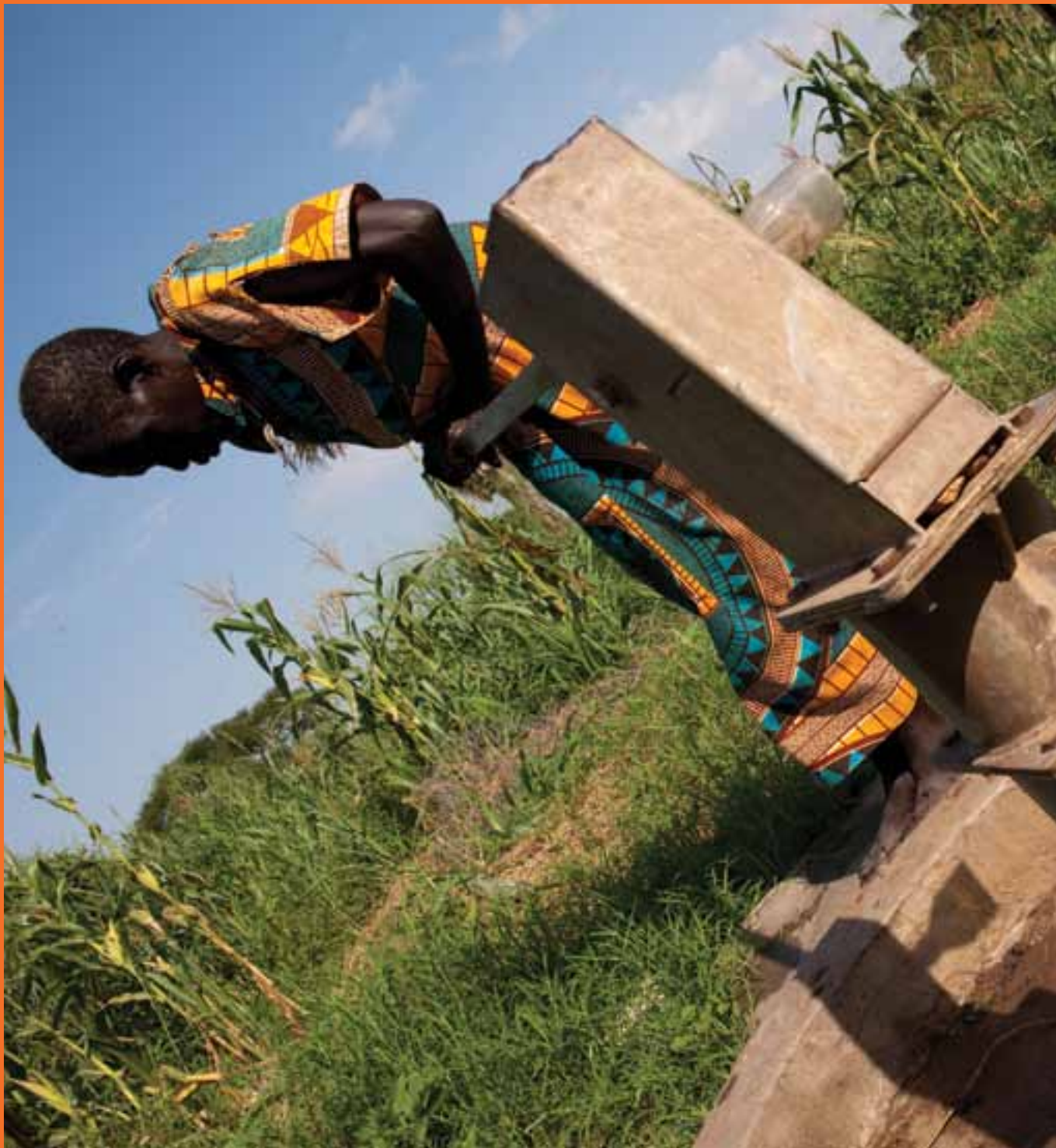


**ONE**

THE 2013  
**DATA**  
REPORT

**FINANCING THE FIGHT  
FOR AFRICA'S TRANSFORMATION**



A young woman fetches water at a borehole in the village of Bilinyang, near Juba, South Sudan.

Photo: Arne Hoel/World Bank

# EXECUTIVE SUMMARY

The Millennium Development Goals (MDGs) have rallied the international community around a common fight and have mobilised a significant body of resources, expertise and focus to help achieve their aim. In 2013 the world is nearing the finish line and, with less than 1,000 days to go, the stakes are high.

Despite sluggish growth in much of the world, emerging economies have led a global recovery, and many sub-Saharan African countries have proved particularly resilient, with growth rates averaging 5% over the past seven years. This continued growth in the developing world, coupled with increased development assistance over the past decade from donor countries, has delivered dramatic progress on a number of fronts. Overall, the number of people living in extreme poverty declined from 43% of the world's population in 1990 to 21% in 2010. Should this progress continue and expand to lagging regions and countries, the possibility of virtually ending extreme poverty in the next few decades could be a reality. Compared with 2000, the annual number of child deaths has decreased by 2.7 million (from 9.6 million per year), and malaria deaths have fallen by more than a quarter. The numbers of lives saved are truly astonishing.

In addition to halving extreme poverty, two other MDGs have already been met globally – improving access to clean water and achieving gender equality in primary education. But these global averages disguise vast disparities between different

countries, regions and MDG indicators. Sub-Saharan Africa as a region is lagging furthest behind on the majority of the MDGs, but individual countries are making great strides. To support those countries that are showing progress but are short of the goal, collectively we must pick up the pace and increase momentum to get the job done. The world cannot lose sight of current targets in our rush to create new ones. A strong surge to achieve the 2015 goals will build the momentum needed to sustain progress through the next development framework between 2016 and 2030, and ensure the virtual elimination of extreme poverty.

Further progress will require sustaining or increasing resources for development from all sources. Development assistance from donors remains critical, but developing countries' own resources dwarf aid resources in many cases, and the domestic political decisions that governments make about how to channel these resources have the biggest effect on development outcomes.

ONE's 2013 DATA Report, 'Financing the Fight for Africa's Transformation', examines the recent progress of individual countries against eight core MDG targets, particularly in sub-Saharan African countries, using the MDG Progress Index originally developed by the Center for Global Development.<sup>1</sup> The report then compares country progress on the MDGs against both African domestic government spending and external donor financing in the health, agriculture and education sectors.

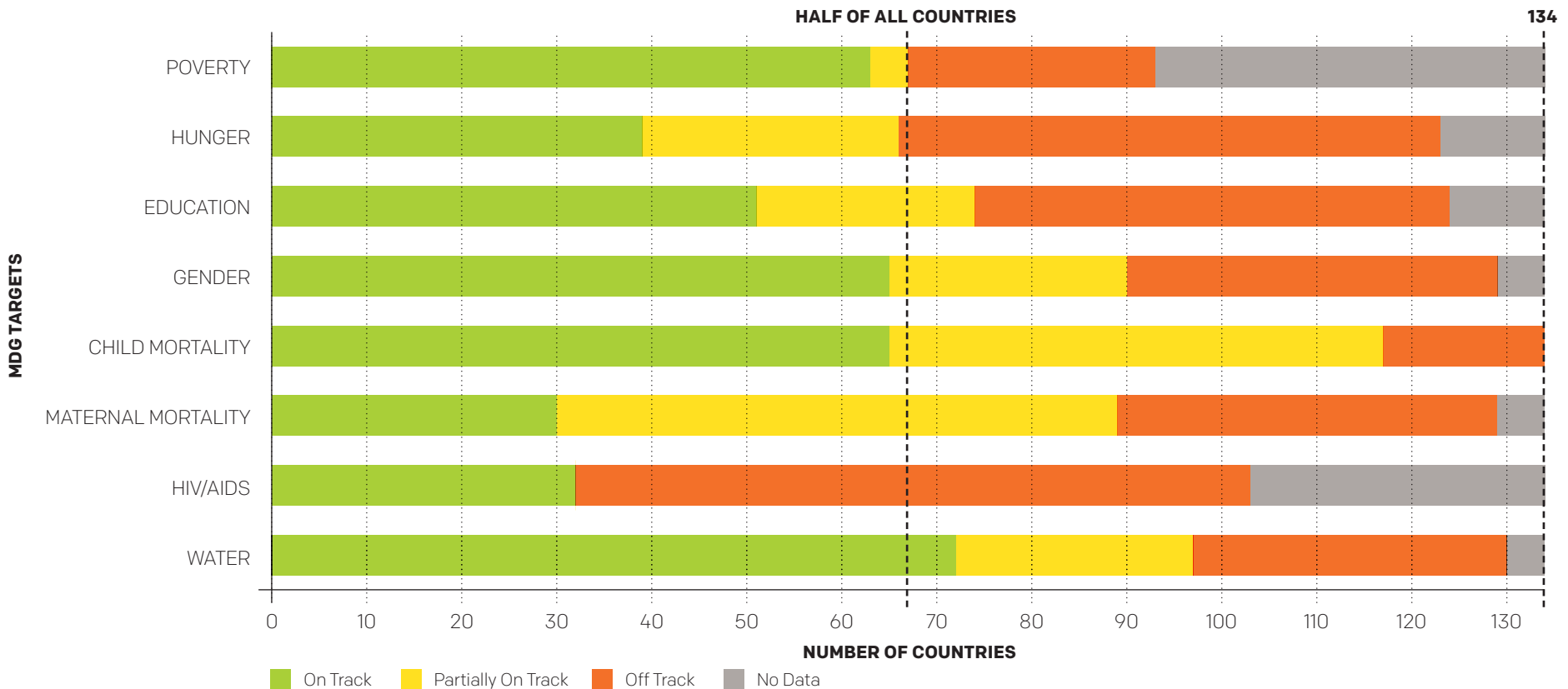
# KEY FINDINGS

## 1 MDG progress continues to be strong overall.

ONE's analysis in the 2013 MDG Progress Index shows that, since 2010, 49 poor countries have improved their overall MDG scores, 17 have declined and ten have stayed the same. All in all, this demonstrates a positive trajectory for the majority of countries. The number of MDG trailblazers (those countries with a Progress Index score of at least 5) is 45, ten of which are in sub-Saharan Africa. This is almost twice the number of trailblazer countries from just two years ago. Furthermore, the gap

between poor and middle-income countries' progress towards the MDGs continues to narrow. Poor countries' average scores are now nearly identical to those of middle-income countries. Figure 1 shows that on five of the eight MDG targets measured in this report, more than half of countries are either 'on track' or 'partially on track' to meet these goals.

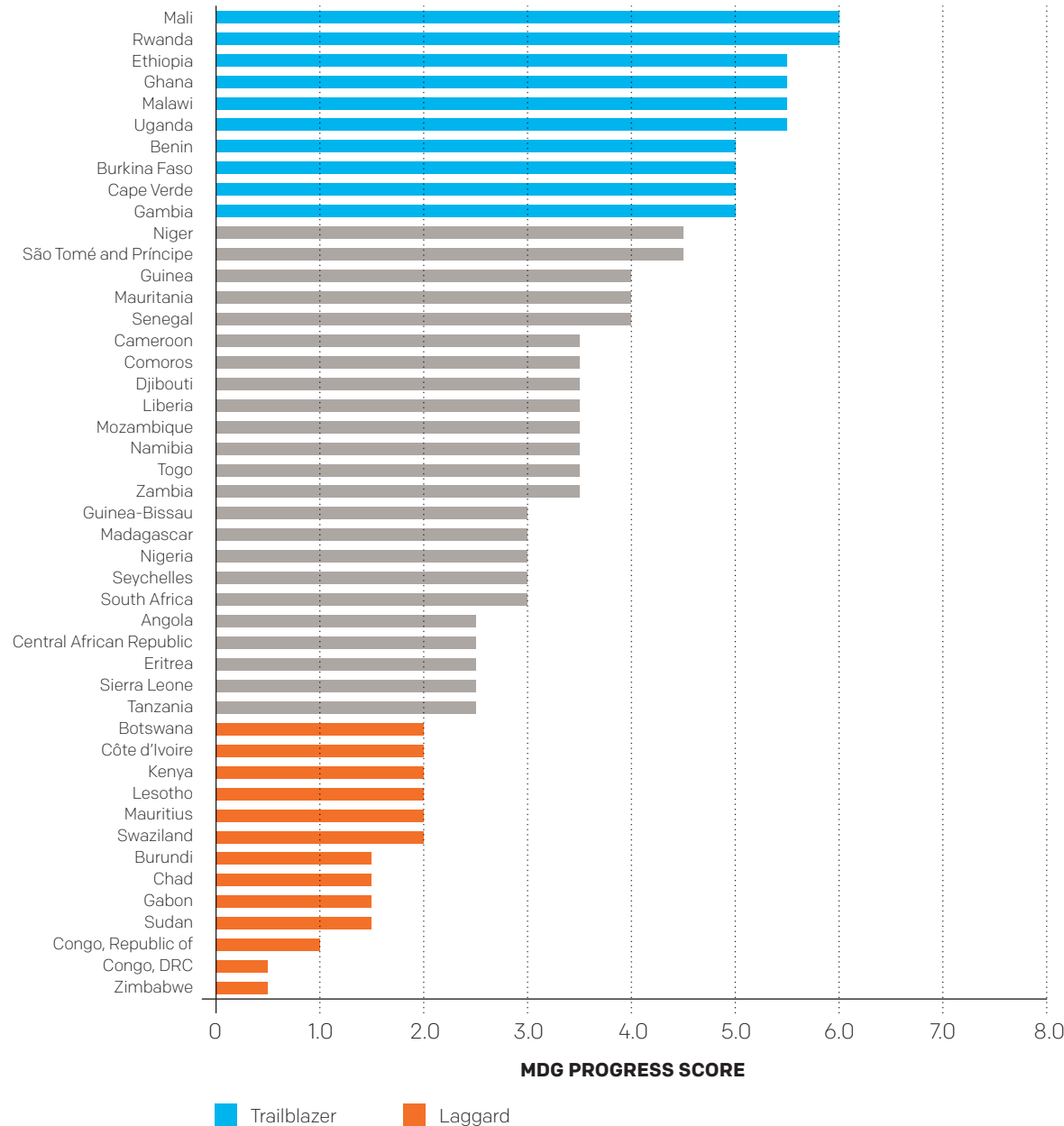
**FIGURE 1: 2013 MDG Progress Index, by MDG Indicator**



Sources: World Bank, World Development Indicators and ONE calculations

Note: Total number of examined countries is 134. There are no 'partially on track' countries for HIV/AIDS because there is no examined trajectory as for the other goals: countries are either 'on track' (if the prevalence rate has been held steady or decreased) or 'off track' (if the prevalence rate has increased).

**Figure 2: 2013 MDG Progress Index Score, Sub-Saharan African Countries**



**2 MDG progress is uneven across countries, and too often growth is not inclusive.**

Sub-Saharan African countries are showing excellent progress on average, among them top performers such as Rwanda, Ethiopia, Malawi, Ghana, Uganda, Benin and Burkina Faso. But while the number of MDG trailblazers has increased, 14 poor countries (nine of which are in sub-Saharan Africa) are lagging behind and have shown little improvement over time, or in some cases have declined. This year, the Democratic Republic of Congo (DRC) and Zimbabwe stand out as the worst-performing countries, with MDG Progress Index scores of only 0.5. More worrying still, the vast majority of laggards' scores have remained the same or have actually declined since 2010, with the exception of Burundi and Côte d'Ivoire, which have shown some moderate progress. Figure 2 shows the vast range of rates of progress across sub-Saharan African countries. There remains a worrying trend that economic growth is not as correlated with poverty reduction as it could be, raising questions about the inclusivity of growth as well.

Sources: World Bank, World Development Indicators and ONE calculations

Note: ONE did not examine every single sub-Saharan African country due to insufficient data. Countries excluded from this analysis are: Equatorial Guinea, Somalia and South Sudan. MDG Progress Index indicator coverage is not complete in all cases due to the unavailability of data. In light of these data limitations, caution should be taken when considering these findings. Countries with reduced data availability, and hence lower indicator coverage, are more likely to score lower because they cannot achieve a score of 0.5 or 1 on these MDGs, hence these missing data points are effectively counted as zero.

### 3 Resources for development in Africa have dramatically increased since 2000.

In the past 12 years, expenditures by sub-Saharan African governments have quadrupled and now account for 78% of total resource availability; see Figure 3. In that same time, official development assistance (ODA) to the region has also increased significantly. However, aid flows from major donors (the DAC countries) to sub-Saharan Africa have dipped over the past two years, with a 6% decline between 2011 and 2012.

- Domestic expenditures increased from \$84 billion in 2000 to \$363 billion in 2011.
- Over that same period, ODA to sub-Saharan Africa increased from \$11.7 billion in 2000 to \$41.8 billion in 2011, although it has declined from 2011 to 2012.

### 4 However, resources are far short of promised levels – if financing commitments were kept, the results could be truly transformational.

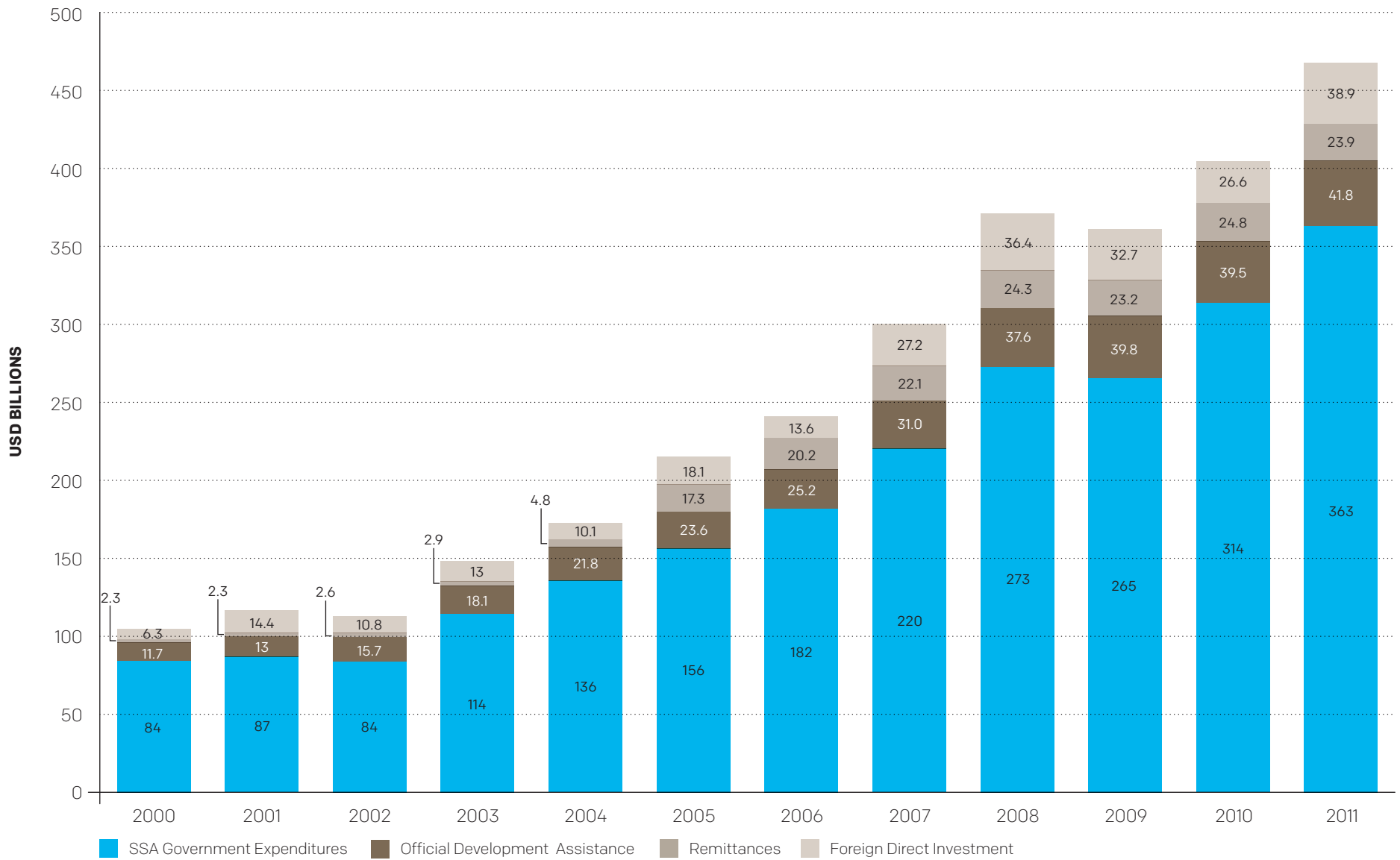
The majority of sub-Saharan African countries have not met their financing commitments to health, agriculture or education. These commitments were made in the African Union or other multilateral contexts and governments committed to spend a certain percentage of their expenditures or GDP on health (Abuja commitments), agriculture (Maputo commitments) and education (Dakar commitments). Donor progress on commitments to give half of all ODA increases to Africa, per the EU's commitment to achieve 0.7% ODA/GNI by 2015, is broadly off track as well.

Some African countries are further behind than others, however, and the amount of resources that are currently not being mobilised for these sectors could be life-changing for millions of people. For instance, if Nigeria were to meet its health spending commitment each year from 2013 to 2015, the total projected additional resources (\$22.5 billion), if invested in effective health programmes, could provide anti-malarial bednets to every single citizen, fully vaccinate every young child against deadly childhood diseases (such as pneumonia, rotavirus, diphtheria and whooping cough) and provide antiretroviral treatment to every single person who is HIV-positive

in Nigeria. The malaria intervention alone could save the lives of almost half a million children over time. If Angola were to meet its education spending commitment each year from 2013 to 2015, just a fraction of the total projected additional resources (\$21.6 billion) could ensure that every single child was enrolled in primary school.

- Altogether, if sub-Saharan African countries met their spending commitments on health (Abuja commitments), there would be an additional \$68 billion available between 2013 and 2015.
- If sub-Saharan African countries met their spending commitments on agriculture (Maputo commitments), there would be an additional \$40 billion available between 2013 and 2015.
- And if sub-Saharan African countries met their spending commitments on education (Dakar commitments), there would be an additional \$135 billion available between 2013 and 2015.
- In total, there could be an additional \$243 billion available between 2013 and 2015 for these three sectors if sub-Saharan African governments kept all their promises.

**FIGURE 3: Sub-Saharan Africa (SSA) Resource Flows, 2000-11**



Sources: IMF World Economic Outlook Database; OECD DAC; World Bank World Development Indicators

Note: All data is measured in USD billions in current prices to compare all flows. African government expenditures are calculated by converting government expenditure shares (measured as a percentage of GDP) into absolute expenditure estimates. ODA figures exclude debt relief. Remittances are defined as receipts measured through the balance of payments method. FDI is defined as net inflows measured through the balance of payments method. The following countries are excluded due to lack of data for some flows: Somalia, South Sudan and Sudan.

## 5 There is a strong relationship between sub-Saharan African governments' spending and MDG progress.

This report shows that, on average, sub-Saharan African countries that have allocated a greater share of government expenditures to health, education and agriculture over the past decade demonstrate improved MDG outcomes in those areas (see Figure 4).

- In health, countries that are 'on track' to achieve their child mortality reduction targets are also those that are making greater progress towards their health (Abuja) spending targets (with an average deficit of only 21% between 2001 and 2010).<sup>2</sup> This compares with an average health spending deficit of 42% for those countries that are 'off track' to meet their child mortality reduction targets.
- In agriculture, countries that are currently 'on track' to achieve their poverty targets have an average agriculture (Maputo) spending deficit of 28%, whereas countries that are currently 'off track' have an average Maputo commitment spending deficit of 61%. Similarly, countries that are currently 'on track' to achieve their hunger targets have an average Maputo spending deficit of 38%, whereas countries that are 'off track' have an average Maputo spending deficit of 49%.

- In education, countries that are 'on track' to achieve their primary education completion rate targets by 2015 had an average education spending deficit (towards their Dakar targets) of 32% between 2000 and 2010. This compares with an average education spending deficit of 45% for those countries that are 'off track' to meet their primary education targets.

There is a robust positive correlation between sub-Saharan African countries' average social expenditures (combined health, education and agriculture expenditure, as a share of their total expenditure over the past decade) and their MDG Progress Index scores. Looking across all sectors, sub-Saharan countries that are MDG 'trailblazers' allocate an average of 39% of government spending to the above three sectors, while those that are 'laggards' allocate only 29%.

## 6 Donor development assistance relates to better MDG outcomes in sub-Saharan Africa, but more should be done to target assistance more effectively.

This report finds a correlation between donor spending on sectoral priorities and corresponding results on individual MDG targets. However, looking across total donor spending per capita on all three sectors combined reveals a very weak correlation with overall MDG progress. This relationship is much weaker than the previous relationship between African domestic spending and overall MDG progress, raising numerous questions that require further research. Although it is beyond the scope of this report, future analysis may include looking more closely at the interaction between donor spending and domestic spending. Within ONE's analysis, we find:

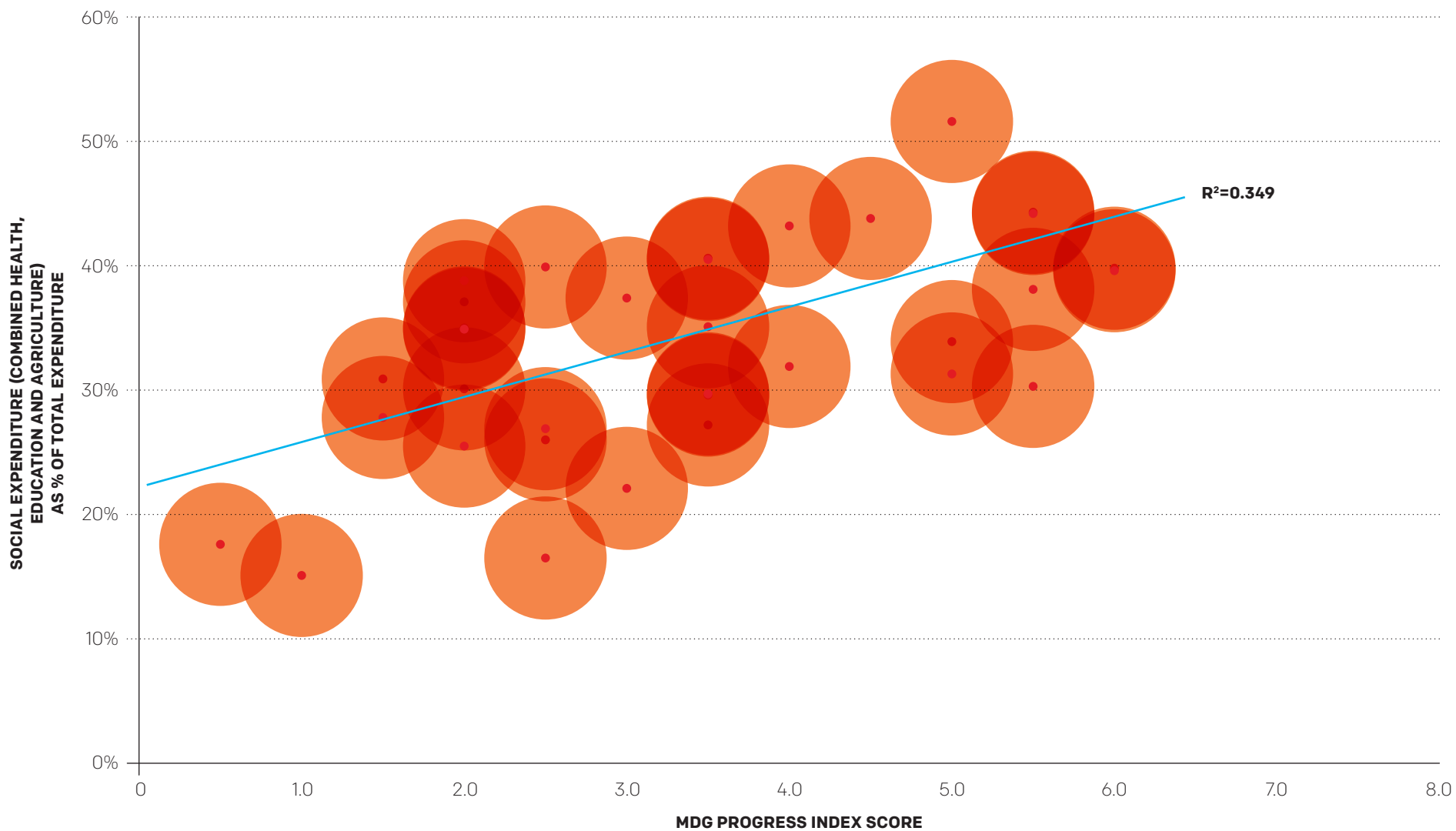
- On average, sub-Saharan African countries that have received greater education assistance over the past decade are also demonstrating better outcomes on the education MDGs (primary completion and gender equality).
- In health, sub-Saharan African countries that have received greater health assistance per capita are demonstrating better outcomes on child mortality.

However, maternal mortality is showing the opposite relationship. This is not necessarily surprising given that the majority of donor assistance over the past decade has targeted other health priorities and maternal mortality challenges often reflect broader health system obstacles that are harder to address through vertical health interventions.

- And finally, sub-Saharan African countries that have received greater agriculture assistance flows, on average, are also demonstrating slightly better outcomes on their extreme poverty and hunger MDGs. Agriculture spending, however, has been notoriously neglected by donors, and increased commitment in this area, coupled with improved country- and activity-level targeting, may lead to further progress.



**FIGURE 4: Sub-Saharan African Governments' Estimated Average Spending on Health, Education and Agriculture (Combined) as a Percentage of Total Expenditure (2000–10) by MDG Progress Index Score**



Sources: IMF World Economic Outlook Database, World Health Organisation, ReSAKSS, UNESCO, World Bank World Development Indicators and ONE calculations

Note: Only 34 sub-Saharan African countries are examined here, due to limited data availability on health, agriculture and education expenditures. Since we are not examining the full period for agriculture (2003–09) and the figures used are estimates only, caution should be taken when interpreting these findings.

## FIVE KEY STEPS FOR SPRINTING THROUGH THE 2015 FINISH LINE

In the last 1,000 days until the MDGs deadline, there is a need for developing countries, donor countries and development institutions to instil a greater sense of urgency and focus into their efforts. Promoting a 'war room' mentality, and ensuring that the 2015 deadline remains firmly in the forefront, is about ensuring that the effective use of billions of public sector development finance dollars and saving millions of lives. Thus, ONE makes the following five recommendations to both increase the quality and effectiveness of financing and increase the quantity of resources available:

### IMPROVING THE QUALITY OF DEVELOPMENT FINANCE

#### **1 Invigorate monitoring mechanisms and focus on acceleration plans.**

The UN and the World Bank will be leading quarterly meetings with an action-oriented agenda focused on: (1) tracking up-to-date MDG outcomes and trends and (2) designing and executing plans to accelerate progress on specific goals and in specific countries, over the next three years. These decision-making sessions will support the UNDP's MDG Acceleration exercise, which seeks to identify areas where noteworthy progress can be achieved. After each quarterly meeting, the organisations will publicly issue detailed progress updates. Every development actor – including both developing and donor country governments – should present clear MDG acceleration plans that span the next 1,000 days and beyond. They should publicly declare how they are moving beyond 'business as usual' and stating how they will intensify efforts, with accountable actions and resources attached.

#### **2 Accelerate budget and aid transparency implementation.**

In addition to countries scaling up resources for development, it is equally important for all actors to significantly scale up efforts that will increase the impact and effectiveness of both existing and new resources. For most developing nations, this means dramatically improving budget and expenditure transparency. At the same time, all donors should accelerate their respective timelines for joining and complying with the International Aid Transparency Initiative (IATI). It is equally important to have transparent mandatory reporting measures in the extractives industry and better revenue management authority to increase the tax base in developing countries.

#### **3 Improve the quality of service delivery.**

Donor and African governments should rapidly scale up the Service Delivery Indicators (SDI) Initiative, which tracks expenditures along with service delivery quality and performance in the education and health sectors. The SDI Initiative is an effective instrument for identifying performance challenges, such as resource leakages and gaps in teacher knowledge or effort, to ensure greater stakeholder accountability.

### INCREASING THE QUANTITY OF DEVELOPMENT FINANCE

#### **4 Fulfil funding commitments.**

African governments need to meet their commitments to spending in health, education and agriculture to ensure that they are prioritising the allocation of resources towards the MDG target areas. Donor governments need to meet global and Africa assistance targets to ensure a global partnership for development progress, and they must strategically allocate resources to countries and sectors with the greatest potential for demonstrable impacts and outcomes.

#### **5 Support full multilateral replenishments.**

The Global Fund to Fight AIDS, Tuberculosis and Malaria, the African Development Fund (ADF) and the World Bank's International Development Association (IDA) will all be soliciting multi-year financial pledges simultaneously from donor governments in 2013. All three organisations play a central role in supporting the MDGs – especially in Africa – and it is essential that they are financed to the greatest extent possible.



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