt Policy and Management	2.5	2.9	3.1	3.1
Structural Policies	**2.8**	**3.5**	**3.2**	**3.2**
Trade	3.5	2.7	3.7	3.7
Financial Sector	2.0	3.0	2.7	2.8
Business Regulatory Environment	3.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**2.9**	**3.2**	**3.3**	**3.3**
Gender Equality	3.0	3.3	3.3	3.3
Equity of Public Resource Use	3.0	3.5	3.5	3.4
Building Human Resources	3.0	2.9	3.6	3.6
Social Protection and Labor	2.5	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.0	3.2	3.3	3.2
Public Sector Management and Institutions	**2.1**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.5	2.7	2.7	2.8
Quality of Budgetary and Financial Management	2.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	2.0	2.8	3.3	3.2
Quality of Public Administration	2.0	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.0	2.7	2.7	2.9
Overall CPIA Score	**2.6**	**3.0**	**3.1**	**3.1**

Highlights

- Fiscal policy weaknesses persist due to low government revenues. Rising prices and the underperformance of state-owned enterprises have contributed to decreased indirect and direct taxes.
- Trade sector performance is strong, with measures introduced to accelerate import clearance for food and medical products during the pandemic.
- Property rights protection and contract enforcement need to be improved by addressing costly land registration processes.
- Governance remains the weakest area, requiring attention to the budgetary and financial management systems and transparency and accountability mechanisms.

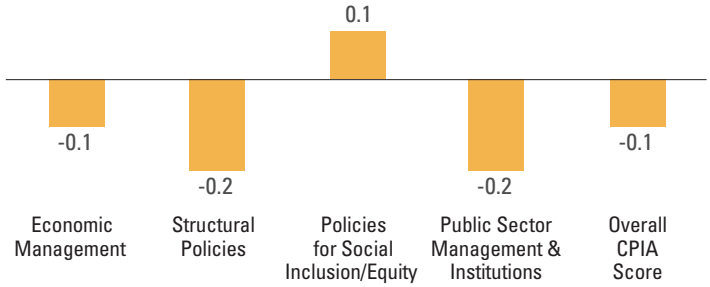
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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- **East and Southern Africa**:19 SSA IDA countries with CPIA scores in 2022

Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.1	▲ 0.1	3.8	2.5
At the IDA Avg.	Increase	(Economic Management)	(Public Sector Management and Institutions)

Population (millions)	99.0
GDP (current US$, billions)	58.1
GDP per capita (current US$)	586.5
International poverty rate (US$2.15) (% of population)	69.7
Human Capital Index (2020)	0.37

Country Policy and Institutional Assessment 2022

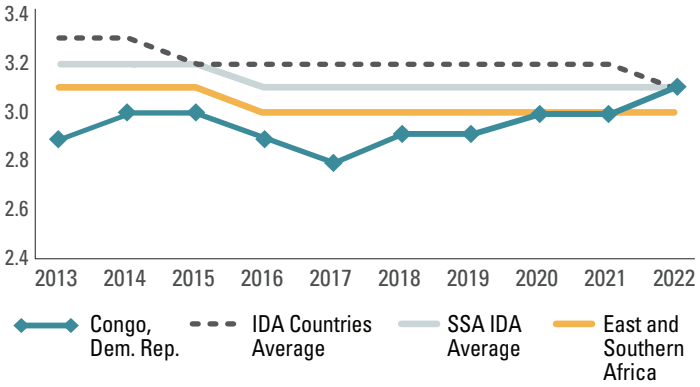
Indicator	Congo, Dem. Rep.	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.8**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	2.8	3.4	3.4
Fiscal Policy	3.5	2.8	3.0	3.0
Debt Policy and Management	4.0	2.9	3.1	3.1
Structural Policies	**3.0**	**3.5**	**3.2**	**3.2**
Trade	3.5	2.7	3.7	3.7
Financial Sector	2.5	3.0	2.7	2.8
Business Regulatory Environment	3.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**3.2**	**3.2**	**3.3**	**3.3**
Gender Equality	3.0	3.3	3.3	3.3
Equity of Public Resource Use	3.5	3.5	3.5	3.4
Building Human Resources	3.5	2.9	3.6	3.6
Social Protection and Labor	2.5	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.2	3.3	3.2
Public Sector Management and Institutions	**2.5**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.0	2.7	2.7	2.8
Quality of Budgetary and Financial Management	2.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.0	2.8	3.3	3.2
Quality of Public Administration	3.0	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.0	2.7	2.7	2.9
Overall CPIA Score	**3.1**	**3.0**	**3.1**	**3.1**

Highlights

- The overall performance improved with improvements in macroeconomic management and revenue mobilization.
- Despite external pressures from rising food and fuel prices, inflation was contained by prudent fiscal policy and stabilizing the exchange rate.
- The country maintains low external debt with a moderate risk of distress. Vulnerabilities from volatile mining exports, debt guarantees, and contingent liabilities are well-managed.
- Concerted efforts are needed to strengthen governance, particularly regarding property rights, contract enforcement, and accountability in the public sector.

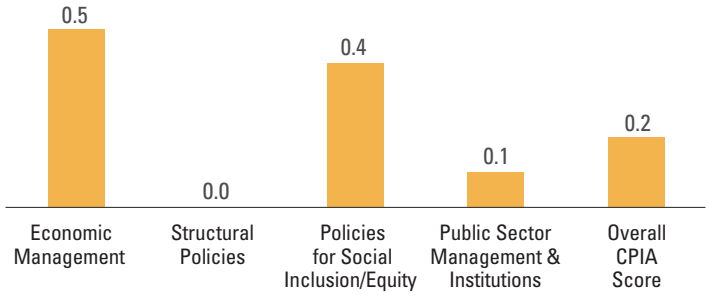
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
1.8	▼ 0.1	2.6	1.2
Below IDA Avg.	Decrease	(Policies for Social Inclusion and Equity)	(Structural Policies)

Population (millions)	3.7
GDP (current US$, billions)	NA
GDP per capita (current US$)	NA
International poverty rate (US$2.15) (% of population)	NA
Human Capital Index (2020)	NA

Country Policy and Institutional Assessment 2022

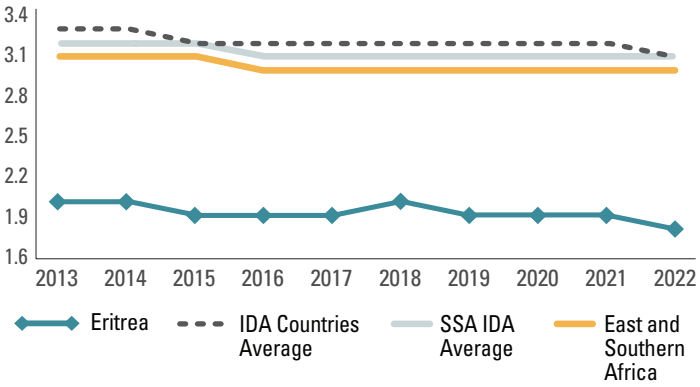
Indicator	Eritrea	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**1.5**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	1.5	2.8	3.4	3.4
Fiscal Policy	1.5	2.8	3.0	3.0
Debt Policy and Management	1.5	2.9	3.1	3.1
Structural Policies	**1.2**	**3.5**	**3.2**	**3.2**
Trade	1.5	2.7	3.7	3.7
Financial Sector	1.0	3.0	2.7	2.8
Business Regulatory Environment	1.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**2.6**	**3.2**	**3.3**	**3.3**
Gender Equality	3.0	3.3	3.3	3.3
Equity of Public Resource Use	2.5	3.5	3.5	3.4
Building Human Resources	3.5	2.9	3.6	3.6
Social Protection and Labor	2.0	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	2.0	3.2	3.3	3.2
Public Sector Management and Institutions	**2.1**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	1.5	2.7	2.7	2.8
Quality of Budgetary and Financial Management	1.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	2.5	2.8	3.3	3.2
Quality of Public Administration	2.5	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.5	2.7	2.7	2.9
Overall CPIA Score	**1.8**	**3.0**	**3.1**	**3.1**

Highlights

- The country requires broad support to improve its policies and institutional framework.
- Bright spots include policies for social inclusion and relatively good performance in building human resources in the critical social sectors.
- Weak property rights and legal frameworks hamper the registration of land.
- Immediate policy actions are needed to improve macroeconomic and debt management, strengthen the financial sector, and enhance governance.
- A crucial goal is to improve public sector management and enhance the transparency and accountability of this sector.

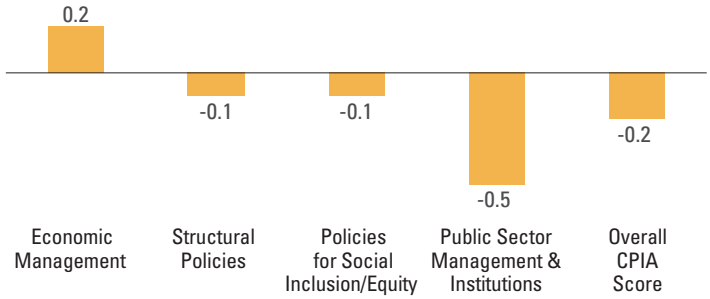
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.3	▼ 0.1	3.5	3.0
Above IDA Avg.	Decrease	(Policies for Social Inclusion and Equity)	(Economic Management)

Population (millions)	123.4
GDP (current US$, billions)	126.8
GDP per capita (current US$)	1,027.6
International poverty rate (US$2.15) (% of population)	27.0
Human Capital Index (2020)	0.38

Country Policy and Institutional Assessment 2022

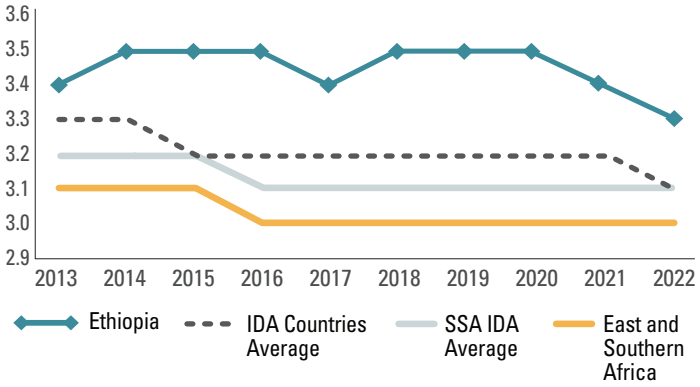
Indicator	Ethiopia	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.0**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	2.5	2.8	3.4	3.4
Fiscal Policy	3.5	2.8	3.0	3.0
Debt Policy and Management	3.0	2.9	3.1	3.1
Structural Policies	**3.3**	**3.5**	**3.2**	**3.2**
Trade	3.5	2.7	3.7	3.7
Financial Sector	3.0	3.0	2.7	2.8
Business Regulatory Environment	3.5	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**3.5**	**3.2**	**3.3**	**3.3**
Gender Equality	3.0	3.3	3.3	3.3
Equity of Public Resource Use	3.5	3.5	3.5	3.4
Building Human Resources	4.0	2.9	3.6	3.6
Social Protection and Labor	3.5	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.2	3.3	3.2
Public Sector Management and Institutions	**3.4**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.5	2.7	2.7	2.8
Quality of Budgetary and Financial Management	4.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.5	2.8	3.3	3.2
Quality of Public Administration	4.0	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.0	2.7	2.7	2.9
Overall CPIA Score	**3.3**	**3.0**	**3.1**	**3.1**

Highlights

- Macroeconomic management weakened. Inconsistent monetary and exchange rate policies failed to achieve price and external stability.
- Monetary financing of the budget has increased, financial repression continued, and the requirements for foreign exchange surrender were expanded.
- The risk of external debt distress remains high. However, the management of domestic debt of state-owned enterprises is improving.
- Policies and legal frameworks for environmental management were enhanced, including actions to address air and water pollution and promote renewable energy and cleaner technologies.

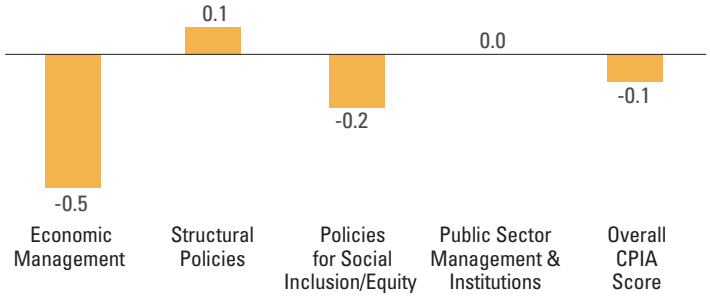
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.8	—	4.2	3.5
Above IDA Avg.	No change	(Economic Management)	(Public Sector Management and Institutions)

Population (millions)	54.0
GDP (current US$, billions)	113.4
GDP per capita (current US$)	2,099.3
International poverty rate (US$2.15) (% of population)	29.4
Human Capital Index (2020)	0.55

Country Policy and Institutional Assessment 2022

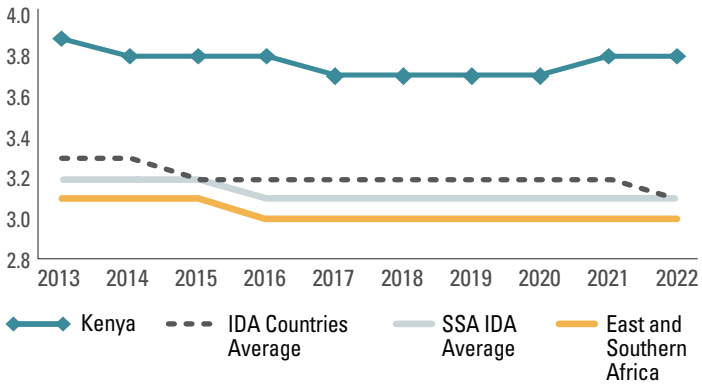
Indicator	Kenya	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**4.2**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.5	2.8	3.4	3.4
Fiscal Policy	4.0	2.8	3.0	3.0
Debt Policy and Management	4.0	2.9	3.1	3.1
Structural Policies	**3.7**	**3.5**	**3.2**	**3.2**
Trade	4.0	2.7	3.7	3.7
Financial Sector	3.0	3.0	2.7	2.8
Business Regulatory Environment	4.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**3.8**	**3.2**	**3.3**	**3.3**
Gender Equality	3.5	3.3	3.3	3.3
Equity of Public Resource Use	4.0	3.5	3.5	3.4
Building Human Resources	4.0	2.9	3.6	3.6
Social Protection and Labor	3.5	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	4.0	3.2	3.3	3.2
Public Sector Management and Institutions	**3.5**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.5	2.7	2.7	2.8
Quality of Budgetary and Financial Management	3.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	4.0	2.8	3.3	3.2
Quality of Public Administration	3.5	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.5	2.7	2.7	2.9
Overall CPIA Score	**3.8**	**3.0**	**3.1**	**3.1**

Highlights

- Strong economic management continued, including a tight monetary policy to contain inflation and an improved current account partly because of resilient remittances.
- Trade promotion actions have been implemented, including better customs clearance processes, reduced trade costs, and enhanced trade and port efficiency.
- Challenges in the governance area remain, particularly in rule-based governance and corruption control. Concerted efforts are needed to enhance transparency and accountability in public financial management and better access to information for effective participation and oversight by civil society organizations.

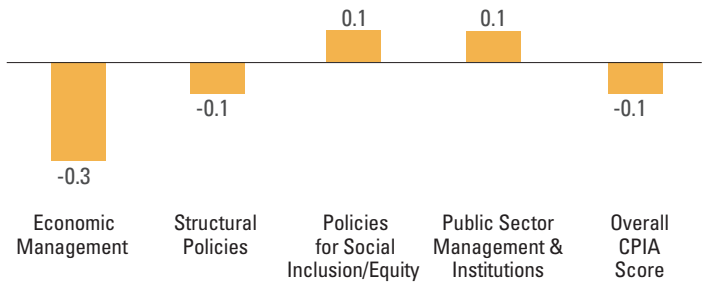
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing clusters	Lowest performing cluster
3.3	—	3.5	3.0
Above IDA Avg.	No change	(Structural Policies and Policies for Social Inclusion and Equity)	(Public Sector Management and Institutions)

Population (millions)	2.3
GDP (current US$, billions)	2.6
GDP per capita (current US$)	1,107.4
International poverty rate (US$2.15) (% of population)	32.4
Human Capital Index (2020)	0.40

Country Policy and Institutional Assessment 2022

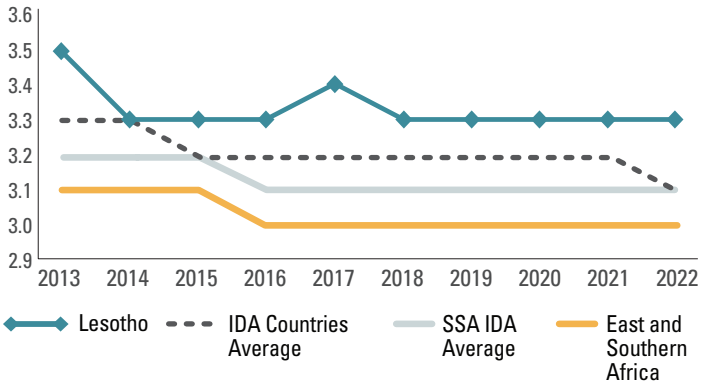
Indicator	Lesotho	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.2**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.5	2.8	3.4	3.4
Fiscal Policy	2.5	2.8	3.0	3.0
Debt Policy and Management	3.5	2.9	3.1	3.1
Structural Policies	**3.5**	**3.5**	**3.2**	**3.2**
Trade	4.0	2.7	3.7	3.7
Financial Sector	3.0	3.0	2.7	2.8
Business Regulatory Environment	3.5	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**3.5**	**3.2**	**3.3**	**3.3**
Gender Equality	4.0	3.3	3.3	3.3
Equity of Public Resource Use	3.0	3.5	3.5	3.4
Building Human Resources	3.5	2.9	3.6	3.6
Social Protection and Labor	3.5	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.2	3.3	3.2
Public Sector Management and Institutions	**3.0**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.0	2.7	2.7	2.8
Quality of Budgetary and Financial Management	2.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	4.0	2.8	3.3	3.2
Quality of Public Administration	2.5	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.0	2.7	2.7	2.9
Overall CPIA Score	**3.3**	**3.0**	**3.1**	**3.1**

Highlights

- Trade policies were strengthened, including participation in the African Continental Free Trade Area and instituting relatively open regimes for services trade and foreign investment.
- Strong efforts were made to promote gender equality and women's empowerment by introducing policies and programs to reduce gender-based violence and increase women's access to economic opportunities.
- Revenue mobilization improved with better revenue administration and expanding the tax base. Policy actions included taxpayer registration, electronic filing, and risk-based audits.
- Actions are needed to strengthen the efficiency of public spending and enhance the financial sector's stability.

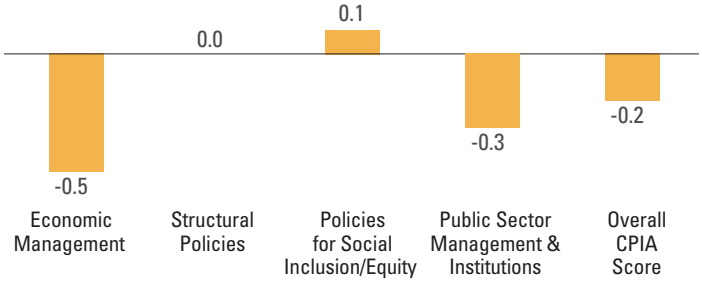
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.3	—	3.7	2.7
Above IDA Avg.	No change	(Economic Management)	(Public Sector Management and Institutions)

Population (millions)	29.6
GDP (current US$, billions)	15.0
GDP per capita (current US$)	505.0
International poverty rate (US$2.15) (% of population)	80.7
Human Capital Index (2020)	0.39

Country Policy and Institutional Assessment 2022

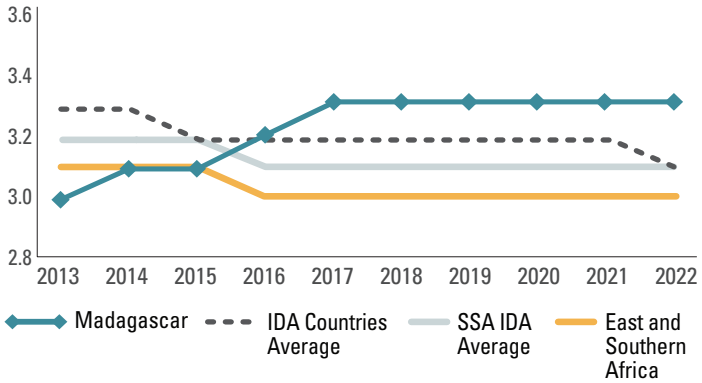
Indicator	Madagascar	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.7**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	2.8	3.4	3.4
Fiscal Policy	3.0	2.8	3.0	3.0
Debt Policy and Management	4.0	2.9	3.1	3.1
Structural Policies	**3.3**	**3.5**	**3.2**	**3.2**
Trade	4.0	2.7	3.7	3.7
Financial Sector	3.0	3.0	2.7	2.8
Business Regulatory Environment	3.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**3.3**	**3.2**	**3.3**	**3.3**
Gender Equality	4.0	3.3	3.3	3.3
Equity of Public Resource Use	3.0	3.5	3.5	3.4
Building Human Resources	3.5	2.9	3.6	3.6
Social Protection and Labor	3.0	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.0	3.2	3.3	3.2
Public Sector Management and Institutions	**2.7**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.5	2.7	2.7	2.8
Quality of Budgetary and Financial Management	2.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.5	2.8	3.3	3.2
Quality of Public Administration	2.5	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.5	2.7	2.7	2.9
Overall CPIA Score	**3.3**	**3.0**	**3.1**	**3.1**

Highlights

- Sound macroeconomic management has been realized due to a rebound in gross domestic product growth, fiscal consolidation, and increased domestic resource mobilization.
- However, the public wage bill absorbs over half of government revenue, narrowing the fiscal space for investment.
- Debt sustainability improved, supported by enhanced debt management and prudent borrowing practices.
- Strengthening public sector governance remains urgent. Immediate actions could include enhancing the legal system, enforcing property rights, and improving accountability in public sector institutions. In addition, land grabbing is increasingly a critical impediment to achieving inclusive and sustainable growth.

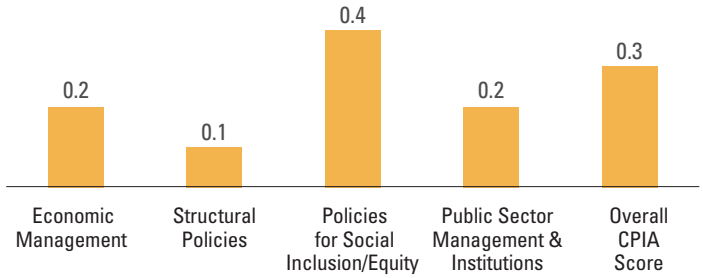
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.0	▼ 0.1	3.6	2.2
Below IDA Avg.	Decrease	(Policies for Social Inclusion and Equity)	(Economic Management)

Population (millions)	20.4
GDP (current US$, billions)	13.2
GDP per capita (current US$)	645.2
International poverty rate (US$2.15) (% of population)	70.1
Human Capital Index (2020)	0.41

Country Policy and Institutional Assessment 2022

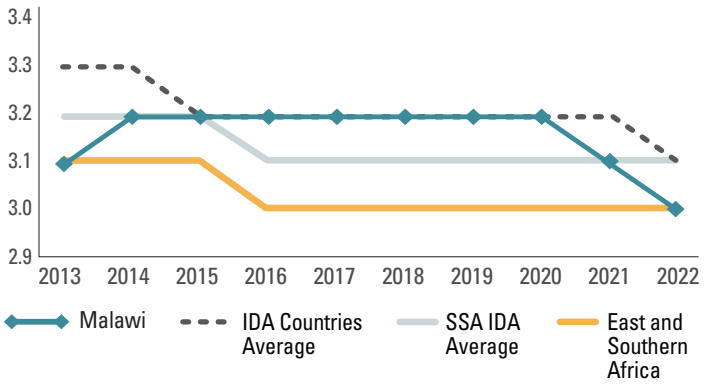
Indicator	Malawi	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**2.2**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.0	2.8	3.4	3.4
Fiscal Policy	1.5	2.8	3.0	3.0
Debt Policy and Management	2.0	2.9	3.1	3.1
Structural Policies	**3.3**	**3.5**	**3.2**	**3.2**
Trade	3.5	2.7	3.7	3.7
Financial Sector	3.5	3.0	2.7	2.8
Business Regulatory Environment	3.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**3.6**	**3.2**	**3.3**	**3.3**
Gender Equality	3.5	3.3	3.3	3.3
Equity of Public Resource Use	4.0	3.5	3.5	3.4
Building Human Resources	3.5	2.9	3.6	3.6
Social Protection and Labor	3.5	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.2	3.3	3.2
Public Sector Management and Institutions	**2.9**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.0	2.7	2.7	2.8
Quality of Budgetary and Financial Management	2.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.5	2.8	3.3	3.2
Quality of Public Administration	2.5	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.0	2.7	2.7	2.9
Overall CPIA Score	**3.0**	**3.0**	**3.1**	**3.1**

Highlights

- Policies for social inclusion and equity are a strength, with a relatively high score for equity of public resource use.
- Macroeconomic management weakened, with challenges in fiscal policy, debt management, and quality of public financial management. Public debt increased rapidly, driven by rising fiscal and external deficits.
- Public financial management is rated low, indicating issues with managing arrears and continued corruption. Moreover, progress in procurement and audit systems was limited.

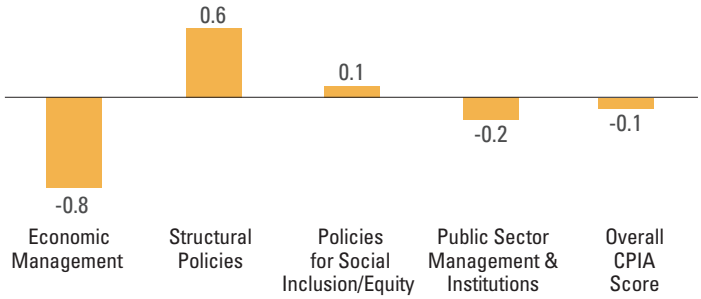
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.2	▲ 0.1	3.3	3.0
Above IDA Avg.	Increase	(Policies for Social Inclusion and Equity)	(Public Sector Management and Institutions)

Population (millions)	33.0
GDP (current US$, billions)	17.9
GDP per capita (current US$)	541.5
International poverty rate (US$2.15) (% of population)	64.6
Human Capital Index (2020)	0.36

Country Policy and Institutional Assessment 2022

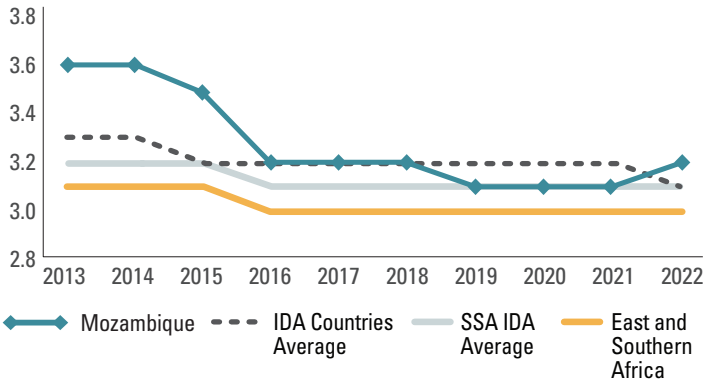
Indicator	Mozambique	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.2**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.5	2.8	3.4	3.4
Fiscal Policy	3.0	2.8	3.0	3.0
Debt Policy and Management	3.0	2.9	3.1	3.1
Structural Policies	**3.2**	**3.5**	**3.2**	**3.2**
Trade	4.0	2.7	3.7	3.7
Financial Sector	2.5	3.0	2.7	2.8
Business Regulatory Environment	3.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**3.3**	**3.2**	**3.3**	**3.3**
Gender Equality	3.5	3.3	3.3	3.3
Equity of Public Resource Use	3.0	3.5	3.5	3.4
Building Human Resources	3.5	2.9	3.6	3.6
Social Protection and Labor	3.0	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.2	3.3	3.2
Public Sector Management and Institutions	**3.0**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.5	2.7	2.7	2.8
Quality of Budgetary and Financial Management	3.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	4.0	2.8	3.3	3.2
Quality of Public Administration	3.0	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.0	2.7	2.7	2.9
Overall CPIA Score	**3.2**	**3.0**	**3.1**	**3.1**

Highlights

- The increased score reflects improved debt policy and management due to reforms to enhance the regulatory framework, strengthen management in state-owned enterprises, and improve fiscal risk management.
- Progress was made on social inclusion and equity through better gender equality and building human resources in health and education.
- Efforts are needed for financial sector development, ensuring financial stability and continued adherence to international accounting practices.
- Efforts to enhance governance, particularly in property rights and rule-based governance, and address transparency and accountability concerns are essential for improving overall performance.

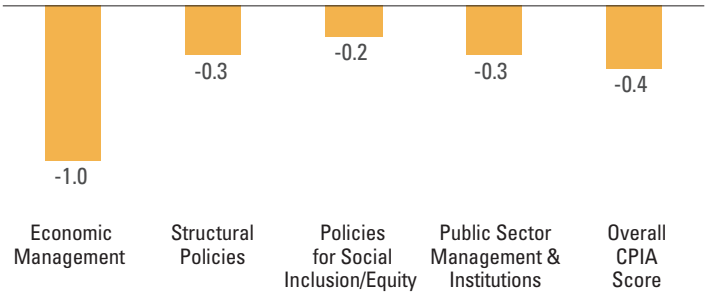
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
4.1	—	4.3	3.8
Above IDA Avg.	No change	(Policies for Social Inclusion and Equity)	(Public Sector Management and Institutions)

Population (millions)	13.8
GDP (current US$, billions)	13.3
GDP per capita (current US$)	966.3
International poverty rate (US$2.15) (% of population)	52.0
Human Capital Index (2020)	0.38

Country Policy and Institutional Assessment 2022

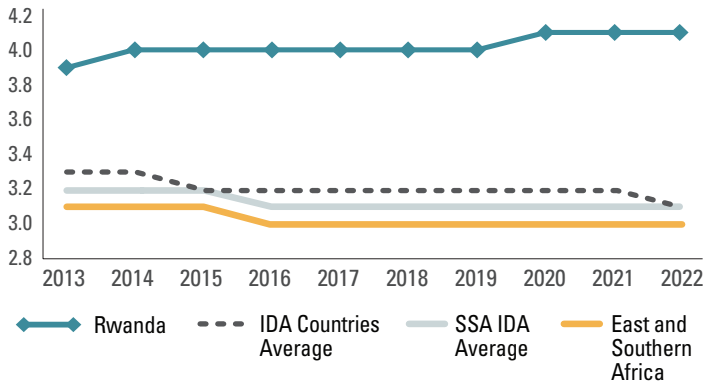
Indicator	Rwanda	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**4.0**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	2.8	3.4	3.4
Fiscal Policy	4.0	2.8	3.0	3.0
Debt Policy and Management	4.0	2.9	3.1	3.1
Structural Policies	**4.2**	**3.5**	**3.2**	**3.2**
Trade	4.5	2.7	3.7	3.7
Financial Sector	3.5	3.0	2.7	2.8
Business Regulatory Environment	4.5	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**4.3**	**3.2**	**3.3**	**3.3**
Gender Equality	4.5	3.3	3.3	3.3
Equity of Public Resource Use	4.0	3.5	3.5	3.4
Building Human Resources	4.5	2.9	3.6	3.6
Social Protection and Labor	4.0	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	4.5	3.2	3.3	3.2
Public Sector Management and Institutions	**3.8**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.5	2.7	2.7	2.8
Quality of Budgetary and Financial Management	4.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	4.0	2.8	3.3	3.2
Quality of Public Administration	4.0	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.5	2.7	2.7	2.9
Overall CPIA Score	**4.1**	**3.0**	**3.1**	**3.1**

Highlights

- The overall score remained at the highest level any country in the region achieved.
- The economy demonstrated resilience and contained inflation owing to the government's commitment to maintaining price stability.
- Fiscal measures were implemented to address rising energy and food prices, including subsidies and expanded social protection programs. Debt management is robust, and a well-established debt recording and monitoring system exists.
- Weak areas are related to governance. Issues concerning property rights, rule-based governance, transparency, accountability, and corruption should be addressed.

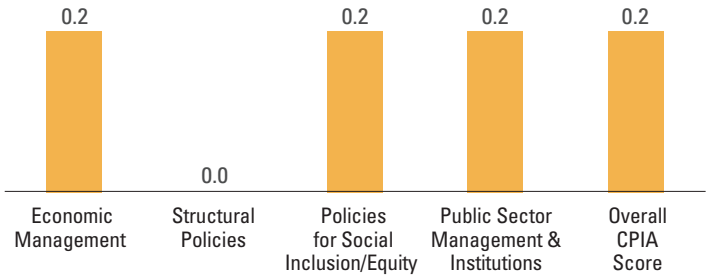
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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SÃO TOMÉ AND PRÍNCIPE

Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
2.9	▼ 0.1	3.2	2.5
Below IDA Avg.	Decrease	(Policies for Social Inclusion and Equity)	(Economic Management)

Population (millions)	0.2
GDP (current US$, billions)	0.55
GDP per capita (current US$)	2,404.3
International poverty rate (US$2.15) (% of population)	15.6
Human Capital Index (2020)	NA

Country Policy and Institutional Assessment 2022

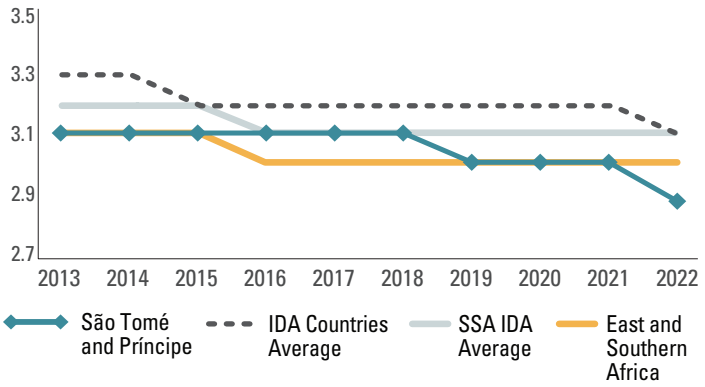
Indicator	São Tomé and Príncipe	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**2.5**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	2.5	2.8	3.4	3.4
Fiscal Policy	2.5	2.8	3.0	3.0
Debt Policy and Management	2.5	2.9	3.1	3.1
Structural Policies	**3.0**	**3.5**	**3.2**	**3.2**
Trade	3.5	2.7	3.7	3.7
Financial Sector	2.5	3.0	2.7	2.8
Business Regulatory Environment	3.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**3.2**	**3.2**	**3.3**	**3.3**
Gender Equality	3.5	3.3	3.3	3.3
Equity of Public Resource Use	3.0	3.5	3.5	3.4
Building Human Resources	3.5	2.9	3.6	3.6
Social Protection and Labor	2.5	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.2	3.3	3.2
Public Sector Management and Institutions	**3.0**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.0	2.7	2.7	2.8
Quality of Budgetary and Financial Management	2.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.0	2.8	3.3	3.2
Quality of Public Administration	3.0	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.5	2.7	2.7	2.9
Overall CPIA Score	**2.9**	**3.0**	**3.1**	**3.1**

Highlights

- Macroeconomic management weakened due to challenges in the monetary policy framework and growing external imbalances causing depletion of reserves.
- There was strong performance in the social inclusion and equity cluster, particularly in building human resources. Measures were taken toward gender equality in education, and a law was enacted for gender representation in decision-making positions.
- Concerted efforts are needed to address high fiscal imbalances, improve domestic revenue mobilization, and strengthen financial sector regulations and the judicial system.

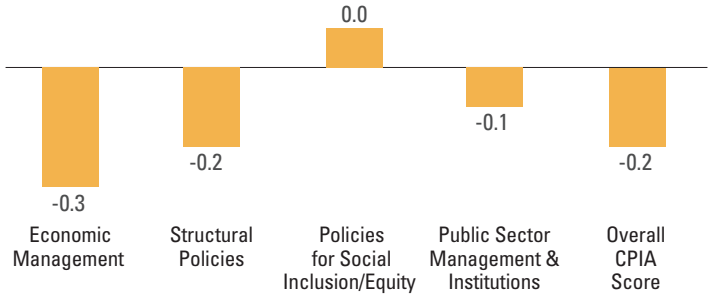
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
2.1	—	2.4	1.9
Below IDA Avg.	No change	(Policies for Social Inclusion and Equity)	(Public Sector Management and Institutions)

Population (millions)	17.6
GDP (current US$, billions)	8.1
GDP per capita (current US$)	461.8
International poverty rate (US$2.15) (% of population)	—
Human Capital Index (2020)	NA

Country Policy and Institutional Assessment 2022

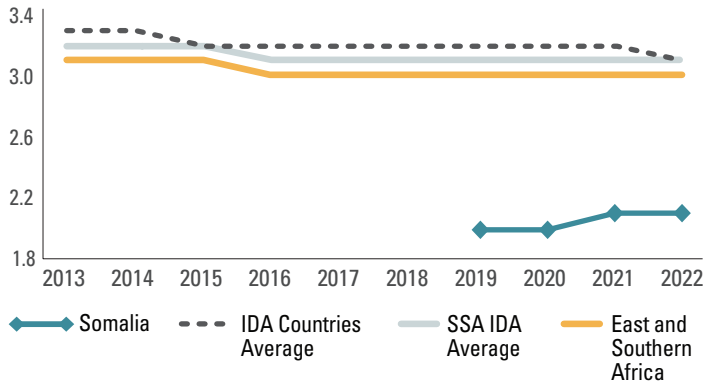
Indicator	Somalia	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**2.0**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	2.0	2.8	3.4	3.4
Fiscal Policy	2.5	2.8	3.0	3.0
Debt Policy and Management	1.5	2.9	3.1	3.1
Structural Policies	**2.2**	**3.5**	**3.2**	**3.2**
Trade	2.5	2.7	3.7	3.7
Financial Sector	2.0	3.0	2.7	2.8
Business Regulatory Environment	2.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**2.4**	**3.2**	**3.3**	**3.3**
Gender Equality	2.0	3.3	3.3	3.3
Equity of Public Resource Use	3.0	3.5	3.5	3.4
Building Human Resources	2.5	2.9	3.6	3.6
Social Protection and Labor	2.5	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	2.0	3.2	3.3	3.2
Public Sector Management and Institutions	**1.9**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	1.0	2.7	2.7	2.8
Quality of Budgetary and Financial Management	2.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	2.5	2.8	3.3	3.2
Quality of Public Administration	2.0	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	1.5	2.7	2.7	2.9
Overall CPIA Score	**2.1**	**3.0**	**3.1**	**3.1**

Highlights

- The economy is resilient, with private consumption driving growth, but the outlook is subject to reaching the Heavily Indebted Poor Countries completion point. However, inflationary pressures are present.
- Weaknesses include limited progress in judicial reform, low trust in the formal court system, corruption, weak executive accountability, and lack of competition hindering business operations.
- Efforts are being made to promote accountability and integrity in the public sector, but overall institutional quality is weak.

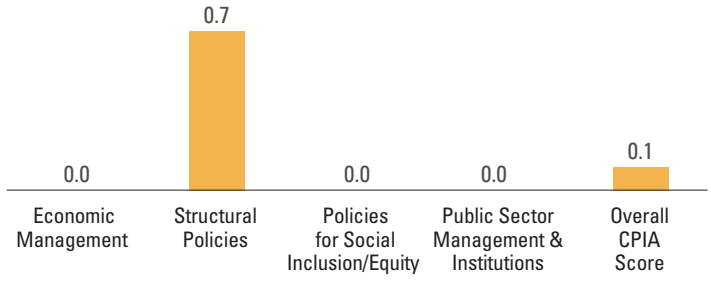
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2019 TO 2022



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Note: 2019 was the first year Somalia was included in the CPIA assessment and its ratings made public.

Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
1.6	—	2.0	1.4
Below IDA Avg.	No change	(Structural Policies)	(Public Sector Management and Institutions)

Population (millions)	10.9
GDP (current US$, billions)	NA
GDP per capita (current US$)	NA
International poverty rate (US$2.15) (% of population)	67.3
Human Capital Index (2020)	0.31

Country Policy and Institutional Assessment 2022

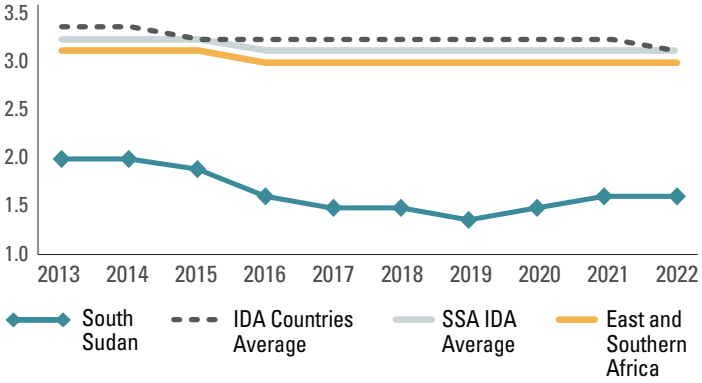
Indicator	South Sudan	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**1.5**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	2.0	2.8	3.4	3.4
Fiscal Policy	1.0	2.8	3.0	3.0
Debt Policy and Management	1.5	2.9	3.1	3.1
Structural Policies	**2.0**	**3.5**	**3.2**	**3.2**
Trade	2.5	2.7	3.7	3.7
Financial Sector	2.0	3.0	2.7	2.8
Business Regulatory Environment	1.5	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**1.6**	**3.2**	**3.3**	**3.3**
Gender Equality	1.5	3.3	3.3	3.3
Equity of Public Resource Use	2.0	3.5	3.5	3.4
Building Human Resources	2.5	2.9	3.6	3.6
Social Protection and Labor	1.0	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	1.0	3.2	3.3	3.2
Public Sector Management and Institutions	**1.4**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	1.5	2.7	2.7	2.8
Quality of Budgetary and Financial Management	1.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	2.0	2.8	3.3	3.2
Quality of Public Administration	1.0	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	1.5	2.7	2.7	2.9
Overall CPIA Score	**1.6**	**3.0**	**3.1**	**3.1**

Highlights

- The overall score remained one of the lowest scores among all IDA countries.
- Positive developments in the education sector include a new strategy, better data collection, standardizing learning assessments, and increased budget allocation to education.
- Broad-based weaknesses include weak economic and debt management, underdeveloped financial sector institutions, gender inequality, limited social protection programs, weak rule-based governance, and lack of transparency.

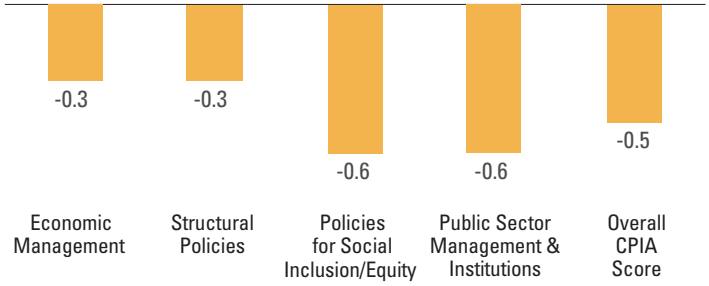
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing clusters	Lowest performing cluster
2.2	▼ 0.1	2.5	1.8
Below IDA Avg.	Decrease	(Structural Policies and Policies for Social Inclusion and Equity)	(Public Sector Management and Institutions)

Population (millions)	46.9
GDP (current US$, billions)	51.7
GDP per capita (current US$)	1,102.1
International poverty rate (US$2.15) (% of population)	15.3
Human Capital Index (2020)	0.38

Country Policy and Institutional Assessment 2022

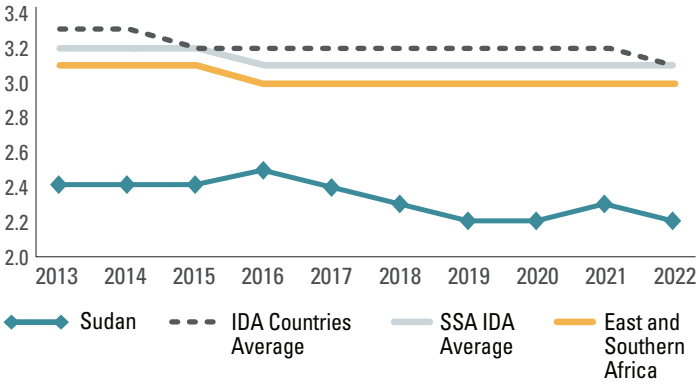
Indicator	Sudan	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**2.0**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	2.0	2.8	3.4	3.4
Fiscal Policy	2.5	2.8	3.0	3.0
Debt Policy and Management	1.5	2.9	3.1	3.1
Structural Policies	**2.5**	**3.5**	**3.2**	**3.2**
Trade	2.5	2.7	3.7	3.7
Financial Sector	2.5	3.0	2.7	2.8
Business Regulatory Environment	2.5	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**2.5**	**3.2**	**3.3**	**3.3**
Gender Equality	2.5	3.3	3.3	3.3
Equity of Public Resource Use	2.5	3.5	3.5	3.4
Building Human Resources	3.0	2.9	3.6	3.6
Social Protection and Labor	2.5	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	2.0	3.2	3.3	3.2
Public Sector Management and Institutions	**1.8**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	1.5	2.7	2.7	2.8
Quality of Budgetary and Financial Management	2.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	2.0	2.8	3.3	3.2
Quality of Public Administration	2.0	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	1.5	2.7	2.7	2.9
Overall CPIA Score	**2.2**	**3.0**	**3.1**	**3.1**

Highlights

- The overall score was reduced on account of macroeconomic management problems. Increasing exchange rate pressures, which were further impacted by the civil war, and impaired revenue mobilization impacted performance.
- Relatively good performance in social inclusion and equity policies is a bright spot.
- Major weaknesses include economic and debt management, weak financial sector institutions, and weak rule-based governance. Immediate efforts are needed to address these weaknesses.

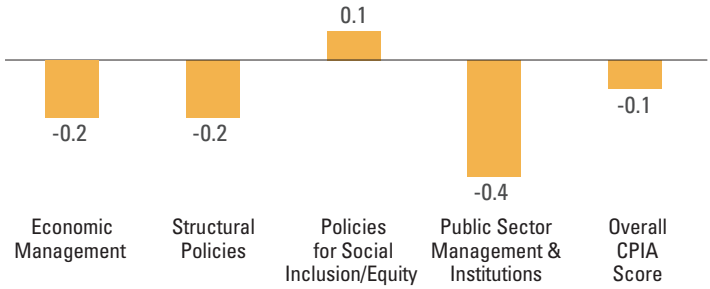
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.5	—	4.2	3.0
Above IDA Avg.	No change	(Economic Management)	(Public Sector Management and Institutions)

Population (millions)	65.5
GDP (current US$, billions)	75.7
GDP per capita (current US$)	1,192.4
International poverty rate (US$2.15) (% of population)	44.9
Human Capital Index (2020)	0.39

Country Policy and Institutional Assessment 2022

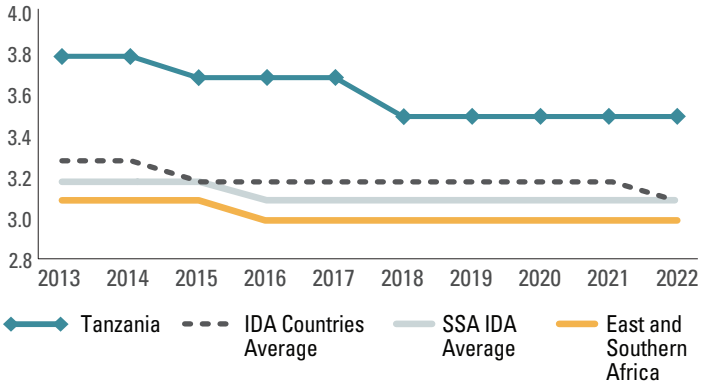
Indicator	Tanzania	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**4.2**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.5	2.8	3.4	3.4
Fiscal Policy	4.0	2.8	3.0	3.0
Debt Policy and Management	4.0	2.9	3.1	3.1
Structural Policies	**3.2**	**3.5**	**3.2**	**3.2**
Trade	3.5	2.7	3.7	3.7
Financial Sector	3.0	3.0	2.7	2.8
Business Regulatory Environment	3.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**3.6**	**3.2**	**3.3**	**3.3**
Gender Equality	3.0	3.3	3.3	3.3
Equity of Public Resource Use	4.0	3.5	3.5	3.4
Building Human Resources	4.0	2.9	3.6	3.6
Social Protection and Labor	4.0	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.0	3.2	3.3	3.2
Public Sector Management and Institutions	**3.0**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.0	2.7	2.7	2.8
Quality of Budgetary and Financial Management	3.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.0	2.8	3.3	3.2
Quality of Public Administration	3.0	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.0	2.7	2.7	2.9
Overall CPIA Score	**3.5**	**3.0**	**3.1**	**3.1**

Highlights

- The country has relatively strong economic management performance due to fiscal policy improvements. The fiscal deficit improved owing to the control of recurrent spending and increased tax revenues.
- High global commodity prices contributed to widening the current account deficit and increased inflationary pressures.
- Weak areas that require concerted policy action include governance, particularly strengthening executive accountability and improving the legal and judicial system.

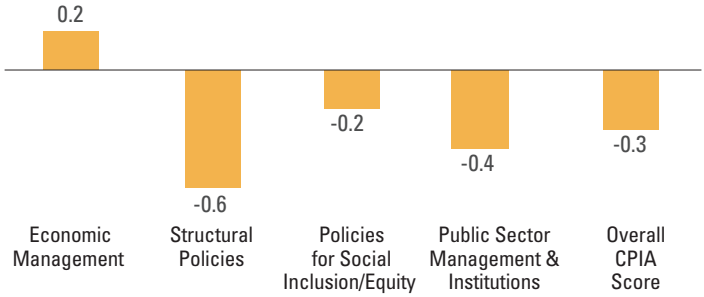
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.6	—	3.8	3.3
Above IDA Avg.	No change	(Economic Management)	(Public Sector Management and Institutions)

Population (millions)	47.25
GDP (current US$, billions)	45.6
GDP per capita (current US$)	964.2
International poverty rate (US$2.15) (% of population)	42.2
Human Capital Index (2020)	0.38

Country Policy and Institutional Assessment 2022

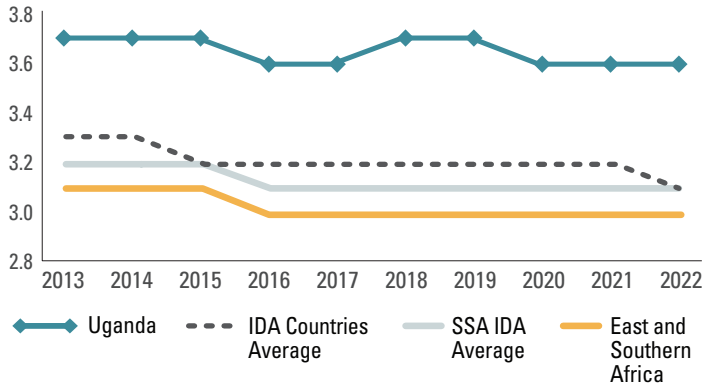
Indicator	Uganda	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.8**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	2.8	3.4	3.4
Fiscal Policy	3.5	2.8	3.0	3.0
Debt Policy and Management	4.0	2.9	3.1	3.1
Structural Policies	**3.7**	**3.5**	**3.2**	**3.2**
Trade	4.5	2.7	3.7	3.7
Financial Sector	3.5	3.0	2.7	2.8
Business Regulatory Environment	3.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**3.5**	**3.2**	**3.3**	**3.3**
Gender Equality	3.0	3.3	3.3	3.3
Equity of Public Resource Use	4.0	3.5	3.5	3.4
Building Human Resources	3.5	2.9	3.6	3.6
Social Protection and Labor	3.5	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.2	3.3	3.2
Public Sector Management and Institutions	**3.3**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.5	2.7	2.7	2.8
Quality of Budgetary and Financial Management	3.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.5	2.8	3.3	3.2
Quality of Public Administration	3.5	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.5	2.7	2.7	2.9
Overall CPIA Score	**3.6**	**3.0**	**3.1**	**3.1**

Highlights

- The country has relatively strong economic management performance, owing to prudent monetary and exchange rate policies and a reduced fiscal deficit.
- However, fiscal improvement was partly due to the under-execution of the developmental budget rather than increased revenue or efficiency in public spending.
- The weakest areas to focus on include public sector management and institutions, such as the quality of public administration and the level of transparency and accountability.

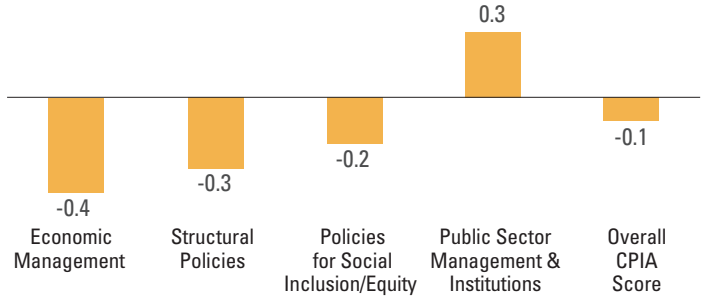
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.2	▲ 0.1	3.8	2.5
Above IDA Avg.	Increase	(Structural Policies)	(Economic Management)

Population (millions)	20.0
GDP (current US$, billions)	29.8
GDP per capita (current US$)	1,487.9
International poverty rate (US$2.15) (% of population)	61.4
Human Capital Index (2020)	0.40

Country Policy and Institutional Assessment 2022

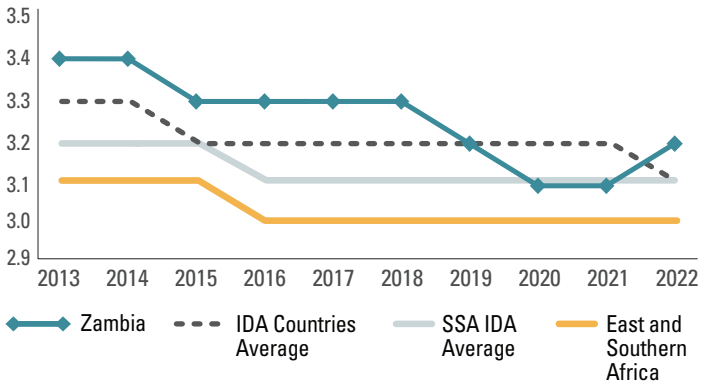
Indicator	Zambia	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**2.5**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.0	2.8	3.4	3.4
Fiscal Policy	2.0	2.8	3.0	3.0
Debt Policy and Management	2.5	2.9	3.1	3.1
Structural Policies	**3.8**	**3.5**	**3.2**	**3.2**
Trade	4.0	2.7	3.7	3.7
Financial Sector	3.5	3.0	2.7	2.8
Business Regulatory Environment	4.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**3.4**	**3.2**	**3.3**	**3.3**
Gender Equality	3.0	3.3	3.3	3.3
Equity of Public Resource Use	4.0	3.5	3.5	3.4
Building Human Resources	3.5	2.9	3.6	3.6
Social Protection and Labor	3.0	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.2	3.3	3.2
Public Sector Management and Institutions	**2.9**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.0	2.7	2.7	2.8
Quality of Budgetary and Financial Management	3.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.0	2.8	3.3	3.2
Quality of Public Administration	3.0	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.5	2.7	2.7	2.9
Overall CPIA Score	**3.2**	**3.0**	**3.1**	**3.1**

Highlights

- The overall performance improved partly due to progress in the equitable use of public resources. Progress includes better monitoring of poverty levels, increased budget allocation to the social sector, and improved progressiveness of fiscal interventions.
- The country's performance was good on structural policies, with a relatively strong trade and business regulatory environment.
- Further policy actions are needed to improve debt management and governance, including strengthening transparency and accountability in the public sector.

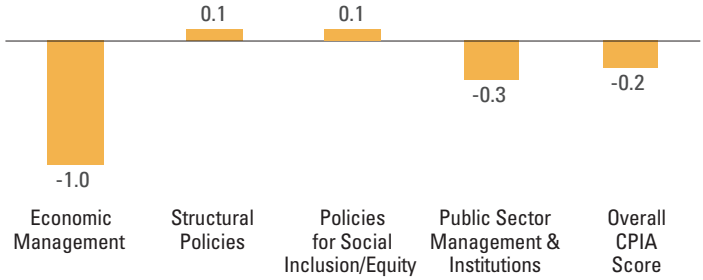
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.0	—	3.7	2.5
Below IDA Avg.	No change	(Policies for Social Inclusion and Equity)	(Economic Management)

Population (millions)	16.3
GDP (current US$, billions)	20.7
GDP per capita (current US$)	1,267.0
International poverty rate (US$2.15) (% of population)	39.8
Human Capital Index (2020)	0.47

Country Policy and Institutional Assessment 2022

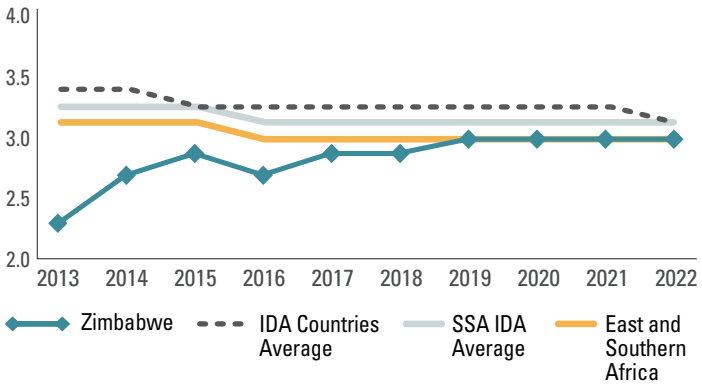
Indicator	Zimbabwe	East and Southern Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**2.5**	**3.1**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	2.0	2.8	3.4	3.4
Fiscal Policy	3.0	2.8	3.0	3.0
Debt Policy and Management	2.5	2.9	3.1	3.1
Structural Policies	**2.8**	**3.5**	**3.2**	**3.2**
Trade	3.0	2.7	3.7	3.7
Financial Sector	2.5	3.0	2.7	2.8
Business Regulatory Environment	3.0	3.0	3.0	3.0
Policies for Social Inclusion and Equity	**3.7**	**3.2**	**3.3**	**3.3**
Gender Equality	4.0	3.3	3.3	3.3
Equity of Public Resource Use	3.5	3.5	3.5	3.4
Building Human Resources	4.0	2.9	3.6	3.6
Social Protection and Labor	3.0	3.2	3.0	3.0
Policies and Institutions for Environmental Sustainability	4.0	3.2	3.3	3.2
Public Sector Management and Institutions	**2.9**	**2.5**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.0	2.7	2.7	2.8
Quality of Budgetary and Financial Management	3.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	4.0	2.8	3.3	3.2
Quality of Public Administration	3.0	2.5	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.5	2.7	2.7	2.9
Overall CPIA Score	**3.0**	**3.0**	**3.1**	**3.1**

Highlights

- Social inclusion and equity cluster performance improved with efforts for gender equality and building human resources (health and education).
- However, economic management is weak, with high inflation, currency depreciation, and slowing economic activity.
- There is continued significant debt distress with unsustainable debt levels and a buildup of large external arrears.
- Increasing transparency and accountability in the public sector is essential. Enhancements in public financial management and the quality of the judicial system are also necessary for progress in overall governance.

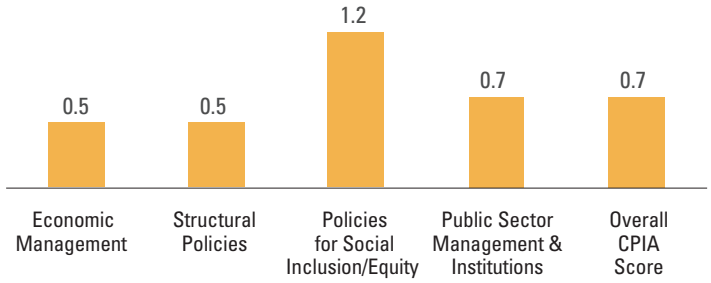
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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COUNTRY TABLES

WESTERN AND CENTRAL AFRICA

Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.8	▲ 0.1	4.2	3.6
Above IDA Avg.	Increase	(Economic Management)	(Public Sector Management and Institutions)

Population (millions)	13.4
GDP (current US$, billions)	17.4
GDP per capita (current US$)	1,303.2
International poverty rate (US$2.15) (% of population)	19.9
Human Capital Index (2020)	0.40

Country Policy and Institutional Assessment 2022

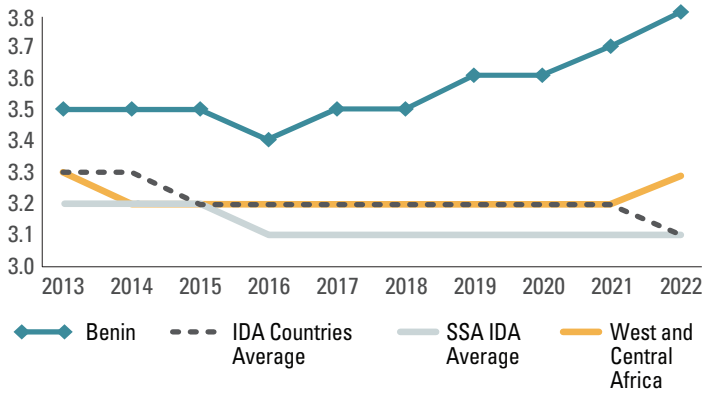
Indicator	Benin	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**4.2**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	3.6	3.4	3.4
Fiscal Policy	4.0	3.3	3.0	3.0
Debt Policy and Management	4.5	3.3	3.1	3.1
Structural Policies	**3.7**	**3.3**	**3.2**	**3.2**
Trade	4.5	3.9	3.7	3.7
Financial Sector	2.5	2.7	2.7	2.8
Business Regulatory Environment	4.0	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.7**	**3.4**	**3.3**	**3.3**
Gender Equality	4.0	3.2	3.3	3.3
Equity of Public Resource Use	3.5	3.6	3.5	3.4
Building Human Resources	4.5	3.6	3.6	3.6
Social Protection and Labor	3.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.4	3.3	3.2
Public Sector Management and Institutions	**3.6**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.0	2.9	2.7	2.8
Quality of Budgetary and Financial Management	4.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	4.0	3.3	3.3	3.2
Quality of Public Administration	3.5	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.5	3.0	2.7	2.9
Overall CPIA Score	**3.8**	**3.3**	**3.1**	**3.1**

Highlights

- Targeted reforms were introduced to improve gender equality. These include a new institution for women's rights protection and a new law to address gender-based violence.
- Budgetary and financial management systems have improved, including enhanced budget predictability, management reforms, and increased budget transparency. Budget execution has improved, along with better control over the wage bill.
- Social protection systems could be strengthened by expanding the coverage and effectiveness of social assistance programs, drawing on lessons learned from the recent pandemic.

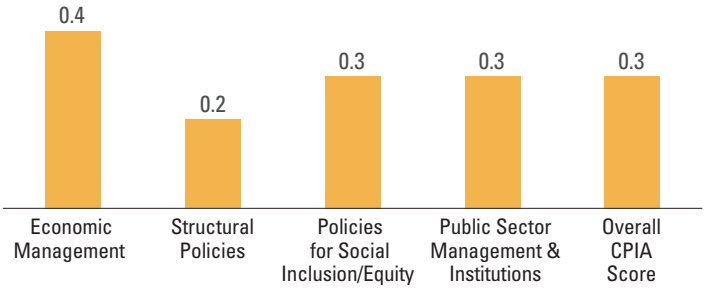
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.5	—	3.6	3.2
Above IDA Avg.	No change	(Policies for Social Inclusion and Equity)	(Public Sector Management and Institutions)

Population (millions)	22.7
GDP (current US$, billions)	18.9
GDP per capita (current US$)	832.9
International poverty rate (US$2.15) (% of population)	30.5
Human Capital Index (2020)	0.38

Country Policy and Institutional Assessment 2022

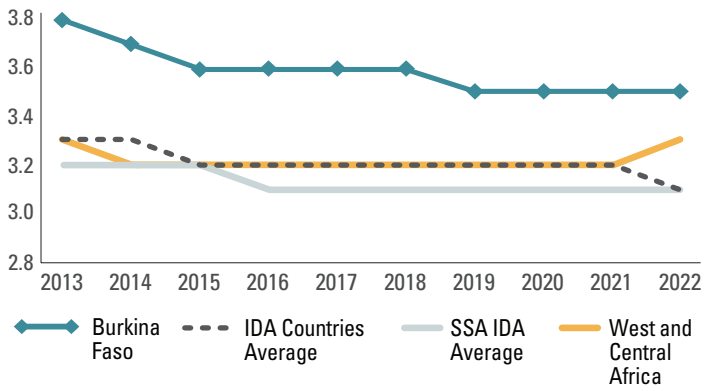
Indicator	Burkina Faso	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.5**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	3.6	3.4	3.4
Fiscal Policy	2.5	3.3	3.0	3.0
Debt Policy and Management	4.0	3.3	3.1	3.1
Structural Policies	**3.5**	**3.3**	**3.2**	**3.2**
Trade	4.0	3.9	3.7	3.7
Financial Sector	3.0	2.7	2.7	2.8
Business Regulatory Environment	3.5	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.6**	**3.4**	**3.3**	**3.3**
Gender Equality	3.5	3.2	3.3	3.3
Equity of Public Resource Use	4.0	3.6	3.5	3.4
Building Human Resources	3.5	3.6	3.6	3.6
Social Protection and Labor	3.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	4.0	3.4	3.3	3.2
Public Sector Management and Institutions	**3.2**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.5	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.5	3.3	3.3	3.2
Quality of Public Administration	3.0	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.5	3.0	2.7	2.9
Overall CPIA Score	**3.5**	**3.3**	**3.1**	**3.1**

Highlights

- While growth slowed in Burkina Faso, the WAEMU region has sustained higher growth rates despite inflationary pressures, indicating the effectiveness of monetary policy in mitigating the impact of external and internal shocks.
- The quality of the legal and judicial system has declined due to political influence and deteriorating security.
- The country's revenue mobilization efficiency needs improvement compared to peer countries.
- Further strengthening property rights requires enhancing the legal framework and reducing the impact of violence on economic activity.

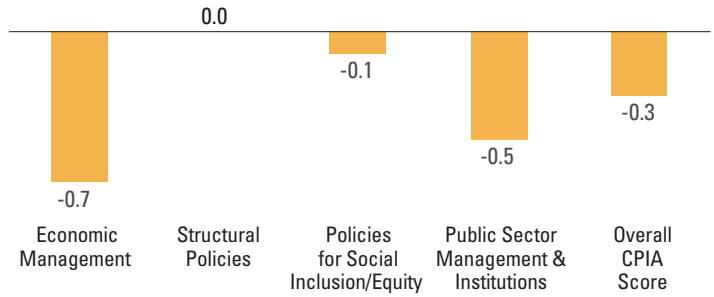
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing clusters	Lowest performing cluster
3.9	▲ 0.1	4.0	3.5
Above IDA Avg.	Increase	(Structural Policies, Policies for Social Inclusion and Equity, and Public Sector Management and Institutions)	(Economic Management)

Population (millions)	0.6
GDP (current US$, billions)	2.3
GDP per capita (current US$)	3,902.6
International poverty rate (US$2.15) (% of population)	4.1
Human Capital Index (2020)	NA

Country Policy and Institutional Assessment 2022

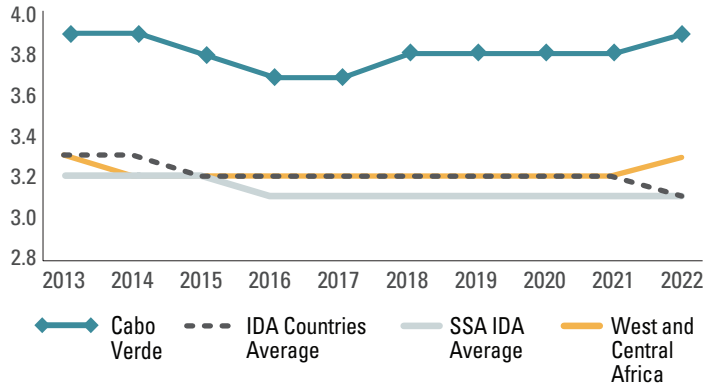
Indicator	Cabo Verde	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.5**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	3.6	3.4	3.4
Fiscal Policy	3.5	3.3	3.0	3.0
Debt Policy and Management	3.0	3.3	3.1	3.1
Structural Policies	**4.0**	**3.3**	**3.2**	**3.2**
Trade	4.5	3.9	3.7	3.7
Financial Sector	3.5	2.7	2.7	2.8
Business Regulatory Environment	4.0	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**4.0**	**3.4**	**3.3**	**3.3**
Gender Equality	4.0	3.2	3.3	3.3
Equity of Public Resource Use	3.5	3.6	3.5	3.4
Building Human Resources	4.5	3.6	3.6	3.6
Social Protection and Labor	4.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	4.0	3.4	3.3	3.2
Public Sector Management and Institutions	**4.0**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	4.0	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	4.0	3.3	3.3	3.2
Quality of Public Administration	4.0	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	4.5	3.0	2.7	2.9
Overall CPIA Score	**3.9**	**3.3**	**3.1**	**3.1**

Highlights

- Debt management has improved through legal framework enhancements, transparent reporting, and fiscal risk management.
- Notable progress has been made in water and sanitation services management, leading to improved access to safe drinking water.
- Concerns arise from significant deviations between actual and budgeted expenditures, indicating a need for better budgetary control and forecasting. Economic management should also be improved to match the strong performance in institutional quality.

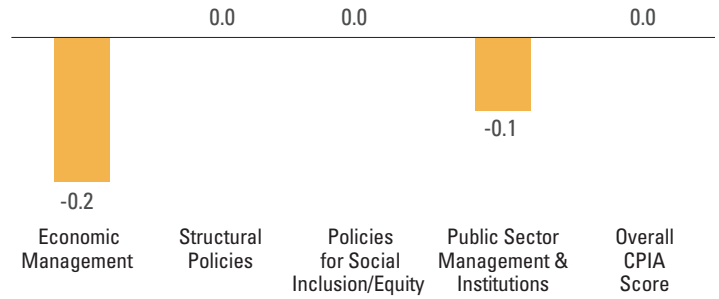
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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- **East and Southern Africa**:19 SSA IDA countries with CPIA scores in 2022

Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.3	—	3.7	3.0
Above IDA Avg.	No change	(Economic Management)	(Public Sector Management and Institutions)

Population (millions)	27.9
GDP (current US$, billions)	44.3
GDP per capita (current US$)	1,588.5
International poverty rate (US$2.15) (% of population)	25.7
Human Capital Index (2020)	0.40

Country Policy and Institutional Assessment 2022

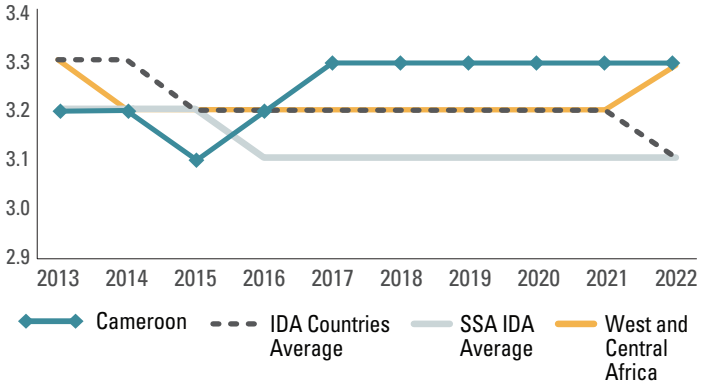
Indicator	Cameroon	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.7**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	3.6	3.4	3.4
Fiscal Policy	3.5	3.3	3.0	3.0
Debt Policy and Management	3.5	3.3	3.1	3.1
Structural Policies	**3.3**	**3.3**	**3.2**	**3.2**
Trade	4.0	3.9	3.7	3.7
Financial Sector	3.0	2.7	2.7	2.8
Business Regulatory Environment	3.0	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.2**	**3.4**	**3.3**	**3.3**
Gender Equality	3.0	3.2	3.3	3.3
Equity of Public Resource Use	3.0	3.6	3.5	3.4
Building Human Resources	3.5	3.6	3.6	3.6
Social Protection and Labor	3.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.4	3.3	3.2
Public Sector Management and Institutions	**3.0**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.5	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.0	3.3	3.3	3.2
Quality of Public Administration	3.0	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.0	3.0	2.7	2.9
Overall CPIA Score	**3.3**	**3.3**	**3.1**	**3.1**

Highlights

- Despite efforts to curb rapid inflation, Cameroon experienced an economic slowdown in 2022 and high inflation.
- Progress has been made in debt management and transparency, improving the monitoring of fiscal risks associated with public-private partnerships.
- There is need for further strengthening of property rights through legal reforms and enhancing the efficiency and integrity of the judicial system.
- Transparency and accountability in the public sector also need to be strengthened.

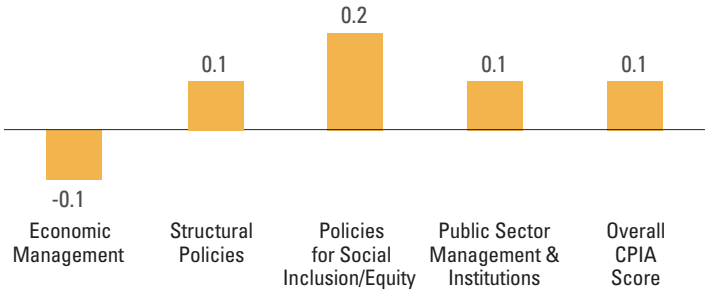
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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- **East and Southern Africa**:19 SSA IDA countries with CPIA scores in 2022

Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
2.6	–	3.2	2.3
Below IDA Avg.	No change	(Economic Management)	(Policies for Social Inclusion and Equity)

Population (millions)	5.6
GDP (current US$, billions)	2.4
GDP per capita (current US$)	427.1
International poverty rate (US$2.15) (% of population)	61.9
Human Capital Index (2020)	0.29

Country Policy and Institutional Assessment 2022

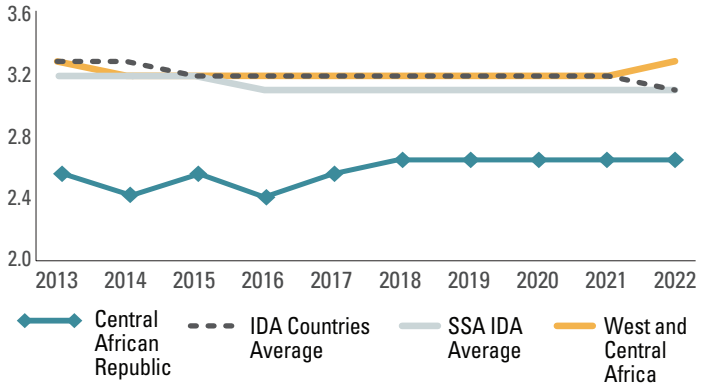
Indicator	Central African Republic	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.2**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.5	3.6	3.4	3.4
Fiscal Policy	3.0	3.3	3.0	3.0
Debt Policy and Management	3.0	3.3	3.1	3.1
Structural Policies	**2.5**	**3.3**	**3.2**	**3.2**
Trade	3.0	3.9	3.7	3.7
Financial Sector	2.5	2.7	2.7	2.8
Business Regulatory Environment	2.0	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**2.3**	**3.4**	**3.3**	**3.3**
Gender Equality	2.5	3.2	3.3	3.3
Equity of Public Resource Use	2.5	3.6	3.5	3.4
Building Human Resources	2.5	3.6	3.6	3.6
Social Protection and Labor	2.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	2.0	3.4	3.3	3.2
Public Sector Management and Institutions	**2.4**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.0	2.9	2.7	2.8
Quality of Budgetary and Financial Management	2.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	2.5	3.3	3.3	3.2
Quality of Public Administration	2.5	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.5	3.0	2.7	2.9
Overall CPIA Score	**2.6**	**3.3**	**3.1**	**3.1**

Highlights

- The low overall CPIA score is primarily attributed to protracted fragility and limited capacity.
- The country lags behind its peers in all CPIA clusters, particularly in social inclusion and governance, highlighting the need for substantial technical assistance to strengthen its policy and institutional framework.
- The government has significantly increased spending on the social sector, including on education, health, and social protection.
- Ambitious forest policy requires prioritization for improved effectiveness. Strengthening enforcement mechanisms and improving management practices are essential for promoting sustainable development in the forestry sector.

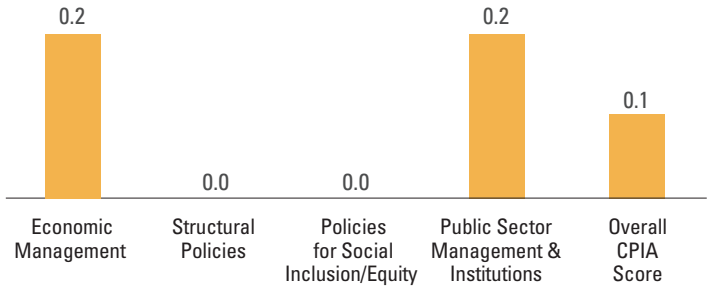
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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- **East and Southern Africa**:19 SSA IDA countries with CPIA scores in 2022

Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
2.7	▼ 0.1	3.2	2.3
Below IDA Avg.	Decrease	(Economic Management)	(Structural Policies)

Population (millions)	17.7
GDP (current US$, billions)	12.7
GDP per capita (current US$)	716.8
International poverty rate (US$2.15) (% of population)	30.9
Human Capital Index (2020)	0.30

Country Policy and Institutional Assessment 2022

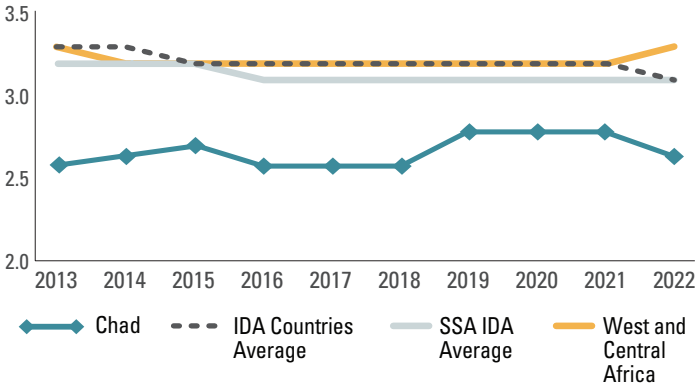
Indicator	Chad	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.2**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.5	3.6	3.4	3.4
Fiscal Policy	3.0	3.3	3.0	3.0
Debt Policy and Management	3.0	3.3	3.1	3.1
Structural Policies	**2.3**	**3.3**	**3.2**	**3.2**
Trade	3.0	3.9	3.7	3.7
Financial Sector	1.5	2.7	2.7	2.8
Business Regulatory Environment	2.5	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**2.9**	**3.4**	**3.3**	**3.3**
Gender Equality	2.5	3.2	3.3	3.3
Equity of Public Resource Use	3.0	3.6	3.5	3.4
Building Human Resources	3.5	3.6	3.6	3.6
Social Protection and Labor	3.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	2.5	3.4	3.3	3.2
Public Sector Management and Institutions	**2.5**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.5	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	2.5	3.3	3.3	3.2
Quality of Public Administration	2.5	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.0	3.0	2.7	2.9
Overall CPIA Score	**2.7**	**3.3**	**3.1**	**3.1**

Highlights

- The recent debt treatment agreements and higher oil prices have improved the country's debt sustainability and reduced the risk of debt distress. Fiscal consolidation and financial management reforms helped reduce domestic arrears.
- Significant challenges remain in the financial sector, including limited access to credit for the private sector, burdensome regulations, and low financial inclusion.
- Enforcing laws and policies to promote gender equality is crucial to advance social and economic development.

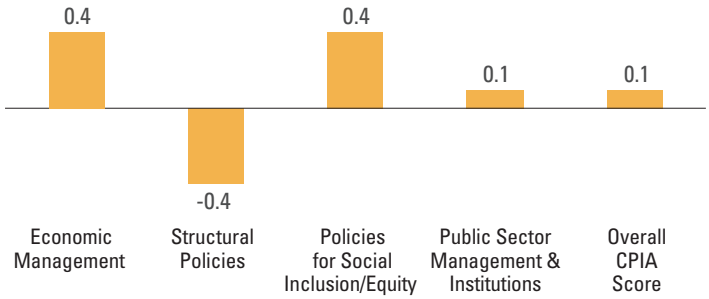
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing clusters	Lowest performing clusters
2.8	▲ 0.1	3.0	2.7
Below IDA Avg.	Increase	(Economic Management and Policies for Social Inclusion and Equity)	(Structural Policies and Public Sector Management and Institutions)

Population (millions)	6.0
GDP (current US$, billions)	14.6
GDP per capita (current US$)	2,448.0
International poverty rate (US$2.15) (% of population)	35.4
Human Capital Index (2020)	0.42

Country Policy and Institutional Assessment 2022

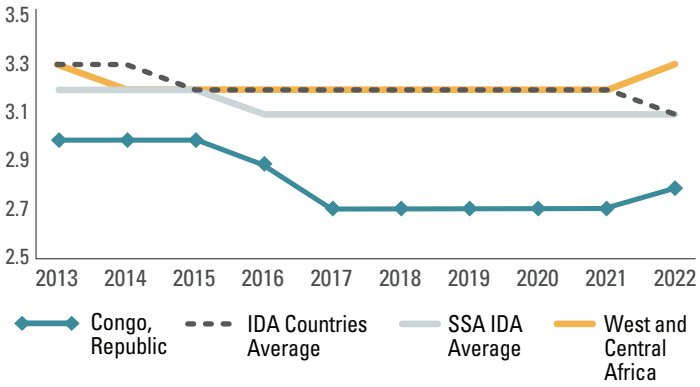
Indicator	Congo, Republic	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.0**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.5	3.6	3.4	3.4
Fiscal Policy	3.5	3.3	3.0	3.0
Debt Policy and Management	2.0	3.3	3.1	3.1
Structural Policies	**2.7**	**3.3**	**3.2**	**3.2**
Trade	3.5	3.9	3.7	3.7
Financial Sector	2.5	2.7	2.7	2.8
Business Regulatory Environment	2.0	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.0**	**3.4**	**3.3**	**3.3**
Gender Equality	3.0	3.2	3.3	3.3
Equity of Public Resource Use	3.5	3.6	3.5	3.4
Building Human Resources	3.0	3.6	3.6	3.6
Social Protection and Labor	3.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	2.5	3.4	3.3	3.2
Public Sector Management and Institutions	**2.7**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.5	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.0	3.3	3.3	3.2
Quality of Public Administration	2.5	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.5	3.0	2.7	2.9
Overall CPIA Score	**2.8**	**3.3**	**3.1**	**3.1**

Highlights

- Positive developments include monetary policy tightening to maintain price stability, reduction of domestic arrears, and increased private sector credit, which enhanced financial development and private investment.
- The government has taken steps to improve targeted programs for vulnerable groups. Efforts have also been made to improve transparency, accountability, and management in the forestry and fisheries sectors.
- Three areas require immediate attention: strengthening debt management and sustainability, improving the business regulatory environment, and enhancing transparency and accountability in the public sector.

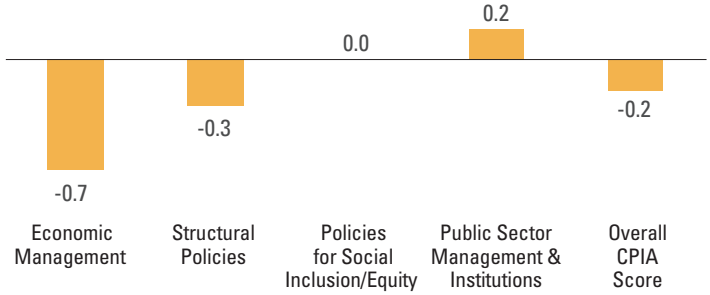
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing clusters	Lowest performing cluster
3.7	▲ 0.1	3.8	3.6
Above IDA Avg.	Increase	(Economic Management and Structural Policies)	(Public Sector Management and Institutions)

Population (millions)	28.2
GDP (current US$, billions)	70.0
GDP per capita (current US$)	2,486.4
International poverty rate (US$2.15) (% of population)	11.4
Human Capital Index (2020)	0.38

Country Policy and Institutional Assessment 2022

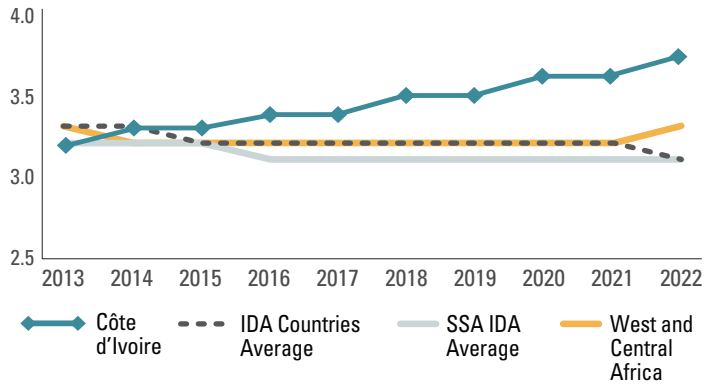
Indicator	Côte d'Ivoire	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.8**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	3.6	3.4	3.4
Fiscal Policy	3.5	3.3	3.0	3.0
Debt Policy and Management	4.0	3.3	3.1	3.1
Structural Policies	**3.8**	**3.3**	**3.2**	**3.2**
Trade	4.5	3.9	3.7	3.7
Financial Sector	3.5	2.7	2.7	2.8
Business Regulatory Environment	3.5	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.7**	**3.4**	**3.3**	**3.3**
Gender Equality	3.5	3.2	3.3	3.3
Equity of Public Resource Use	4.0	3.6	3.5	3.4
Building Human Resources	4.0	3.6	3.6	3.6
Social Protection and Labor	3.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	4.0	3.4	3.3	3.2
Public Sector Management and Institutions	**3.6**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.5	2.9	2.7	2.8
Quality of Budgetary and Financial Management	4.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.5	3.3	3.3	3.2
Quality of Public Administration	3.5	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.5	3.0	2.7	2.9
Overall CPIA Score	**3.7**	**3.3**	**3.1**	**3.1**

Highlights

- Progress in trade facilitation, including starting a one-stop window and digitalization of processes, has enhanced efficiency and reduced trade barriers.
- Financial sector stability was enhanced due to strengthened reporting standards, bank recapitalization, and enforcement of anti-money laundering laws.
- Policy reforms have been introduced to enhance environmental protection and public sector institutional quality, such as the adoption of a new Jobs and Skills Framework.
- Further efforts are needed to improve gender equality policies, enhance labor standards, and strengthen service delivery and civil society participation in community development programs.

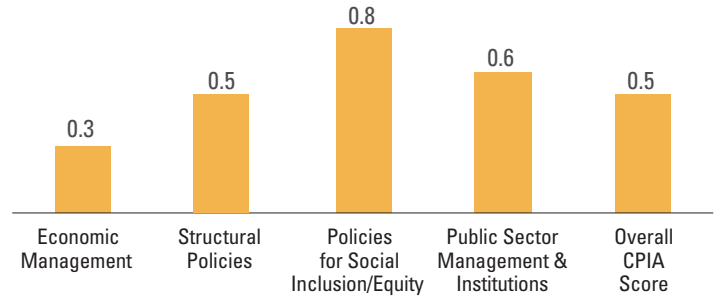
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.1	▲ 0.1	3.6	2.7
At the IDA Avg.	Increase	(Policies for Social Inclusion and Equity)	(Economic Management)

Population (millions)	2.7
GDP (current US$, billions)	2.3
GDP per capita (current US$)	840.0
International poverty rate (US$2.15) (% of population)	17.2
Human Capital Index (2020)	0.42

Country Policy and Institutional Assessment 2022

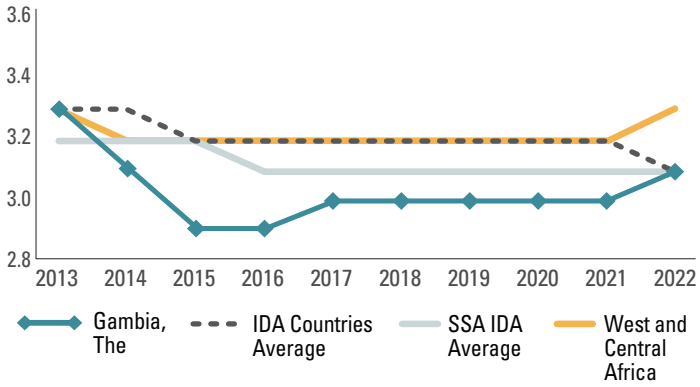
Indicator	Gambia, The	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**2.7**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.0	3.6	3.4	3.4
Fiscal Policy	2.5	3.3	3.0	3.0
Debt Policy and Management	2.5	3.3	3.1	3.1
Structural Policies	**3.0**	**3.3**	**3.2**	**3.2**
Trade	4.0	3.9	3.7	3.7
Financial Sector	2.0	2.7	2.7	2.8
Business Regulatory Environment	3.0	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.6**	**3.4**	**3.3**	**3.3**
Gender Equality	3.5	3.2	3.3	3.3
Equity of Public Resource Use	3.5	3.6	3.5	3.4
Building Human Resources	4.5	3.6	3.6	3.6
Social Protection and Labor	3.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.4	3.3	3.2
Public Sector Management and Institutions	**3.0**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.0	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.0	3.3	3.3	3.2
Quality of Public Administration	3.0	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.0	3.0	2.7	2.9
Overall CPIA Score	**3.1**	**3.3**	**3.1**	**3.1**

Highlights

- Efforts were made to improve debt management, but the high risk of debt distress remains.
- Inclusive growth measures include rural development, social protection, and investments in human capital and infrastructure.
- The authorities implemented health insurance and are developing a modernized social protection system to target support to vulnerable groups.
- Priority areas for improvement are: macroeconomic policy, financial inclusion, accountability in the public sector, and property rights registration.

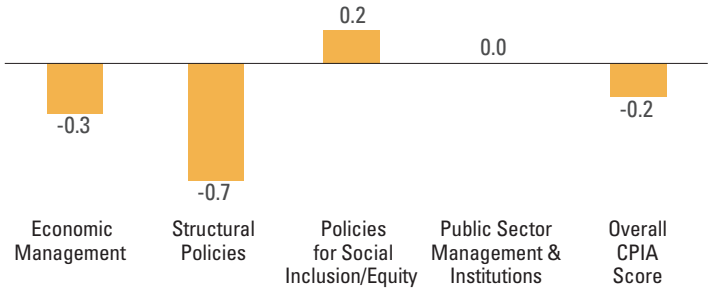
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing clusters	Lowest performing cluster
3.4	▼ 0.2	3.7	2.5
Above IDA Avg.	Decrease	(Structural Policies and Policies for Social Inclusion and Equity)	(Economic Management)

Population (millions)	33.5
GDP (current US$, billions)	72.8
GDP per capita (current US$)	2,175.9
International poverty rate (US$2.15) (% of population)	25.2
Human Capital Index (2020)	0.45

Country Policy and Institutional Assessment 2022

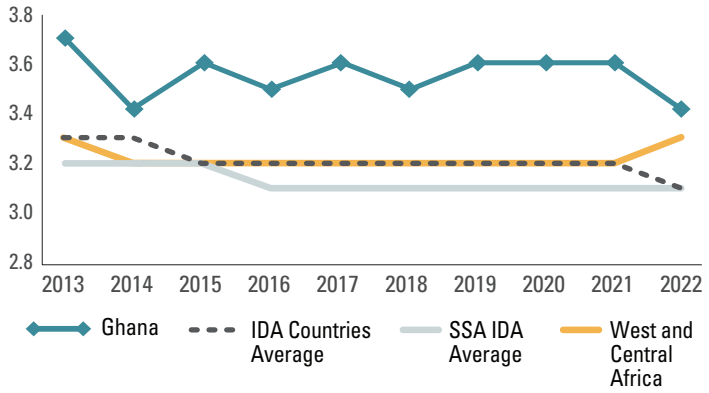
Indicator	Ghana	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**2.5**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.0	3.6	3.4	3.4
Fiscal Policy	2.0	3.3	3.0	3.0
Debt Policy and Management	2.5	3.3	3.1	3.1
Structural Policies	**3.7**	**3.3**	**3.2**	**3.2**
Trade	4.5	3.9	3.7	3.7
Financial Sector	3.0	2.7	2.7	2.8
Business Regulatory Environment	3.5	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.7**	**3.4**	**3.3**	**3.3**
Gender Equality	4.0	3.2	3.3	3.3
Equity of Public Resource Use	3.0	3.6	3.5	3.4
Building Human Resources	4.0	3.6	3.6	3.6
Social Protection and Labor	3.5	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	4.0	3.4	3.3	3.2
Public Sector Management and Institutions	**3.6**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	4.0	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.5	3.3	3.3	3.2
Quality of Public Administration	3.5	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.5	3.0	2.7	2.9
Overall CPIA Score	**3.4**	**3.3**	**3.1**	**3.1**

Highlights

- The overall score decreased, following an economic deterioration.
- Limited fiscal space and monetary financing of deficits resulted in a credit downgrade and loss of access to international markets.
- Debt distress led to high inflation, low investor confidence, and external imbalances.
- Authorities have successfully entered an IMF ECF program, begun debt restructuring, and improved domestic revenue mobilization and debt management.
- Investment climate has deteriorated and financial sector vulnerabilities have increased.
- Reforms are required in the quality and accessibility of the judicial system.

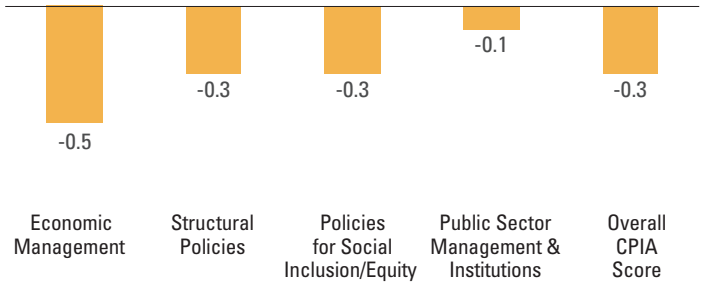
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.4	▲ 0.1	3.8	3.0
Above IDA Avg.	Increase	(Economic Management)	(Public Sector Management and Institutions)

Population (millions)	13.9
GDP (current US$, billions)	21.2
GDP per capita (current US$)	1,531.7
International poverty rate (US$2.15) (% of population)	13.8
Human Capital Index (2020)	0.37

Country Policy and Institutional Assessment 2022

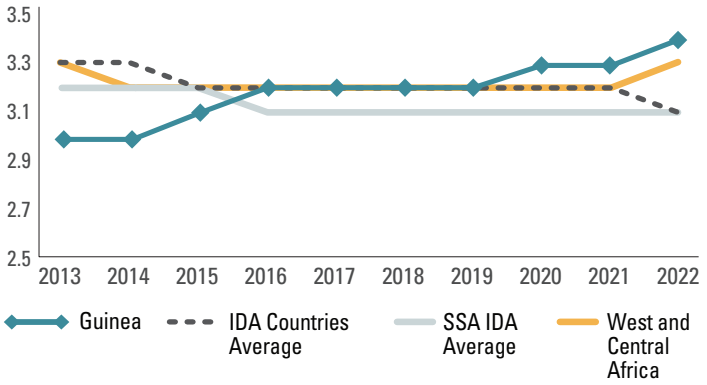
Indicator	Guinea	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.8**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	3.6	3.4	3.4
Fiscal Policy	4.0	3.3	3.0	3.0
Debt Policy and Management	3.5	3.3	3.1	3.1
Structural Policies	**3.3**	**3.3**	**3.2**	**3.2**
Trade	4.0	3.9	3.7	3.7
Financial Sector	3.0	2.7	2.7	2.8
Business Regulatory Environment	3.0	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.4**	**3.4**	**3.3**	**3.3**
Gender Equality	3.0	3.2	3.3	3.3
Equity of Public Resource Use	3.5	3.6	3.5	3.4
Building Human Resources	3.5	3.6	3.6	3.6
Social Protection and Labor	3.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	4.0	3.4	3.3	3.2
Public Sector Management and Institutions	**3.0**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.0	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.5	3.3	3.3	3.2
Quality of Public Administration	3.0	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.5	3.0	2.7	2.9
Overall CPIA Score	**3.4**	**3.3**	**3.1**	**3.1**

Highlights

- The overall score improved, driven by successful reduction of the fiscal deficit through enhanced revenue mobilization on account of better tax administration in the mining sector.
- Improved prioritization of investments in human capital and infrastructure development can stimulate long-term economic growth and reduce poverty rates.
- Measures to enhance accountability and control corruption are needed to address persistent weaknesses in public sector management and institutions.
- Further reforms are needed in property rights enforcement, strengthening rule-based governance, and reducing the time and costs associated with enforcing contracts.

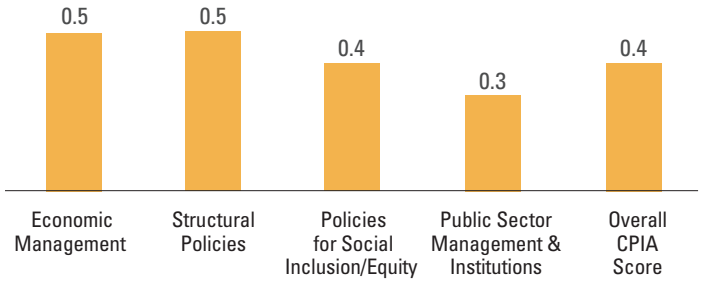
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing clusters	Lowest performing cluster
2.5	▲ 0.1	2.8	2.1
Below IDA Avg.	Increase	(Economic Management and Structural Policies)	(Public Sector Management and Institutions)

Population (millions)	2.1
GDP (current US$, billions)	1.6
GDP per capita (current US$)	775.8
International poverty rate (US$2.15) (% of population)	21.7
Human Capital Index (2020)	NA

Country Policy and Institutional Assessment 2022

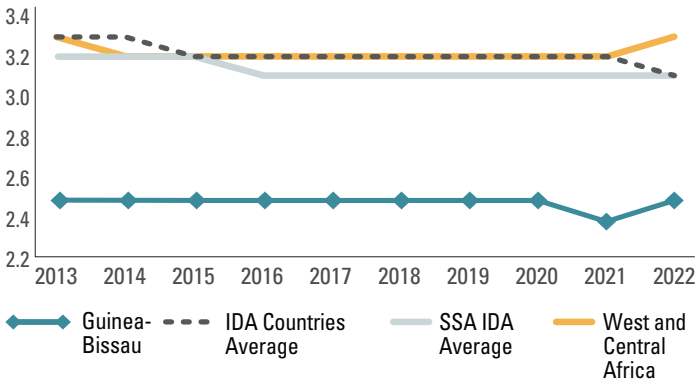
Indicator	Guinea-Bissau	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**2.8**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.5	3.6	3.4	3.4
Fiscal Policy	2.5	3.3	3.0	3.0
Debt Policy and Management	2.5	3.3	3.1	3.1
Structural Policies	**2.8**	**3.3**	**3.2**	**3.2**
Trade	4.0	3.9	3.7	3.7
Financial Sector	2.0	2.7	2.7	2.8
Business Regulatory Environment	2.5	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**2.4**	**3.4**	**3.3**	**3.3**
Gender Equality	2.0	3.2	3.3	3.3
Equity of Public Resource Use	2.0	3.6	3.5	3.4
Building Human Resources	2.5	3.6	3.6	3.6
Social Protection and Labor	2.5	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.0	3.4	3.3	3.2
Public Sector Management and Institutions	**2.1**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.0	2.9	2.7	2.8
Quality of Budgetary and Financial Management	2.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.0	3.3	3.3	3.2
Quality of Public Administration	2.0	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	1.5	3.0	2.7	2.9
Overall CPIA Score	**2.5**	**3.3**	**3.1**	**3.1**

Highlights

- The overall CPIA score improved slightly, but the country continues to underperform compared to its peers, particularly in the public sector management and institutional capacity area.
- Positive development in debt management and introduction of medium-term budgets contributed to improved macro performance.
- Weaknesses in property rights enforcement, rule-based governance, and tax administration are areas for immediate action to strengthen policies and institutions and foster a conducive business environment.

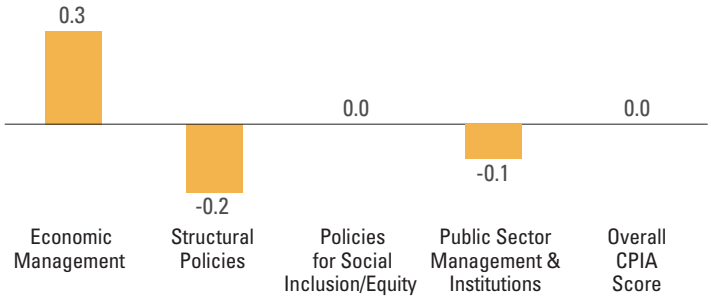
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.0	–	3.3	2.7
Below IDA Avg.	No change	(Economic Management)	(Public Sector Management and Institutions)

Population (millions)	5.3
GDP (current US$, billions)	4.0
GDP per capita (current US$)	754.5
International poverty rate (US$2.15) (% of population)	27.6
Human Capital Index (2020)	0.32

Country Policy and Institutional Assessment 2022

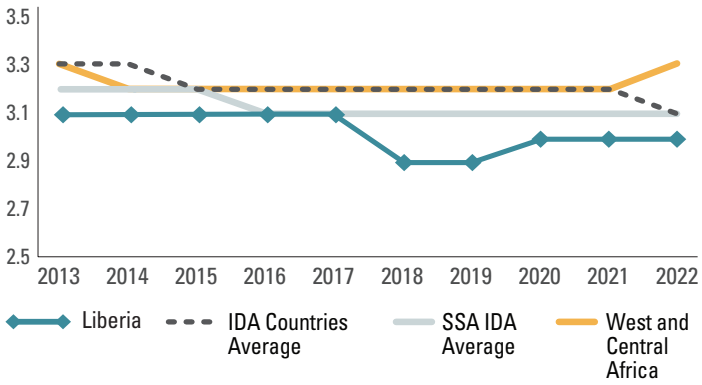
Indicator	Liberia	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.3**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.5	3.6	3.4	3.4
Fiscal Policy	3.5	3.3	3.0	3.0
Debt Policy and Management	3.0	3.3	3.1	3.1
Structural Policies	**2.8**	**3.3**	**3.2**	**3.2**
Trade	3.5	3.9	3.7	3.7
Financial Sector	2.5	2.7	2.7	2.8
Business Regulatory Environment	2.5	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.1**	**3.4**	**3.3**	**3.3**
Gender Equality	3.0	3.2	3.3	3.3
Equity of Public Resource Use	3.5	3.6	3.5	3.4
Building Human Resources	3.0	3.6	3.6	3.6
Social Protection and Labor	3.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.0	3.4	3.3	3.2
Public Sector Management and Institutions	**2.7**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.5	2.9	2.7	2.8
Quality of Budgetary and Financial Management	2.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.0	3.3	3.3	3.2
Quality of Public Administration	3.0	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.5	3.0	2.7	2.9
Overall CPIA Score	**3.0**	**3.3**	**3.1**	**3.1**

Highlights

- Challenges in public sector management and institutions persist. Despite adopting a prudent fiscal stance, difficulties in revenue mobilization, especially ineffective tax policy reforms, are limiting fiscal space and thus hindering public investment in critical sectors.
- The business environment could be improved by addressing weaknesses in the legal and judicial systems, contract enforcement, and quick resolution of property disputes.
- Inclusion could be enhanced by expanding social protection programs and promoting gender equity.

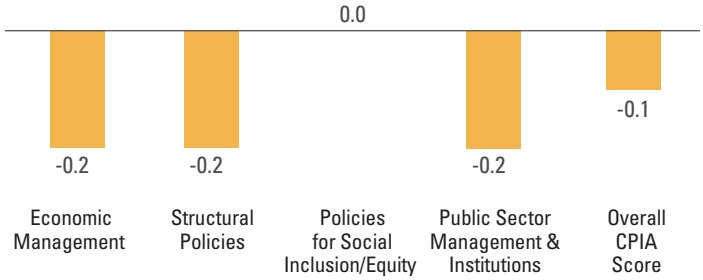
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.2	–	3.8	2.4
Above IDA Avg.	No change	(Economic Management)	(Public Sector Management and Institutions)

Population (millions)	22.6
GDP (current US$, billions)	18.8
GDP per capita (current US$)	833.3
International poverty rate (US$2.15) (% of population)	14.8
Human Capital Index (2020)	0.32

Country Policy and Institutional Assessment 2022

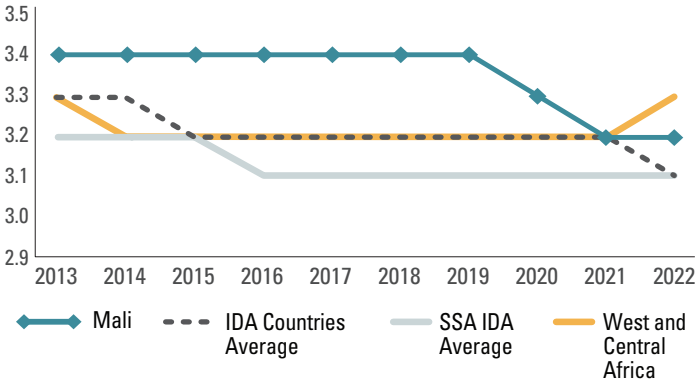
Indicator	Mali	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.8**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	3.6	3.4	3.4
Fiscal Policy	3.5	3.3	3.0	3.0
Debt Policy and Management	4.0	3.3	3.1	3.1
Structural Policies	**3.5**	**3.3**	**3.2**	**3.2**
Trade	4.0	3.9	3.7	3.7
Financial Sector	3.5	2.7	2.7	2.8
Business Regulatory Environment	3.0	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.2**	**3.4**	**3.3**	**3.3**
Gender Equality	3.0	3.2	3.3	3.3
Equity of Public Resource Use	4.0	3.6	3.5	3.4
Building Human Resources	3.0	3.6	3.6	3.6
Social Protection and Labor	3.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.0	3.4	3.3	3.2
Public Sector Management and Institutions	**2.4**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.0	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	2.5	3.3	3.3	3.2
Quality of Public Administration	2.0	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	2.5	3.0	2.7	2.9
Overall CPIA Score	**3.2**	**3.3**	**3.1**	**3.1**

Highlights

- Persistent challenges in public sector management and institutions are hindering progress in macroeconomic management. Speeding up public sector reforms is important to strengthen institutions and improve governance.
- Positive developments in the banking sector and enhanced financial stability contributed to macroeconomic stability.
- Targeted policy actions are needed to address weaknesses in the judicial system, property rights enforcement, and rule-based governance.

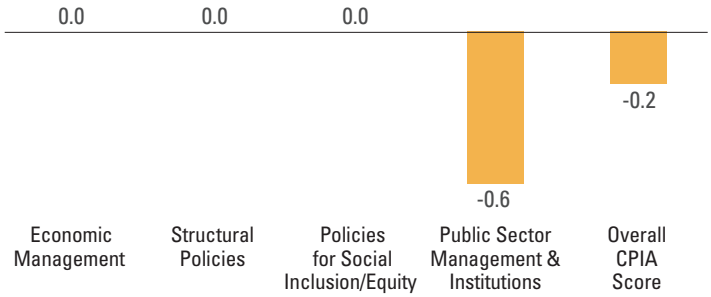
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.4	—	3.6	3.2
Above IDA Avg.	No change	(Policies for Social Inclusion and Equity)	(Structural Policies)

Population (millions)	4.7
GDP (current US$, billions)	10.4
GDP per capita (current US$)	2,190.7
International poverty rate (US$2.15) (% of population)	6.5
Human Capital Index (2020)	0.38

Country Policy and Institutional Assessment 2022

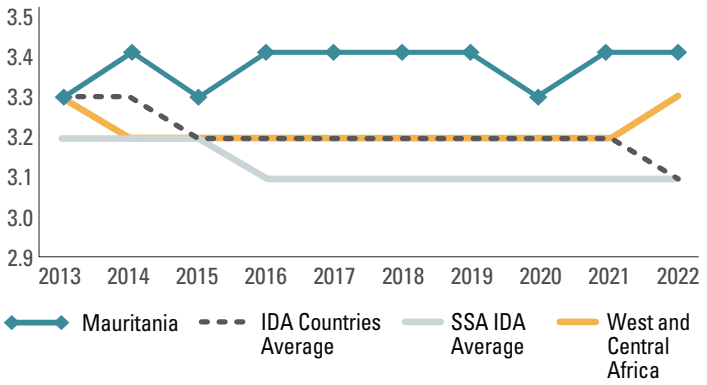
Indicator	Mauritania	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.5**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.5	3.6	3.4	3.4
Fiscal Policy	4.0	3.3	3.0	3.0
Debt Policy and Management	3.0	3.3	3.1	3.1
Structural Policies	**3.2**	**3.3**	**3.2**	**3.2**
Trade	4.0	3.9	3.7	3.7
Financial Sector	2.5	2.7	2.7	2.8
Business Regulatory Environment	3.0	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.6**	**3.4**	**3.3**	**3.3**
Gender Equality	3.5	3.2	3.3	3.3
Equity of Public Resource Use	4.5	3.6	3.5	3.4
Building Human Resources	4.0	3.6	3.6	3.6
Social Protection and Labor	3.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.0	3.4	3.3	3.2
Public Sector Management and Institutions	**3.3**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.0	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	4.0	3.3	3.3	3.2
Quality of Public Administration	3.0	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.0	3.0	2.7	2.9
Overall CPIA Score	**3.4**	**3.3**	**3.1**	**3.1**

Highlights

- The government responded quickly to external shocks and improved fiscal sustainability by implementing targeted actions, such as reducing fuel subsidies.
- Public debt distress has been reduced through proactive renegotiations with bilateral creditors and better debt management.
- However, weaknesses in property rights, rule-based governance, and public administration impede investor confidence.
- Policy action is needed on legal and judicial system reforms, executive compliance with the rule of law, and enhancing the quality of public administration.

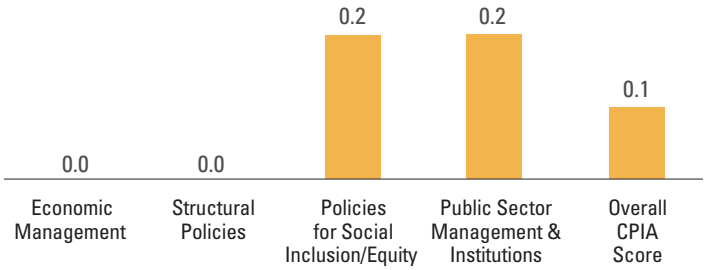
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.4	—	3.8	3.2
Above IDA Avg.	No change	(Economic Management)	(Public Sector Management and Institutions)

Population (millions)	26.2
GDP (current US$, billions)	14.0
GDP per capita (current US$)	533.0
International poverty rate (US$2.15) (% of population)	50.6
Human Capital Index (2020)	0.32

Country Policy and Institutional Assessment 2022

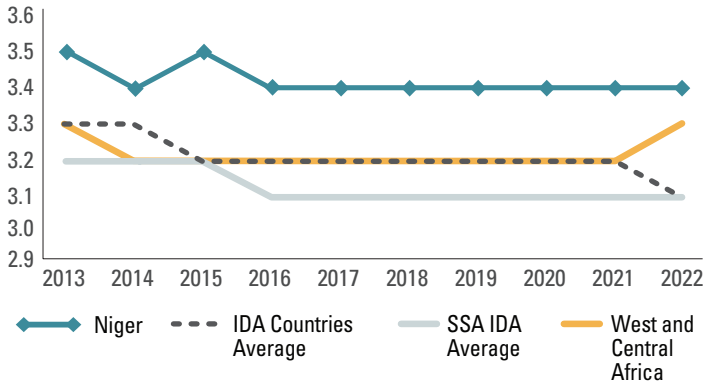
Indicator	Niger	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.8**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	3.6	3.4	3.4
Fiscal Policy	3.5	3.3	3.0	3.0
Debt Policy and Management	4.0	3.3	3.1	3.1
Structural Policies	**3.3**	**3.3**	**3.2**	**3.2**
Trade	4.0	3.9	3.7	3.7
Financial Sector	2.5	2.7	2.7	2.8
Business Regulatory Environment	3.5	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.4**	**3.4**	**3.3**	**3.3**
Gender Equality	3.0	3.2	3.3	3.3
Equity of Public Resource Use	4.5	3.6	3.5	3.4
Building Human Resources	3.5	3.6	3.6	3.6
Social Protection and Labor	3.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.0	3.4	3.3	3.2
Public Sector Management and Institutions	**3.2**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.0	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.5	3.3	3.3	3.2
Quality of Public Administration	3.0	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.0	3.0	2.7	2.9
Overall CPIA Score	**3.4**	**3.3**	**3.1**	**3.1**

Highlights

- The government made notable progress in the national statistical system and the health care sector, including progress toward universal health coverage and management of free care.
- Challenges remain in public sector management and institutional capacity, affecting economic governance and efficiency.
- Persistent weaknesses in property rights enforcement, judicial system independence, and integrity in the management of public resources require targeted and immediate policy actions.

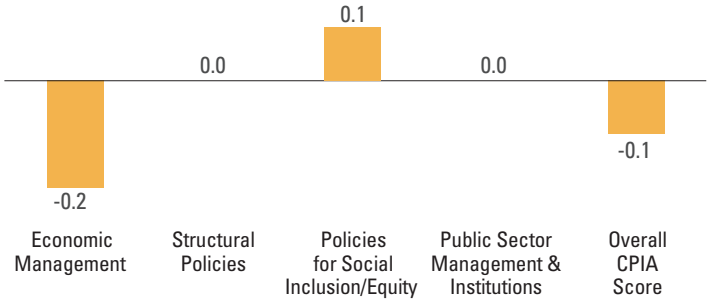
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.2	—	3.5	2.8
Above IDA Avg.	No change	(Policies for Social Inclusion and Equity)	(Public Sector Management and Institutions)

Population (millions)	218.5
GDP (current US$, billions)	477.4
GDP per capita (current US$)	2,184.4
International poverty rate (US$2.15) (% of population)	41.1
Human Capital Index (2020)	0.36

Country Policy and Institutional Assessment 2022

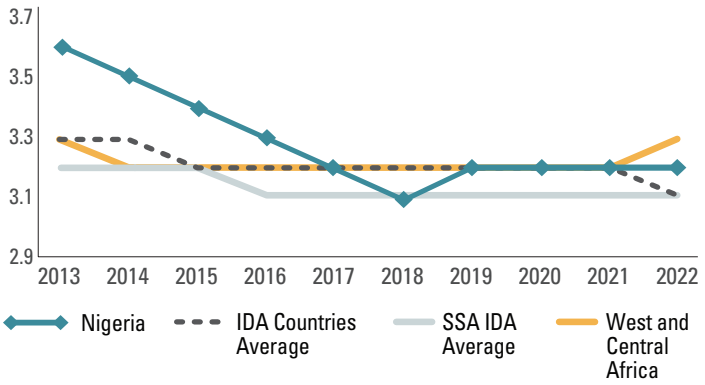
Indicator	Nigeria	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.3**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	2.5	3.6	3.4	3.4
Fiscal Policy	3.5	3.3	3.0	3.0
Debt Policy and Management	4.0	3.3	3.1	3.1
Structural Policies	**3.0**	**3.3**	**3.2**	**3.2**
Trade	3.0	3.9	3.7	3.7
Financial Sector	2.5	2.7	2.7	2.8
Business Regulatory Environment	3.5	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.5**	**3.4**	**3.3**	**3.3**
Gender Equality	3.0	3.2	3.3	3.3
Equity of Public Resource Use	3.5	3.6	3.5	3.4
Building Human Resources	3.5	3.6	3.6	3.6
Social Protection and Labor	4.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.4	3.3	3.2
Public Sector Management and Institutions	**2.8**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	2.5	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.0	3.3	3.3	3.2
Quality of Public Administration	2.5	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.0	3.0	2.7	2.9
Overall CPIA Score	**3.2**	**3.3**	**3.1**	**3.1**

Highlights

- Overall macroeconomic management weakened due to an inconsistent monetary policy framework which did not effectively curb inflation, as well as the absence of a more predictable, transparent, and flexible exchange rate management system which was a deterrent to private investment.
- The weak fiscal position is exacerbated by low revenue generation, and limited progress in diversifying the economy away from oil dependency; contributing to a high debt service-to-revenue ratio.
- There is an urgent need for structural reforms to improve revenue mobilization, enhance financial management, and create an enabling business environment to attract investment and foster sustainable economic growth.

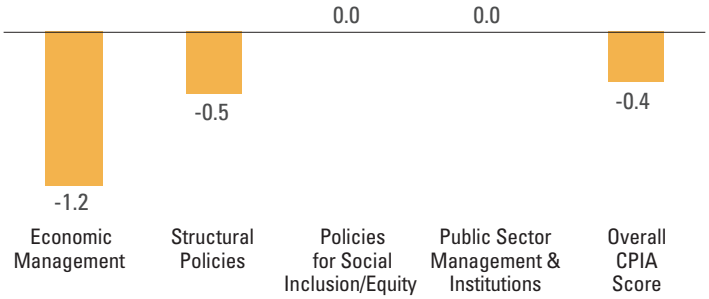
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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- **East and Southern Africa**:19 SSA IDA countries with CPIA scores in 2022

Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing cluster
3.7	—	3.8	3.6
Above IDA Avg.	No change	(Structural Policies)	(Public Sector Management and Institutions)

Population (millions)	17.3
GDP (current US$, billions)	27.7
GDP per capita (current US$)	1,598.7
International poverty rate (US$2.15) (% of population)	9.3
Human Capital Index (2020)	0.42

Country Policy and Institutional Assessment 2022

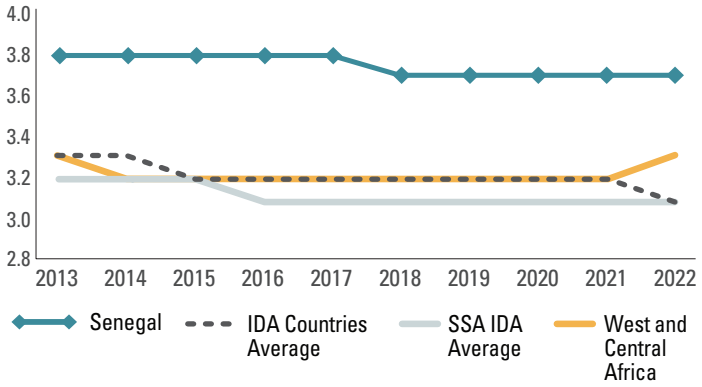
Indicator	Senegal	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.7**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	3.6	3.4	3.4
Fiscal Policy	3.0	3.3	3.0	3.0
Debt Policy and Management	4.0	3.3	3.1	3.1
Structural Policies	**3.8**	**3.3**	**3.2**	**3.2**
Trade	4.5	3.9	3.7	3.7
Financial Sector	3.5	2.7	2.7	2.8
Business Regulatory Environment	3.5	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.7**	**3.4**	**3.3**	**3.3**
Gender Equality	3.5	3.2	3.3	3.3
Equity of Public Resource Use	4.0	3.6	3.5	3.4
Building Human Resources	4.0	3.6	3.6	3.6
Social Protection and Labor	3.5	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.4	3.3	3.2
Public Sector Management and Institutions	**3.6**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.5	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	4.0	3.3	3.3	3.2
Quality of Public Administration	3.5	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.5	3.0	2.7	2.9
Overall CPIA Score	**3.7**	**3.3**	**3.1**	**3.1**

Highlights

- Access to finance has increased significantly, particularly transaction accounts and mobile money. However, further improvements are needed to promote the usage of other financial services.
- Fiscal policy faced challenges as fiscal imbalances worsened because of increased subsidies and higher current expenditures. Consequently, the fiscal deficit remained above the target set by the WAEMU.
- Policy actions are needed to improve the business regulatory environment, specifically in land and labor utilization, and expand social protection programs with better targeting.

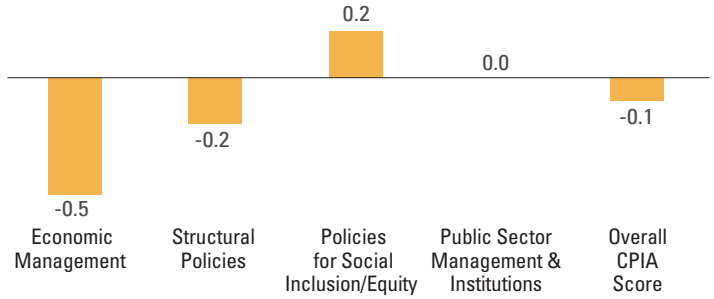
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing cluster	Lowest performing clusters
3.2	—	3.6	3.0
Above IDA Avg.	No change	(Policies for Social Inclusion and Equity)	(Economic Management and Structural Policies)

Population (millions)	8.6
GDP (current US$, billions)	4.0
GDP per capita (current US$)	461.4
International poverty rate (US$2.15) (% of population)	26.1
Human Capital Index (2020)	0.36

Country Policy and Institutional Assessment 2022

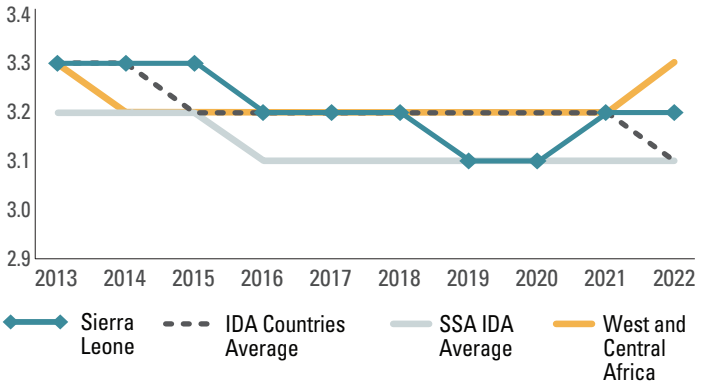
Indicator	Sierra Leone	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.0**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	3.0	3.6	3.4	3.4
Fiscal Policy	3.0	3.3	3.0	3.0
Debt Policy and Management	3.0	3.3	3.1	3.1
Structural Policies	**3.0**	**3.3**	**3.2**	**3.2**
Trade	3.5	3.9	3.7	3.7
Financial Sector	2.5	2.7	2.7	2.8
Business Regulatory Environment	3.0	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.6**	**3.4**	**3.3**	**3.3**
Gender Equality	3.5	3.2	3.3	3.3
Equity of Public Resource Use	3.5	3.6	3.5	3.4
Building Human Resources	4.0	3.6	3.6	3.6
Social Protection and Labor	3.5	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	3.5	3.4	3.3	3.2
Public Sector Management and Institutions	**3.2**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.0	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.5	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.5	3.3	3.3	3.2
Quality of Public Administration	3.0	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.0	3.0	2.7	2.9
Overall CPIA Score	**3.2**	**3.3**	**3.1**	**3.1**

Highlights

- Efforts have been made to promote gender equality, including new laws on land acquisition and women's empowerment, but women still face challenges in accessing productive resources and formal employment.
- Social protection programs improved, with expanded coverage, improved delivery systems, initiatives for youth employment, and ratification of many ILO Conventions.
- Authorities faced challenges in implementing effective monetary policy, resulting in high inflation, currency depreciation, and a decline in international reserves.
- Concerted efforts are needed to improve the rule of law and strengthen the financial sector.

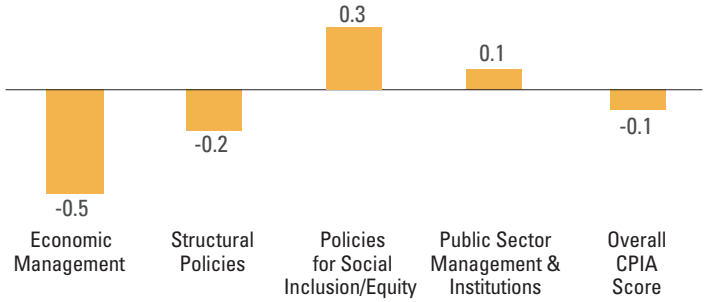
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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Quick Facts

CPIA Score	Change from previous year	Highest performing clusters	Lowest performing cluster
3.7	▲ 0.2	3.8	3.2
Above IDA Avg.	Increase	(Economic Management, Structural Policies, and Policies for Social Inclusion and Equity)	(Public Sector Management and Institutions)

Population (millions)	8.85
GDP (current US$, billions)	8.1
GDP per capita (current US$)	918.4
International poverty rate (US$2.15) (% of population)	28.1
Human Capital Index (2020)	0.43

Country Policy and Institutional Assessment 2022

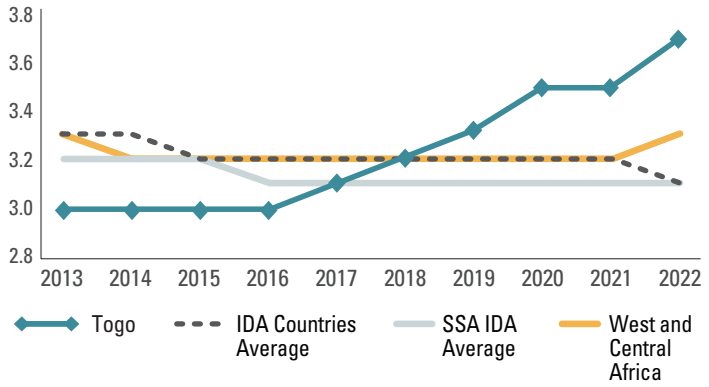
Indicator	Togo	West and Central Africa	SSA IDA Average	IDA Borrowers Average
Economic Management	**3.8**	**3.4**	**3.2**	**3.2**
Monetary and Exchange Rate Policy	4.0	3.6	3.4	3.4
Fiscal Policy	4.0	3.3	3.0	3.0
Debt Policy and Management	3.5	3.3	3.1	3.1
Structural Policies	**3.8**	**3.3**	**3.2**	**3.2**
Trade	4.5	3.9	3.7	3.7
Financial Sector	3.0	2.7	2.7	2.8
Business Regulatory Environment	4.0	3.1	3.0	3.0
Policies for Social Inclusion and Equity	**3.8**	**3.4**	**3.3**	**3.3**
Gender Equality	3.5	3.2	3.3	3.3
Equity of Public Resource Use	4.5	3.6	3.5	3.4
Building Human Resources	3.5	3.6	3.6	3.6
Social Protection and Labor	3.0	3.1	3.0	3.0
Policies and Institutions for Environmental Sustainability	4.5	3.4	3.3	3.2
Public Sector Management and Institutions	**3.2**	**3.1**	**2.9**	**3.0**
Property Rights and Rule-Based Governance	3.5	2.9	2.7	2.8
Quality of Budgetary and Financial Management	3.0	3.2	3.0	3.0
Efficiency of Revenue Mobilization	3.5	3.3	3.3	3.2
Quality of Public Administration	3.0	3.0	2.9	2.8
Transparency, Accountability, and Corruption in the Public Sector	3.0	3.0	2.7	2.9
Overall CPIA Score	**3.7**	**3.3**	**3.1**	**3.1**

Highlights

- Reforms in trade and logistics services led to an improved trade sector, including adopting a Transport Sector Orientation Law and digitizing customs procedures.
- The financial sector expanded with the introduction of the factoring law, a new Financial Inclusion Strategy, effective credit bureau utilization, and privatization of International Business Bank Togo.
- Priority areas for improvement include public sector management, public administration quality, transparency, accountability, and anti-corruption measures.
- Improvements are needed in social protection, small and medium-sized enterprises financing, digital financial services, and digital transformation of the microfinance sector.

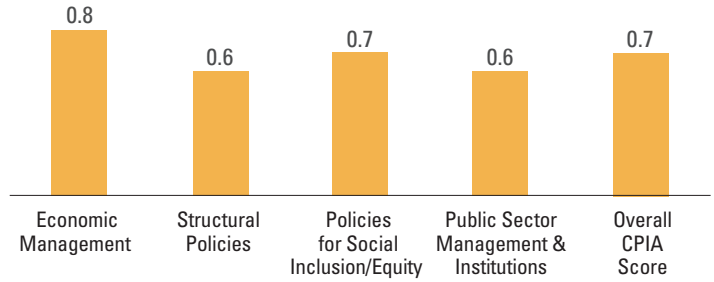
Trend

OVERALL CPIA SCORES



Progress

CHANGE IN CPIA SCORES FROM 2013 TO 2022



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- **IDA Borrowing Countries**: 74 countries eligible for IDA credits and with CPIA scores in 2022
- **SSA IDA Countries**: 39 SSA IDA countries that had CPIA scores in 2022
- **West and Central Africa**: 20 SSA IDA countries with CPIA scores in 2022
- **East and Southern Africa**:19 SSA IDA countries with CPIA scores in 2022

CPIA Africa: Compare Your Country

Appendix A: CPIA Components

A. Economic Management

1. Monetary and Exchange Rate Policy: *The quality of monetary/exchange rate policies in a coherent macroeconomic policy framework.*
2. Fiscal Policy: *The quality of fiscal policy as regards stabilization (achieving macroeconomic policy objectives in conjunction with coherent monetary and exchange rate policies, smoothing business cycle fluctuations, and accommodating shocks) and resource allocation (appropriate provisioning of public goods).*
3. Debt Policy and Management: *The degree of appropriateness of the country's debt management strategy for ensuring medium-term debt sustainability and minimizing budgetary risks.*

B. Structural Policies

4. Trade: *The extent to which the policy framework fosters regional and global integration in goods and services, focusing on the trade policy regime (tariffs, non-tariff barriers, and barriers to trade in services) and trade facilitation.*
5. Financial Sector: *The quality of policies and regulations that affect financial sector development in three dimensions: (a) financial stability; (b) the sector's efficiency, depth, and resource mobilization strength; and (c) access to financial services.*
6. Business Regulatory Environment: *The extent to which the legal, regulatory, and policy environment helps or hinders private businesses in investing, creating jobs, and becoming more productive.*

C. Policies for Social Inclusion and Equity

7. Gender Equality: *The extent to which policies, laws, and institutions (a) promote equal access for men and women to human capital development, (b) promote equal access for men and women to productive and economic resources, and (c) give men and women equal status and protection under the law.*
8. Equity of Public Resource Use: *The extent to which the pattern of public expenditures and revenue collection affects the poor and is consistent with national poverty reduction priorities.*
9. Building Human Resources: *The quality of national policies and public and private sector delivery in health and education.*
10. Social Protection and Labor: *Policies promoting risk prevention by supporting savings and risk pooling through social insurance, protection against destitution through redistributive safety net programs, and promotion of human capital development and income generation, including labor market programs.*
11. Policies and Institutions for Environmental Sustainability: *The extent to which environmental policies and institutions foster the protection and sustainable use of natural resources and the management of pollution.*

D. Public Sector Management and Institutions

12. Property Rights and Rule-Based Governance: *The extent to which economic activity is facilitated by an effective legal system and rule-based governance structure in which property and contract rights are reliably respected and enforced.*
13. Quality of Budgetary and Financial Management: *The extent to which there is (a) a comprehensive and credible budget, linked to policy priorities; (b) effective financial management systems to ensure that the budget is implemented as intended in a controlled and predictable way; and (c) timely and accurate accounting and fiscal reporting, including timely audits of public accounts and effective arrangements for follow-up.*
14. Efficiency of Revenue Mobilization: *Assesses the overall pattern of revenue mobilization, not only the tax structure as it exists on paper, but revenues from all sources as they are actually collected.*
15. Quality of Public Administration: *The core administration defined as the civilian central government (and subnational governments, to the extent that their size or policy responsibilities are significant), excluding health and education personnel and police.*
16. Transparency, Accountability, and Corruption in the Public Sector: *The extent to which the executive, legislators, and other high-level officials can be held accountable for their use of funds, administrative decisions, and results obtained.*

Appendix B: Country Groups and Classification

TABLE B.1: Country Grouping by Fragility

Sub-Saharan Africa IDA countries		Non-Sub-Saharan Africa IDA countries	
Fragile and conflict affected	Non-fragile	Fragile and conflict affected	Non-fragile
Burkina Faso	Benin	Afghanistan	Bangladesh
Burundi	Cabo Verde	Haiti	Bhutan
Cameroon	Côte d'Ivoire	Iraq*	Cambodia
Central African Republic	Gambia, The	Kosovo	Djibouti
Chad	Ghana	Lebanon*	Dominica
Comoros	Guinea	Libya*	Fiji
Congo, Dem. Rep.	Kenya	Marshall Islands	Grenada
Congo, Rep.	Lesotho	Micronesia, Fed. Sts.	Guyana
Ertirea	Liberia	Myanmar	Honduras
Ethiopia	Madagascar	Papua New Guinea	Kiribati
Guinea-Bissau	Malawi	Solomon Islands	Kyrgyz Republic
Mali	Mauritania	Syrian Arab Republic*	Lao PDR
Mozambique	Rwanda	Timor-Leste	Maldives
Niger	São Tomé and Príncipe	Tuvalu	Nepal
Nigeria	Senegal	Ukraine*	Nicaragua
Somalia	Sierra Leone	Venezuela, RB*	Pakistan
South Sudan	Tanzania	West Bank and Gaza*	Samoa
Sudan	Togo	Yemen, Rep.	Sri Lanka
Zimbabwe	Uganda		St. Lucia
	Zambia		St. Vincent and the Grenadines
			Tajikistan
			Tonga
			Uzbekistan
			Vanuatu

Note for fragile countries: This country group classification is based on the Fragile and Conflict-affected Situations List for fiscal year 2023. It classifies countries based on the nature and severity of the issues they face. Fragile countries are defined as those with one or more of the following: (a) the weakest institutional and policy environment, based on a revised, harmonized CPIA score for IDA countries (for which CPIA scores are disclosed) that is below 3.0; or (b) the presence of a United Nations peacekeeping operation, because this reflects a decision by the international community that a significant investment is needed to maintain peace and stability; or (c) flight across borders of 2,000 or more per 100,000 population, who are internationally regarded as refugees in need of international protection, as this signals a major political or security crisis. The classification uses the following categories:

1. Countries with high levels of institutional and social fragility, identified based on publicly available indicators that measure the quality of policies and institutions and manifestations of fragility.
2. Countries affected by violent conflict, identified based on a threshold number of conflict-related deaths relative to the population.

* The analysis does not include Iraq, Lebanon, Libya, the República Bolivariana de Venezuela, the Syrian Arab Republic, Ukraine, and the West Bank and Gaza. These economies do not have CPIA data.

TABLE B.2: Classification of Countries in Sub-Saharan Africa, by Resource Abundance

Resource-rich countries	Non-resource-rich countries		
Chad	Benin	Ghana	Somalia
Congo, Dem. Rep.	Burkina Faso	Guinea-Bissau	Sudan
Congo, Rep.	Burundi	Kenya	Tanzania
Guinea	Cabo Verde	Lesotho	Togo
Liberia	Cameroon	Madagascar	Uganda
Mauritania	Central African Republic	Malawi	Zimbabwe
Niger	Comoros	Mali	
Nigeria	Côte d'Ivoire	Mozambique	
Sierra Leone	Eritrea	Rwanda	
South Sudan	Ethiopia	São Tomé and Príncipe	
Zambia	Gambia, The	Senegal	

Sources: Calculations based on the World Development Indicators database; Africa's Pulse, April 2020.
Note: Resource-rich countries are those with rents from natural resources (excluding forests) that exceed 10 percent of gross domestic product.

TABLE B.3: Western and Central Africa Country Classification

Resource-rich countries		Non-resource-rich countries	
Oil	Metals & minerals		
Chad	Guinea	Benin	Gambia, The
Congo, Rep.	Liberia	Burkina Faso	Ghana
Nigeria	Mauritania	Cabo Verde	Guinea-Bissau
	Niger	Cameroon	Mali
	Sierra Leone	Central African Republic	Senegal
		Côte d'Ivoire	Togo

Note: Since July 2020, for operational purposes, the World Bank Africa Region has been split into two subregions—Western and Central Africa and Eastern and Southern Africa. The analysis in this report reflects this setup. IBRD countries are excluded from the analysis. Resource-rich countries are those with rents from natural resources (excluding forests) that exceed 10 percent of gross domestic product.

TABLE B.4: Eastern and Southern Africa Country Classification

Resource-rich countries		Non-resource-rich countries	
Oil	Metals & minerals		
South Sudan	Congo, Dem. Rep.	Burundi	Mozambique
	Zambia	Comoros	Rwanda
		Eritrea	São Tomé and Príncipe
		Ethiopia	Somalia
		Kenya	Sudan
		Lesotho	Tanzania
		Madagascar	Uganda
		Malawi	Zimbabwe

Note: Since July 2020, for operational purposes, the World Bank Africa Region has been split into two subregions—Western and Central Africa and Eastern and Southern Africa. The analysis in this report reflects this setup. IBRD countries are excluded from the analysis.

Appendix C: Guide to the CPIA

The Country Policy and Institutional Assessment (CPIA) is a diagnostic tool that is intended to capture the quality of a country's policies and institutional arrangements—that is, its focus is on the key elements that are within a country's control, rather than on outcomes (such as growth rates) that are influenced by elements outside the country's control. More specifically, the CPIA measures the extent to which a country's policy and institutional framework supports sustainable growth and poverty reduction, and consequently the effective use of development assistance. The outcome of the exercise yields an overall score and scores for the 16 criteria that compose the CPIA. The CPIA tool was developed and first employed in the mid-1970s. Over the years, the World Bank has periodically updated and improved it to reflect the lessons of experience and evolution of thinking about development.

In June 2006, the World Bank publicly disclosed for the first time the numerical scores of its 2005 CPIA. The CPIA exercise covers country performance during a given calendar year, with the results for the International Development Association (IDA)–eligible countries disclosed in June the following year.

The CPIA has undergone periodic reviews to update and refine the content of the criteria. The most recent revision of the criteria was first applied to the 2016 CPIA exercise. The revisions were guided by the conclusions of an Independent Evaluation Group evaluation, relevant findings in the literature, and lessons learned in carrying out the annual CPIA exercise in the past few years. In undertaking the revisions, special attention was given to ensuring that the content of the revisions was commensurate with the availability of information and the ability to assess country performance, and that some degree of continuity was preserved in the criteria. The revisions have not resulted in significant changes in country scores. Among the revisions are the following:

- In Q4 (Trade), trade policy and trade facilitation are now equally weighted; more emphasis is placed on the trade regime, not just imports; services are explicitly introduced; and the trade facilitation subcomponent is elaborated.
- The coverage of social assistance programs, including coordination, reach, and targeting issues in Q10 (Social Protection and Labor), was strengthened.
- Q15 (Quality of Public Administration) was revised to include a stronger focus on the core public administration and, when relevant, a more explicit treatment of subnational governments.
- Q16 (Transparency, Accountability, and Corruption in the Public Sector) was revised to include a new dimension to cover aspects of financial corruption that had not been treated consistently. Coverage of fiscal information is now more explicit, and capture and conflicts of interest as distinct forms of corruption are treated more consistently.

CPIA scores help to determine IDA allocations—concessional lending and grants—to low-income countries.

Details are available at: **www.worldbank.org/africa/CPIA**.

Appendix D: CPIA Process

The Country Policy and Institutional Assessment (CPIA) is an annual country assessment exercise that generally starts in October and ends by June of the following year. This exercise is carried out in stages.

In the *first stage*, country teams prepare the CPIA assessment drafts for their respective countries and propose preliminary ratings, including written justification for these proposed ratings. The initial CPIA rating proposals by the country teams are based on well-informed judgment. The country teams are very familiar with the country, and often draw on their own knowledge of the country's performance. More importantly, they also use relevant diagnostic studies—for example, country economic reports, a public expenditure review, or a poverty assessment—that the World Bank, the country itself, or other stakeholders may have conducted. In addition, over the past several years, the World Bank has assembled economic and institutional data on its member countries, which staff utilize when making their judgments on the respective country's performance. These data are listed in the CPIA criteria under guidepost.

To ensure that the scores are consistent across countries and regions, the country teams' proposals undergo a series of checks and balances. In the *second stage*, the country teams' proposals are first reviewed within each operational region of the World Bank by the respective Office of the Chief Economist, and then they are submitted to a World Bank–wide review by experts in the Global Practices, Global Themes, and central departments. This review process is managed by the World Bank's Operations Policy and Country Services (OPCS) Vice Presidency. The assessment exercise is centrally managed to ensure a clear separation between the resource allocation function and the operations for which the allocations are used.

In the *final stage*, following the World Bank–wide review, the country team proposals are adjusted to ensure the consistency of the proposed ratings across countries. Country teams are requested to revise their qualitative and quantitative assessments, reflecting concerns raised by peer and World Bank–wide reviewers. In cases where differences of views between a country team and OPCS persist, clear mechanisms are in place to reach closure.

The World Bank's consultation with country authorities during the assessment exercise

Country authorities are consulted in two stages.

Stage 1. Early in the assessment process, the World Bank's country team meets with country authorities to discuss progress made in addressing the issues identified in the previous year's assessment. This consultation helps identify areas in which the World Bank's assessments might differ from those of the country authorities. It also provides the authorities an opportunity to bring additional information to the attention of World Bank staff. The objective of the first-stage consultation is to ensure that country teams have taken into account all the relevant available information when preparing their write-ups and the associated rating proposals. The guidance provided to the teams makes clear that these interactions with country authorities are part of a process of consultation, not a negotiation over the ratings.

Stage 2. The second stage of interaction with the authorities occurs at the end of the assessment process. After the completion of the World Bank–wide review process and final CPIA scores, country teams communicate to the authorities the results of the assessment, discuss implications for the World Bank's engagement with the country, and explore ways to address identified weaknesses.

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www.worldbank.org/africa/cpia

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