

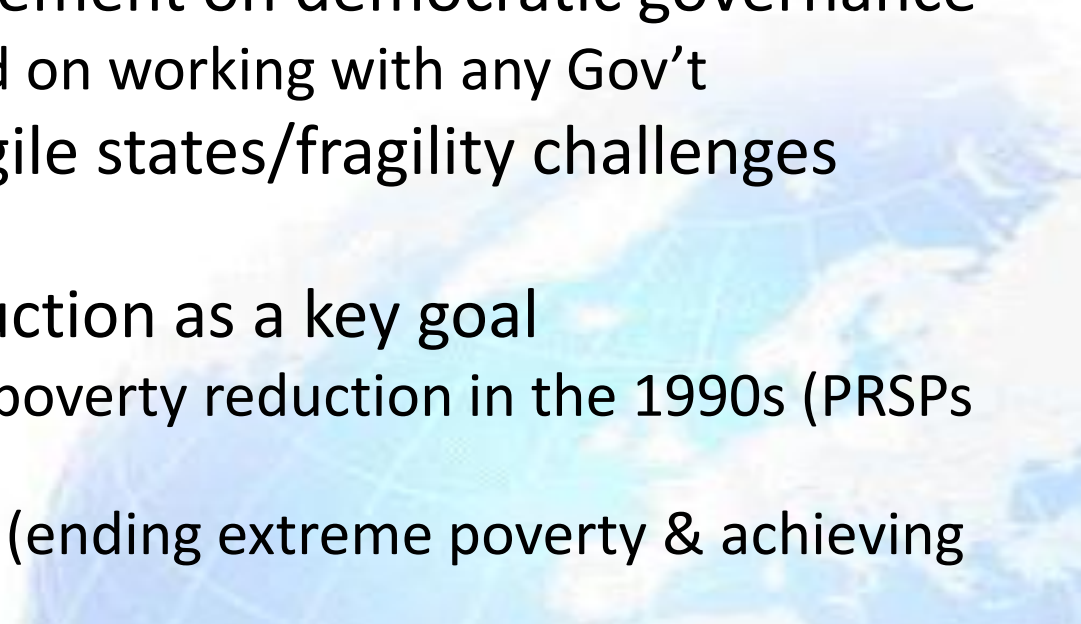
Aid and Governance

With a focus on Africa

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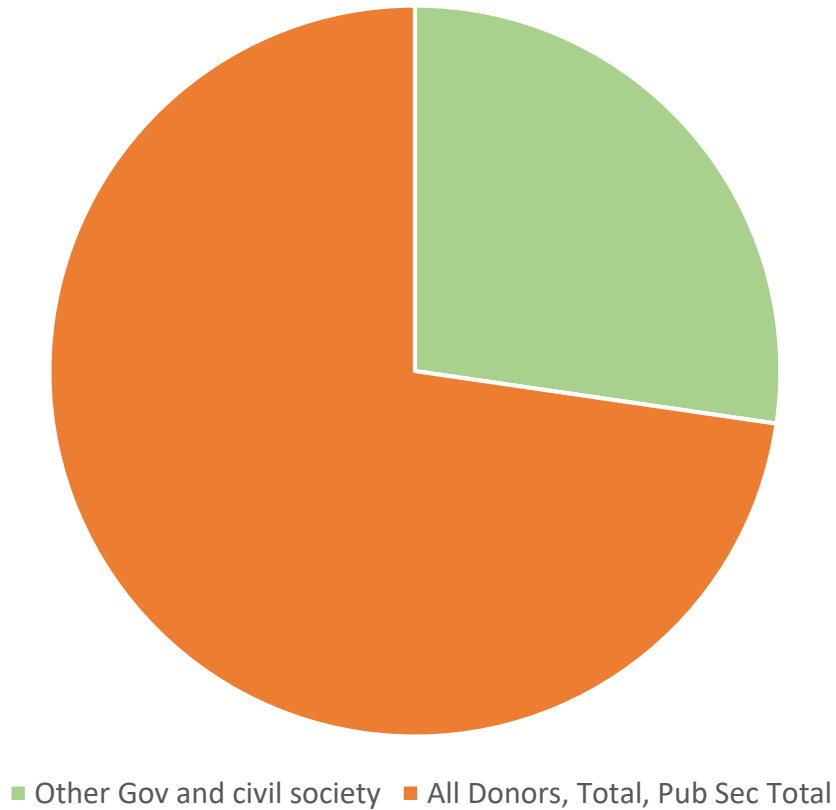


Context

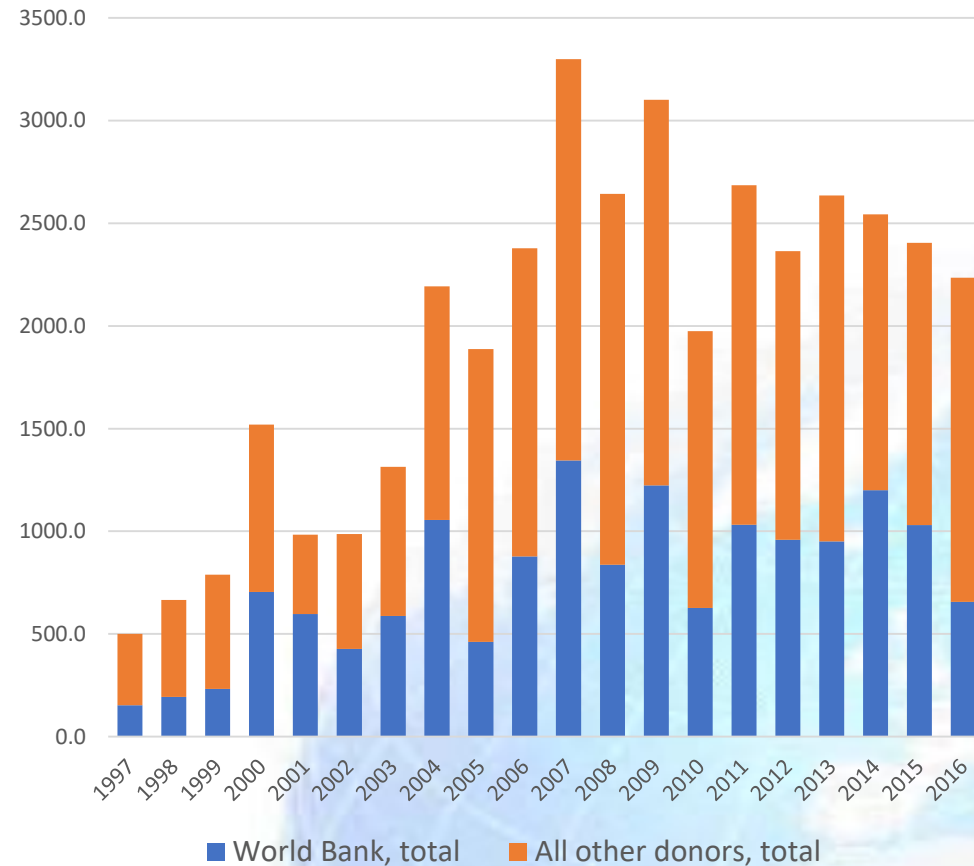
- Major shifts with the end of the cold war
 - Rising attention to and emphasis on governance
 - Adoption of the Governance and Anti-Corruption strategy by the WB in 2007
 - Principle not to ‘punish the poor twice’ in contexts with poor governance
 - WBG has no direct link to or engagement on democratic governance
 - Mandate and incentives are focused on working with any Gov’t
 - Gradually growing attention to fragile states/fragility challenges
 - 2011 WDR on Fragility and Conflict
 - Growing emphasis on poverty reduction as a key goal
 - Shift from structural adjustment to poverty reduction in the 1990s (PRSPs since 1999)
 - adoption of the ‘twin goals’ in 2013 (ending extreme poverty & achieving shared prosperity)
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Governance in Africa – evolution of overall public sector lending and WBG engagement

Composition of Governance and Civil society Assistance to AFR (last 20 years)



All DPs, public sector lending & WB share

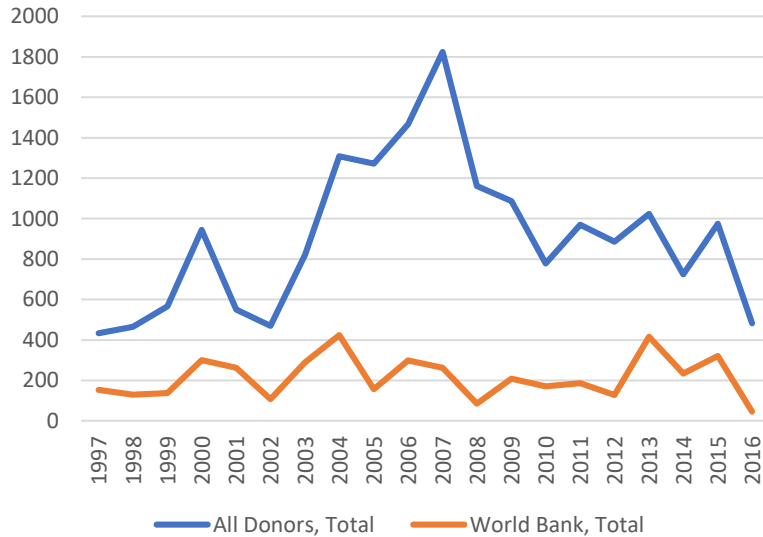


Over time:

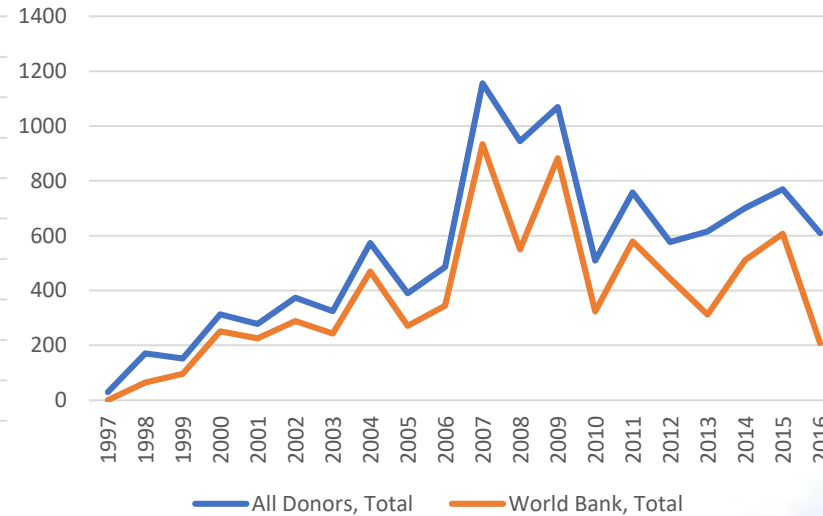
- Increase and peak in 2007
- Fluctuating since then
- WB accounts for a significant share of public sector financing

The WB in Africa relative to others

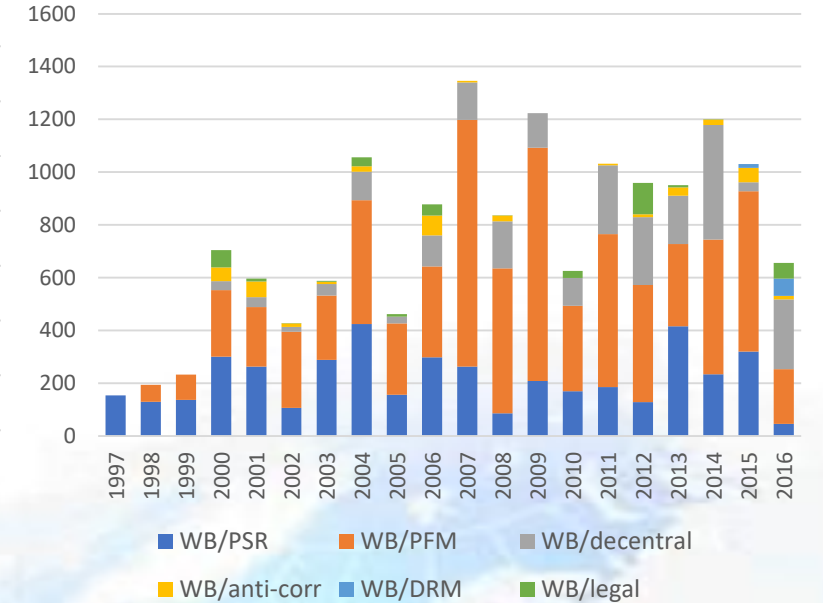
Public sector policy and public administration



Public Financial Management



Composition of WBG public sector funding

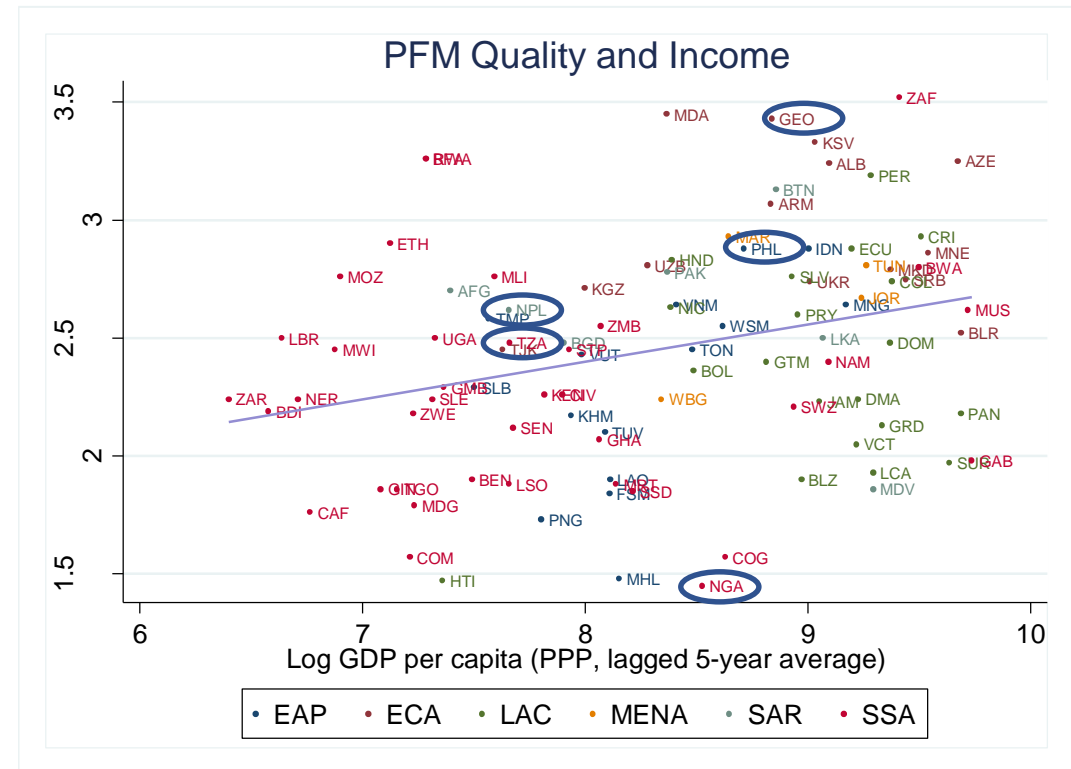
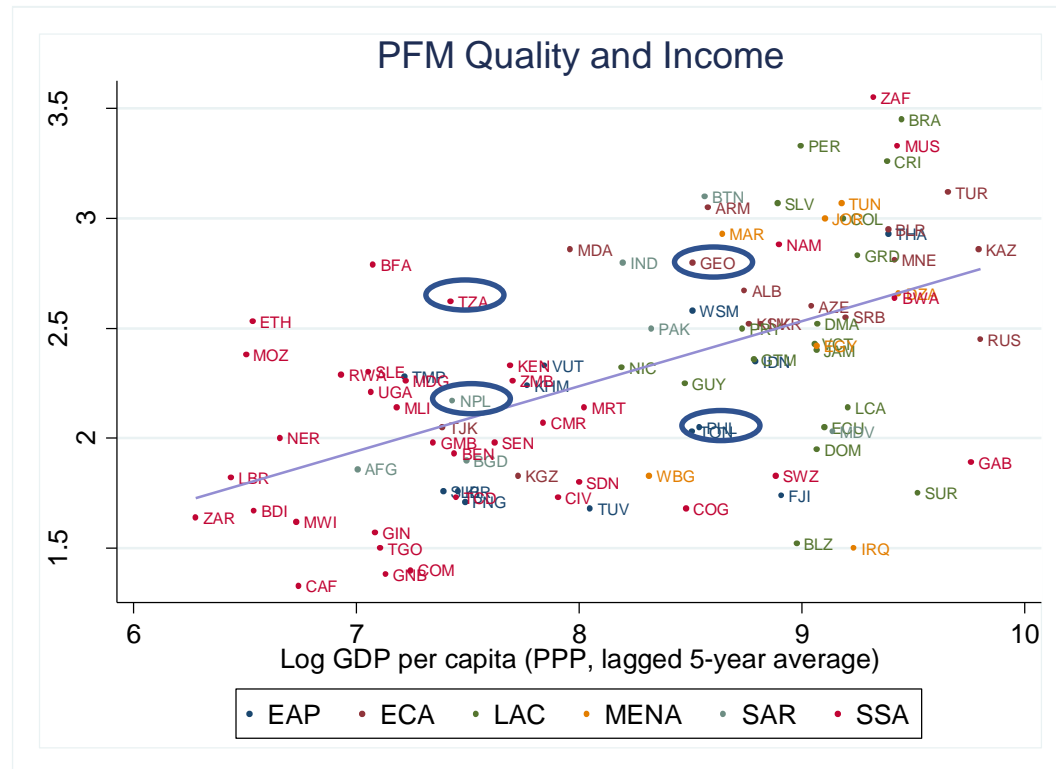


- In PFM, the WB is the dominant source of ODA
- Much less so for other public sector governance aspects
- Some areas explored: anti-corruption, DRM (v recent years only), decentralization, legal and justice sector
- Within PFM, a particular lending element has been the establishment and roll-out of FMIS systems
 - More recently growing emphasis on 'adjacent' areas – procurement reforms, public investment management, DRM, SOE governance

Some positive results achieved in PFM performance

earliest PEFA available

most recent PEFA data available



Low income and African countries improved PFM systems as measured by PEFA (since 2005/2006)

Evolution of CPIA ratings for PFM – regional averages – 2001-2014

Group	No. of Countries	2001 (average)	2007 (average)	2014 (average)	Increase/decrease in regional averages
LAC	28	3.59	3.68	3.59	0
SAR	8	4.07	3.44	3.38	--
EAP	22	3.50	3.43	3.34	-
SSA	47	2.97	3.12	3.17	++
MENA	9	3.38	3.38	3.42	+
ECA	23	3.45	3.71	3.79	++

Problem: not so much achieved for wider governance

- Overall Governance effectiveness improved only in some cases and worsened or stagnated in others – no change in the region overall
- Improving financial management systems (at central and upstream levels) on its own – especially with limited improvements in HRM – is insufficient for improving service delivery
- Nonetheless, service delivery indicators have improved in many countries
 - primarily due to expansion of public systems as well as growth of private services (e.g. various forms of private schools and clinics), as well as NGO delivered services, esp. in fragile and post-conflict contexts
- Skepticism, as well as some enthusiasm for ‘trying to do more’ – governance in sectors, tackling HRM, as well as DRM –
 - WDR 2017 on Governance and the Law as a potential ‘new start’

No change
on average
over the
past two
decades

