SUPPORTING A RESILIENT RECOVERY

The World Bank’s Western & Central Africa Region Priorities 2021-2025

People First

Africa ACT,
Adapt
Connect
Transform
PEOPLE FIRST
FOREWORD
by Ousmane Diagana, Vice President

Time to ACT: Placing People at the Forefront of our Engagement in the Western and Central Africa Region

I am very pleased to present the strategic framework to guide our operational work in the World Bank’s West and Central Africa Region (AFW) over the next four years (2021-2025). This region has been severely impacted by the COVID 19 pandemic and ongoing climate change, two global crises whose effects have aggravated preexisting security, demographic and institutional challenges confronting many countries. Faced with these challenges, we must act. Act with ambition, priorities, urgency and impact. Act through transformational investments, and the provision of expert advice and quality knowledge products to improve living conditions. And act for the people of West and Central Africa. Our motto is: “People First: we commit to placing people at the forefront of our engagement with countries.”

Putting people first is particularly crucial at this moment. Before the COVID-19 pandemic, we had seen encouraging progress in many countries in the region. However, the economic and social impacts of COVID-19 have been devastating and far-reaching. In 2020, the pandemic pushed an additional 15 million people into extreme poverty. Furthermore, past gains are being threatened, and gaps in education, health, and jobs persist and are deepening.

West and Central Africa is a region where the World Bank Group is committed to achieving progress in its mission to end extreme poverty and promote shared prosperity. The region hosts about a quarter of the world’s extreme poor. More than 70 percent of the region’s population now lives in fragile, conflict, and violence-affected (FCV) countries; 20 countries are eligible for the International Development Association (IDA) assistance, the single largest source of concessional finance for the poorest countries in the world. The battle to achieve poverty reduction and meet the Sustainable Development Goals will depend on progress made here.
Indeed, while the Region faces a complex set of challenges, we refuse to lose sight of its great and unique potential in terms of cultural heritage, natural resources, and human capital. We believe in the capacity of the continent to transform, to advance and to offer better lives for its population. Therefore our strategy is based on ambitious outcomes and opportunities, as we propose bold and achievable targets to provide a better future for the people of the region. The strategy is centered around four specific transformational goals:

- **Rebuilding trust between citizens and the state to create a new social contract**, a key mission notably in FCV-affected countries.
- **Removing the bottlenecks that prevent firms from creating more and better jobs**, a major step in ending poverty and unleashing more sustainable growth.
- **Strengthening human capital and empowering women** to help ensure that all boys and girls reach their full potential.
- **Boosting climate resilience** will help countries to adapt and mitigate climate shocks by strengthening resilience in cities and rural areas. Promoting a green growth agenda will also be key to addressing climate challenges in the region.

As we work toward achieving these goals, partnership and collaboration will be central to our approach. And in everything we do, we are guided and committed to living our values of “Teamwork, Respect, Integrity, Innovation, and Impact”.

[Signature]
Western and Central Africa countries have made progress in reducing poverty but recent gains are threatened by the COVID-19 pandemic. The region faces 4 main challenges:

- **Distrust in government & widespread fragility**: More than 70% of the people of Western and Central Africa live in fragile and conflict-affected countries.
- **Rapid population growth**: Over the next 30 years, Africa's working age population will increase by 800 million people.
- **Resource dependency**: Countries are mining their non-renewable capital.
- **Climate change vulnerability**: Temperatures in the Sahel are increasing 1.5 times faster than the global average.

### 4 Big Goals to Transform the Economy and Inclusive Growth

- **A new social contract**: Improve service delivery, reinforce institutions and government capacity, promote digital opportunities, support citizen engagement.
- **More and better jobs**: Address macroeconomic vulnerability and debt sustainability, support critical infrastructure, promote private sector investment and job creation.
- **Stronger human capital**: Prioritize health and education spending, empower women, expand social protection, connect workers to jobs.
- **More climate resilience**: Build agricultural value chains, support food and water security, develop green energy, promote green cities, mitigate climate shocks.
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- Resource dependency
- Rapid population growth
- Climate change vulnerability

4 BIG GOALS TO transform the economy AND inclusive growth:

a new social contract

more and better jobs

Stronger Human Capital

more climate resilience

IMPROVE SERVICE DELIVERY

REINFORCE INSTITUTIONS AND GOVERNMENT CAPACITY

PROMOTE DIGITAL OPPORTUNITIES

SUPPORT CITIZEN ENGAGEMENT

MORE THAN 70% OF THE PEOPLE OF WESTERN AND CENTRAL AFRICA LIVE IN FRAGILE AND CONFLICT-AFFECTED COUNTRIES

ADDRESS MACROECONOMIC VULNERABILITY AND DEBT SUSTAINABILITY

SUPPORT CRITICAL INFRASTRUCTURE

PROMOTE PRIVATE SECTOR INVESTMENT AND JOB CREATION

PRIORITIZE HEALTH AND EDUCATION SPENDING

EMPOWER WOMEN

EXPAND SOCIAL PROTECTION

CONNECT WORKERS TO JOBS

BUILD AGRICULTURAL VALUE CHAINS

SUPPORT FOOD AND WATER SECURITY

DEVELOP GREEN ENERGY

PROMOTE GREEN CITIES

MITIGATE CLIMATE SHOCKS

INCREASE ACCESS TO ELECTRICITY FROM 50% TO 64% BY 2026

TODAY, MORE THAN 2/3RD OF SCHOOLS AND HEALTH CENTERS HAVE NO RELIABLE ELECTRICITY

TODAY ONLY 26% OF AFRICA’S POPULATION HAVE ACCESS TO INTERNET

INCREASE BROADBAND CONNECTIVITY FROM 30% TO 43% BY 2024

TODAY 86% OF CHILDREN AT LATE PRIMARY AGE ARE NOT PROFICIENT IN READING

REDUCE LEARNING POVERTY FROM 80% TO 76% IN 2024

INCREASE GIRL'S SECONDARY SCHOOL ENROLLMENT FROM 42% TO 47% BY 2024

TODAY, ONLY 2 OUT OF 5 GIRLS ARE ENROLLED IN SECONDARY SCHOOL

INCREASE CLIMATE CO-BENEFITS IN AFW FINANCING TO AN AVERAGE OF 35% OVER FY21-25

WITHOUT CLIMATE RESILIENCE, 43M MORE PEOPLE IN AFRICA COULD BE PUSHED INTO POVERTY BY 2030

INCREASE TRANSPARENCY AND ACCOUNTABILITY IN PUBLIC AFFAIRS

COUNTRIES' SCORE ON TRANSPARENCY AND ACCOUNTABILITY ARE AMONG THE LOWEST IN THE 2020 CPIA

TODAY'S WORKING AGE POPULATION WILL INCREASE BY 800 MILLION PEOPLE

OVER THE NEXT 30 YEARS, AFRICA'S WORKING AGE POPULATION WILL INCREASE BY 800 MILLION PEOPLE

TEMPERATURES IN THE SAHEL ARE INCREASING 1.5 TIMES FASTER THAN THE GLOBAL AVERAGE

AFRICA LEVERAGE EMPOWER ADAPT PARTNER

70%
Western and Central African countries have made progress in reducing poverty. The poverty rate declined from 59% in 2000 to 47% in 2010 and to 35% in 2018. However, given the region’s high population growth rate, the number of poor has only declined marginally with 3 million fewer poor people in 2018 than in 2000.

Accelerated progress is essential for improving the lives of the region’s people and for achieving the WBG’s twin goals of ending extreme poverty and increasing shared prosperity. The region has many assets, including a strong resource base, a young population, flexibility in the movement of labor and goods, and improved macroeconomic management in recent decades. These assets have driven improvement in numerous indicators, from infant mortality to secondary school enrolment, over the last decade and could, if deployed for development results by accountable governments, accelerate progress in the future.

Recent progress is threatened by the COVID-19 pandemic which, in addition to its direct human toll, has caused the first region-wide recession in a quarter century. The result has been job losses, a reversal of education gains, and rising debt levels that threaten social spending and an expansionary fiscal response. COVID-19 has had a dramatic impact on both poverty numbers in 2020 and the projected trajectory of poverty rates going forward. The poverty rate in West and Central Africa jumped by almost 3% in 2020 after a decade of steady decline and poverty projections for 2030 are 4% higher than pre-covid-19 forecasts. This would imply 23 million more poor people in 2030 than the pre-covid-19 forecast.
Decades of economic progress are in peril if the crisis is left unchecked. With the loss of lives and the decline in economic activity, poverty, inequality, and unemployment levels will rise sharply. Even before the crisis, Africa was home to more than half of the world’s poorest. This number will rise and people already in poverty will sink deeper into destitution. The crisis is likely to hit the poor, women and the vulnerable hardest because they depend on the informal economy and have the weakest access to services.

Inequality was already high in AFW countries before the crisis, with a median Gini coefficient of 0.43, and will grow as a result of the pandemic. Gender impacts will be substantial as women derive their livelihoods
The World Bank’s Western & Central Africa Region (AFW) Priorities 2021-2025

Disproportionately from the informal economy. Mobility restrictions combined with economic stress and isolation could increase gender-based violence. The COVID-19 shock could aggravate the already developing food security crisis. Agricultural production is projected to contract between 2.6 and 7%. Prospects for achieving the SDGs, already challenging in many areas, will become even more difficult. Commodity exporting countries are seeing large declines in export prices and supply disruptions, adversely impacting balance of payments, budgets, and national incomes. Risks of full-blown currency/BOP crises have risen, which would aggravate the downturn and make recovery slower. Meanwhile, the collapse of tourism, remittances, foreign direct investment, and export revenues is negatively affecting households and firms.

Reinforcing old approaches will be insufficient to address the impact of the pandemic. AFW has adopted a simple three-pronged framework to respond to the pandemic and the global economic crisis:

- **Protecting Lives.** In the immediate term, the primary concern is saving lives. This means putting in place the measures needed for the prevention, detection, and treatment of the disease, a huge public health challenge given the weakness of health systems in many AFW countries.

- **Protecting Livelihoods.** The second prong is to ensure livelihoods during the period when parts of the economy or borders need to be shut to prevent the spread of the disease. This means protecting households, protecting jobs, and protecting key government functions.

- **Protecting the Future.** While much of the effort would necessarily go towards addressing the immediate crisis, investment also needs to be made in recovery and growth, to create the foundations for the future. The AFW Strategy laid out below incorporates the immediate response but, most importantly, focuses on how to “build back better.”
Four mega-trends affect the future of the region

Even before the pandemic, despite the progress in meeting the WBG twin goals, progress in the region has clearly not met the aspirations of its people. The gap between per capita incomes in AFW countries and those of both other developing countries and high-income countries has grown steadily. Per capita incomes in West and Central Africa were 8% of high-income per capita incomes 50 years ago; today they are only 4%. Over the same period, as other developing countries converged with high-income countries, per capita incomes in West and Central Africa fell relative to those of countries in every region outside of Sub-Saharan Africa.

Low productivity growth explains this gap. Differences in output per worker between regions, relatively small in the 1960s, has since expanded dramatically. The divergence in output per worker is not explained by divergences in factor endowments but, rather, has been driven by a growing gap in total factor productivity relative to the rest of the world. The low growth in productivity is, in turn, linked to a lack of structural transformation of economies. Compared to other regions, there has been little economic transformation. The movement from low productivity activities in traditional agriculture and the informal sector to higher productivity manufacturing, services, and agriculture has been extremely slow. There has been little improvement in productivity within sectors; and little productivity improvement from urbanization. The region's working-age population is employed but generally in very low-productivity activities.

Four mega-trends affect the future of the region

Going forward, the countries of West and Central Africa will need to deal with four mega-trends that continue to shape the region and the prospects for improving the lives of its people.
First, the social contract is breaking down and violent conflict is increasing. Citizens have lost trust in states that fail to protect, render justice, or deliver services to them. Violent conflict is also growing, as states fail to resolve community conflicts, which, in turn, further undermines trust in governments. Eleven of the 22 countries in the region are now affected by fragility, conflict, and violence (FCV), and 73% of the region’s population now live in FCV-affected countries.

Second, the demography of the next decade is already set. Rapid population growth will fuel an unprecedented growth of the working-age population. Over the next 30 years, Sub-Saharan Africa’s working-age population will increase by 800 million people, a much larger increase than in either China or India in the 30 years when their working-age population grew fastest. At the same time, continued high fertility will keep the dependency ratio high and increase the difficulty of providing health and education services to a rapidly growing school-age population. The demographic momentum will also accelerate urbanization, which presents both risks of fractious, unliveable cities and opportunities for agglomeration benefits to raise productivity and create better jobs.

Third, the region’s resource dependence is increasing, which presents both sustainability and governance challenges. At the broadest level, all West and Central African countries are “mining” their non-renewable capital, whether that be hydrocarbons, minerals, or land. Consuming non-renewable capital, rather than transforming it into human capital or produced capital is unsustainable. Growth based on such extraction also increases vulnerability to commodity price shocks and generates few jobs. Finally, the rents generated from such extraction are widely perceived to be shared inequitably, which generates grievances, frequently aggravates corruption, and can reduce government accountability.

Fourth, climate change is already happening and has dramatic negative consequences for populations in the region. The climate crisis in AFW is severe. Lake Chad, once one of Africa’s largest sources of fresh water and providing livelihood for around 30 million
people, has lost 90% of its water since the 1960. The rising temperatures, desertification, deforestation, increased coastal flooding, greater rainfall variability, and more frequent extreme weather events associated with climate change in the region are already having a devastating impact on populations and the economy and will continue to do so. Climate change is leading to land degradation, food insecurity, conflicts, forced displacement, increased poverty in AFW.

The remainder of this document lays out the goals, key measurable outcomes, and operational framework of the AFW strategy. The strategy is intentionally concise, rather than exhaustive, in order to serve its primary purpose of guiding AFW decisions over the next four years and providing a clear framework for assessing the effectiveness of its support.

The AFW countries face many common challenges but are also very heterogeneous, which requires setting measurable outcome targets at the country level as well. Beyond region-wide outcomes, country strategies will define measurable country-specific

FOUR BIG GOALS TO TRANSFORM WESTERN AND CENTRAL AFRICA

Sustainably reducing poverty and increasing shared prosperity in AFW countries depends largely on growth and economic transformation to create better jobs for more people, including women and youth. AFW will focus on contributing to the realization of four high-level goals to achieve this transformation:

- Rebuild trust between citizens and the state
- Remove the bottlenecks that prevent firms from creating more and better jobs
- Strengthen human capital and empower women
- Ramp up climate resilience.

It will also target six measurable outcomes at the regional level that contribute to achieving the goals and which AFW support can influence directly. The goals, measurable outcomes, and related activities are described below and summarized in a table at the end of this section.
The World Bank’s
Western & Central Africa Region (AFW)
Priorities 2021-2025

Outcome targets that make the most important contribution to achieving the AFW goals in each country context. Inclusion, service delivery, empowering women and girls, accountability, adaptation to climate change, preventing conflict, transparent use of resource rents are all important for meeting AFW’s goals, but the most important actions and the measurable results need to be identified at the country rather than the regional level. All CPFs and PLRs will define measurable country-level objectives that contribute to the high-level regional goals. For example, preventing the expansion of violent conflict will be important in the Sahel countries and increasing the transparency around natural resource rents will be important in the resource-rich countries.

Goal #1: Rebuild trust between citizens and the state to create a new social contract

Rebuilding trust between citizens and the state is necessary for defining a new social contract and realizing country development goals. As noted above, citizens have lost trust in states that fail to deliver services and that exclude large parts of their populations (ethnic communities, the poor, women, youth, the politically unconnected). Strengthening inclusive service delivery is a first step toward rebuilding trust. Priorities will vary among countries but, at the most basic level, involve improving security and justice for all citizens. The “security” and “development” agendas are intertwined, and progress will require simultaneous action on both fronts. Beyond service delivery, rebuilding the trust of citizens requires strengthening institutions and accountability. In particular, it requires governments to assure that public spending and resource mobilization are fair and transparent. Regionally the biggest accountability gains will be made by preventing the expansion of violent
conflict and improving the collection and use of natural resource rents. These gains will translate into resources for governments to invest in public goods and reduce state capture, which is key both to restore citizen’s trust and to create competitive, job-creating enterprises.

**AFW will help rebuild trust between citizens and the state through three broad approaches.**

- First, it will support effective and inclusive service delivery, including through digital solutions such as expanding access to unique IDs to allow citizens to access services. In FCV countries this will include enhancing core government functions such as justice and rule of law.

- Second, AFW will help strengthen economic and social institutions. In particular, it will support equitable resource mobilization, public expenditure planning and execution, and social protection mechanisms. Reducing regressive taxes, eliminating exemptions for the well-connected, and the use of new technologies to increase revenue from property taxation, will be supported to increase revenue, strengthen tax transparency, and reduce inequality.
Publication of natural resource management contracts, which is critical for accountability in the extractive sector, will be promoted so that citizens can understand the terms under which national endowments are used. Finally, new tools in e-procurement, beneficial ownership, and public sector auditing can create the systems and incentives for oversight of critical public sector engagements. AFW will also help reduce corruption by supporting efforts to strengthen the interface between the public and private sectors (transparency, regulation, contestability), reduce state capture, and tackle illicit transfers.

Finally, AFW will support citizen engagement at the project and community level and multi-stakeholder platforms for policy making and implementation including grievance redress mechanisms. AFW will contribute to strengthening accountability by investing in citizens’ mechanisms to engage, express their views, and give feedback; strengthening government capacity to adapt in response to citizen views; and promoting digital opportunities to enhance both citizen engagement and government capacity to respond.

**Success in rebuilding trust between citizens and the state is essential for achieving peace and all the other AFW goals** but is not easily measured at the regional level. It will be particularly important for CPFs to define measurable country-specific objectives related to the three approaches summarized above.

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**MEASURABLE OUTCOME:** INCREASE THE TRANSPARENCY/ACCOUNTABILITY/CORRUPTION RATING\(^5\) OF A MAJORITY OF AFW COUNTRIES BY 2024 (CPIA QUESTION 16)

Transparency in public affairs and the accountability of high-level officials are fundamental to the trust of citizens in their government and the effective delivery of public services. The transparency/ accountability/corruption criterion of the CPIA assesses the extent to which
The World Bank’s
Western & Central Africa Region (AFW)
Priorities 2021-2025

high-level officials can be held accountable for their use of funds, administrative decisions, and the results obtained. The criterion incorporates four sub-components: the accountability of 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.

The CPIA ratings of AFW countries show both the importance and difficulty of improving governance performance. The governance cluster score of AFW countries (3.1 on a scale of 1 to 6 in 2019) is the lowest of all cluster scores and, within the governance cluster, the transparency/accountability/corruption score (3.0 in 2019) is the lowest of the subcomponents. Moreover, the transparency/accountability/corruption score has been largely stagnant for the last decade. AFW will support actions to improve all four aspects of the transparency, accountability, and corruption criterion with the aim to help a majority of AFW countries improve their performance on this criterion by 2024.

Goal #2: Remove the bottlenecks that prevent firms from creating more and better jobs

As noted above, creating more and better jobs is key to both the poverty reduction agenda and re-converging with the rest of the world. The big problem is “missing jobs” and “quality jobs” rather than unemployable youth. Efforts to strengthen skills will have little impact if the bottlenecks that keep firms from growing and creating more and better jobs are not addressed.

The key to the demand side of the jobs agenda is to promote growth and economic transformation. Boosting inclusive productivity growth to change the structure of AFW’s economies will be essential to create better jobs and thus prosperity. Creating better jobs requires increased private sector investment. AFW, working with IFC, will help address the macroeconomic, infrastructure, and business environment bottlenecks that prevent firms from creating more and better jobs:
• Particular attention will be given to addressing debt sustainability concerns, which have been aggravated by the pandemic. Debt issues now threaten both macroeconomic management and the investment in public goods (infrastructure and social services) needed not only to nurture and attract job-creating private investment but to realize each of the AFW goals.

• Support to infrastructure will focus on filling the infrastructure gaps for firms of all sizes to expand and create better jobs. Access to electricity, digital connectivity, and transport will be particularly important.

• Regulatory reforms will focus on creating the competitive environment required to increase private investment and job creation. Assuring a level playing field for all firms and avoiding state capture by vested interests will be a particular focus of such reforms. In order to maximize financing for development, AFW will identify jointly with IFC and MIGA at least one area for new private sector financing in each country and the corresponding actions required to make it a reality.
The required structural transformation has sectoral, spatial, and technological dimensions.\textsuperscript{7} Sectoral transformation requires a reallocation of resources towards activities that increase value added and competitiveness. Nurturing or integrating regional and global value chains is key to accelerate economic transformation. Indeed, accessing or enlarging competitive markets is critical to mobilize high-productivity jobs-creating private investment, including in agriculture. AFW will support efforts both to foster contestable domestic markets through reforms to create a level playing field for all firms and reduce preferential access for cronies, as well as to gain access to larger markets through implementation of the Africa Continental Free Trade Agreement (AfCTA).

**AFW will support spatial transformation that accelerates productivity growth through stronger agglomeration economies and linkages.** Investing in creating markets in cities, rural-urban value chains, and connectivity will be particularly important to realize the potential for increased productivity in agriculture which is key for poverty reduction. AFW working with IFC and MIGA will help reap the potential benefits from urbanization by addressing the congestion, connectivity, and (high) cost issues that plague today’s cities, transforming them to cities that work, i.e., provide services and create jobs, and that are more liveable.\textsuperscript{8}

**Given the region’s current level of technology use, technological transformation offers the prospect of large increases in productivity through catch-up adoption of existing technologies, with both leapfrogging opportunities and new solutions to longstanding problems.**\textsuperscript{9} Digital transformation, in particular, could increase access to markets, lower costs, and build skills for the future.

**The rapid increase in the working-age population will lead to the creation of more self-employed, household enterprise jobs, irrespective of progress elsewhere.** AFW will support efforts, to raise the productivity of these jobs, including through leveraging digital technologies and supporting economic inclusion programs in agriculture and the informal sector.

**The COVID-19 pandemic has threatened the future of many firms and thus job creation prospects.** AFW will continue to help protect livelihoods—including households, key government functions, and essential economic activity—and protect the future through investments to support recovery and growth.\textsuperscript{10}
Access to electricity has cross-cutting implications for public service delivery and economic opportunities. In addition to directly improving the quality of life, access to electricity is critical for creating and enlarging markets and creating higher productivity jobs. It raises the productivity of enterprises, powers irrigation and refrigeration for agriculture, enables digital development, and is particularly important for small and medium-sized enterprises (SME), including home-based enterprises that allow women to combine domestic responsibilities with self-employment. Expanding access to electricity is also associated with declines in fertility and would contribute to improving human capital outcomes since more than two-thirds of schools and health centers in Sub-Saharan Africa and hospitals serving 350 million people rely on hospitals do not have reliable electricity.

AFW will support connections and the necessary generation and transmission infrastructure, enabling private investment where feasible. The Africa Energy Leap initiative represents a comprehensive WBG engagement to support both direct access and enabling conditions to increase access to electricity from 50% in 2019 to 64% in 2026.

**Measurable Outcome:** Increase access to electricity from 50% to 64% by 2026

Broadband connectivity is critical for economic transformation and the creation of better jobs for more people. Connecting individuals, firms, and governments to high-speed internet offers leapfrogging opportunities to increase productivity. It also offers new solutions to long-standing problems, including low levels of financial inclusion, poor access to market information,
low access to health and education services, and exclusion of women. Moreover, digital solutions in Africa have a positive impact on employment creation by firms since they create good jobs rather than displace labor. In addition, access to a digital transaction account is a step toward broader financial inclusion and a gateway to other financial services. Digital technologies can also help leapfrog on learning (e.g., scripted lessons) and promote transparent teacher recruitment, deployment, and training.

**AFW will support investments in digital infrastructure, skills, platforms, and regulatory regimes to increase the share of the population with broadband connectivity from 30% in 2020 to 43% by 2024.**

**Goal #3: Strengthen human capital and empower women**

**AFW seeks to be a region where all girls and boys reach their full potential.** This includes arriving at school well-nourished and ready to learn, acquiring real learning in the classroom, and entering the job market as healthy, skilled, and productive adults. Beyond the intrinsic value of people’s health and education, increased human capital leads to higher employment and earnings for people, higher income for countries, and stronger cohesion within societies.

**Interventions to strengthen human capital, including through health, education, social protection, water and sanitation, and other multi-sectoral interventions are closely interrelated.** Poor learning outcomes is one of the most pressing regional concerns; more children are in school, but they learn little. AFW has the highest level of learning poverty (the share of children unable to read at age 10) of any region. Women’s empowerment also implies investing in women and girls. Designing the needed interventions, targeting them to achieve the highest effectiveness, and navigating difficult trade-offs in times of reduced fiscal space makes investing in better measurement of human capital more important than ever. AFW will support system reforms, frontline delivery, technological innovation, and sustainable financing to achieve the above vision, with a particular focus on learning outcomes and women’s empowerment.
Empowering women is essential to create dynamic markets that drive transformation and to accelerate the demographic transition. The de facto exclusion of women from much economic activity means that half the population is effectively barred from realizing its potential—and from contributing to national development goals. AFW will support efforts to reform legal frameworks and influence social norms that relegate women to less productive jobs. Also, AFW will strive to protect girls and women from violence, increase women’s ability to build and use their human capital, access markets and control how their income is invested. Investing in girls’ education, supporting access of women to assets and more productive jobs, as well as improving representation at all level of society will be key to accelerate the demographic transition.
AFW will help mobilize and safeguard financing to protect, preserve, and invest in human capital in response to COVID-19. The COVID-19 pandemic has had a particularly pernicious impact on human capital in the region. In addition to the immediate loss of life, it has set back access to basic health and education services which, if not addressed aggressively, could jeopardize human capital for decades. AFW will support a multi-sector, multi-actor response to address these issues through financing, policy reforms, women’s empowerment, and technological innovation aimed at strengthening health and other systems designed to respond to severe health shocks (pandemic preparedness), social protection systems that increase resiliency by cushioning the effects of shocks and providing a springboard for people to get out of poverty (adaptive safety nets), and systems adapted to addressing constraints in FCV countries.13

In addition to financing, AFW will support policy reforms to tackle systemic obstacles to human capital development. Such reforms will aim to address bottlenecks in governance and service delivery, accelerate the demographic transition through multi-sectoral efforts to empower women and girls, and prevent and reverse damage to human capital in FCV-affected settings. AFW will also advance research and partnerships to strengthen the knowledge base and the demand side of human capital and to enable comprehensive cross-sectoral solutions at scale.

AFW will also support efforts to address supply-side constraints to job creation. It will help build capabilities and connect workers to productive jobs, including by strengthening the capabilities of workers to take advantage of new opportunities to access jobs and supporting the acquisition of jobs-relevant skills to prepare young men and women through vocational education, tertiary education, and on-the-job training. It will help strengthen the capabilities of entrepreneurs and managers so that firms can expand and create more and better jobs. It will also support channels for educational institutions and the private sector to connect to ensure that students are acquiring the skills needed for jobs.

Finally, AFW will support expanded social protection to preserve existing human capital and facilitate labor mobility, including safe, legal overseas migration, and transitions from safety nets to economically sustainable work.
Education is foundational for countries’ growth, productivity, and development; for individual and family incomes and welfare; for improved health outcomes (including reduction in fertility); for active participation in civic and political life; for social cohesion; and for active participation of individuals and societies in employment and the global economy. Literacy and other basic cognitive and behavioural skills are prerequisites for all other learning outcomes. Learning poverty focuses on literacy because it is an easily understood metric, a gateway to learning in other areas, and a proxy for foundational learning in other subjects. Moreover, children who do not read by age 10 (or at the latest, by the end of primary school) usually fail to master reading later in their schooling career.

AFW will support an integrated, multi-sectoral approach to reducing learning poverty from 80% in 2019 to 76% by 2024, supported by actions both in and beyond the education sector. Learning poverty provides a particularly devastating example of the impact of the pandemic, as preliminary estimates suggest that it rose from 80% in 2019 to 83% in 2020, thus increasing both the challenge and the importance of reducing it in coming years. Ensuring that all children can learn requires attention to early childhood development, better water and sanitation, transportation, improved health and nutrition, cash transfers to support vulnerable households in sending their children to school, civil service reforms, and strengthened management and financing of public services. Measuring learning poverty regularly will, in itself, draw attention to the problem and is essential to designing effective interventions.

**MEASURABLE OUTCOME: REDUCE LEARNING POVERTY (INABILITY TO READ AT AGE 10) FROM 80% TO 76% BY 2024**

**MEASURABLE OUTCOME: INCREASE GIRLS’ SECONDARY SCHOOL ENROLMENT FROM 42% TO 47% BY 2024**
Empowering women and girls and accelerating the demographic transition is a high return investment central to boosting productivity and economic development in the region. In addition, the intergenerational gains from educating and keeping girls in school are large. High fertility results in higher poverty, poorer educational and health outcomes, and lower labor productivity. Child marriage and teenage pregnancy are high across the region, especially in rural areas, and limit women’s and girls’ opportunities for accessing social and economic opportunities.

Reducing fertility and ensuring women’s economic empowerment requires a multipronged approach, including increased opportunities for girls to stay in school and learn. AFW will support efforts to increase girls’ secondary enrolment, including by making schools safe and reducing gender-based violence, from 42% in 2020 to 47% by 2024 and to improve their learning outcomes once in school.\textsuperscript{15} Cash transfers will be an important tool to get out-of-school girls into school, as well as engagement with communities and religious leaders to change social norms which also inhibit parents from sending girls to school.

Goal #4: Ramp up climate resilience

Economic growth, shared prosperity, and peace and stability in the region will be increasingly undermined if vulnerabilities to climate change are not addressed. The impact of climate change in West and Central Africa is already visible and is intensifying. The effects are aggravated by the vicious circle of high population growth, limited economic opportunities, and environmental degradation. Coastal erosion from sea-level rise and the frequency and intensity of natural disasters, especially droughts and floods, have a significant negative impact on medium-term growth and on conflict as competition over dwindling resources intensifies. Reduced yields and land degradation from climate change threaten food production, reduce productivity in agriculture, and aggravate the conditions for conflict.

Increased resilience to climate change is the cornerstone of AFW support for climate action.\textsuperscript{16} It implies strengthening countries’ ability to (i) absorb climate shocks, such as reinforcing urban infrastructure to withstand higher sea levels, better water or forest resources management depending on the geography; (ii) adapt systems to increased climate vulnerability, such as

24
increasing the use of irrigation in response to greater rainfall variability; and (iii) transform systems in response to climate change, such as switching from crop to livestock production in response to reduced rainfall. AFW’s efforts will focus on (a) food security by building end-to-end resilient agriculture value chains focused on productivity and efficiency, (b) environmental stability by targeting policy and investments to secure eco-system stability and water security outcomes, (c) clean energy by focusing on universal access to affordable, reliable, sustainable, and modern energy services, (d) resilient green cities by enabling urban transition and
transformation toward resilient low carbon growth and green tech, and (e) mitigating climate shocks by strengthening the socio-economic resilience of the poorest. The green growth agenda will be pursued to address resilience in a way that contributes directly to the jobs agenda and poverty reduction.

**MEASURABLE OUTCOME: INCREASE CLIMATE CO-BENEFITS IN AFW FINANCING TO AN AVERAGE OF 35% OVER FY21-25**

*AFW will help countries strengthen their ability to absorb, adapt to, and transform systems in response to climate change vulnerabilities.* Climate resilience cannot be measured by a single indicator as there are numerous possible ways to improve both adaptation and resilience and their relevance depends on the location-specific nature of vulnerabilities. AFW will therefore accord particular importance to the definition of measurable climate resilience outcome indicators at the country level in CPFs. At the regional level, AFW will increase the climate co-benefits in its financing to an average of 35% over FY21-25.
## Summary of Goals, Activities, and Outcome targets

<table>
<thead>
<tr>
<th>GOALS</th>
<th>RELATED ACTIVITIES</th>
<th>SELECTED REGIONAL OUTCOME TARGETS</th>
<th>COUNTRY TARGETS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. REBUILD TRUST BETWEEN CITIZENS AND THE STATE</strong></td>
<td>• Strengthen capacities and accountability of economic and social institutions; • Support effective, equitable and inclusive service delivery; • Promote trust through citizen information, engagement and transparency</td>
<td>1. Increase the transparency/accountability/corruption rating of a majority of AFW countries by 2024 as measured by CPIA question 16.</td>
<td>TBD by Country Teams during CPF process</td>
</tr>
<tr>
<td><strong>2. CREATE MORE AND BETTER JOBS</strong></td>
<td>• Remove infrastructure, macroeconomic, and business environment bottlenecks that prevent firms from creating jobs. • Focus on digital, regional/global value chains (incl. agriculture), and urban-rural linkages (incl. transport)</td>
<td>2. Increase access to electricity from 50% to 64% by 2026 3. Increase broadband connectivity from 30% to 43% by 2024</td>
<td>TBD by Country Teams during CPF process</td>
</tr>
<tr>
<td><strong>3. STRENGTHEN HUMAN CAPITAL AND EMPOWER WOMEN</strong></td>
<td>• Build strong and pandemic ready health systems; • Support rapid improvements to education and skills development; • Expand and promote equity in social protection systems; • Accelerate the demographic transition through investments in girls’ education and women empowerment</td>
<td>4. Reduce learning poverty (inability to read at age 10) from 80% to 76% by 2024 5. Increase girls’ secondary school enrolment from 42% to 47% by 2024</td>
<td>TBD by Country Teams during CPF process</td>
</tr>
<tr>
<td><strong>4. RAMP UP CLIMATE RESILIENCE</strong></td>
<td>• Promote clean energy transition; • Improve water resource management; • Reduce land degradation; • Promote green growth, balancing mitigation and adaptation</td>
<td>6. Increase climate co-benefits in AFW financing to an average of 35% over FY21-25</td>
<td>TBD by Country Teams during CPF process</td>
</tr>
</tbody>
</table>
AFW’s answer to how it will operationalize its strategy is simple and explicit: “by doing whatever it takes”. What it will do, described above, will undoubtedly evolve with experience, new challenges, and new knowledge. The how will be the most important part, characterized by a clear focus on the goals and an unwavering “whatever it takes” approach to getting results.

AFW will use accountability and candor in how it works to show that it demands of itself the same practices that it seeks from its clients. In particular, AFW will increase openness regarding problems and country performance, recognizing that problems do not go away but must be surfaced and addressed. It will seek to use respectful but candid discussion of problems, including governance problems, to increase its credibility with both governments and citizens. This effort will start with a review and restructuring of the undisbursed portfolio, recognizing that this is the most powerful instrument to get quick results towards meeting its goals. It will aggressively close underperforming operations and reallocate resources to achieving the six measurable regional outcome targets.18

Recognizing that sustainable change requires client readiness, AFW will be opportunistic in seeking results, engaging on a big scale where clients are ready for change, leveraging clients with implementation experience for peer exchange, and seeking to create opportunities by increasing advocacy work and long-term investments where appetite for change is weaker. It will focus on broad engagements and genuine multisectoral solutions (not “Christmas tree” projects) to address key challenges.

Successful implementation of the strategy requires combining advisory services and analytics (ASA), policy dialogue, financing, and coordination activities as a WBG package to address specific challenges or problems. AFW will propose solutions to problems, which requires teams with expertise from more than one practice, not individual projects or studies.

AFW will strengthen its ASA recognizing that the Bank’s “non-lending instruments are more effective than its lending instruments at influencing the policy priorities of client
In order to assure its effectiveness, AFW will structure ASA into programs to assure an iterative and sustained engagement and to avoid proliferation of fragmented, supply-driven ASA. AFW will sharpen the focus on quality and impact of ASA, including through a systematic documentation of impact.

**AFW will link the choice of financing instrument to country context and the results sought.** Where reform prospects permit, it will increase the use of Development Policy Financing (DPF) to support improvements in the business environment, the quality of public expenditure, inclusive service delivery, and, in collaboration with IFC and MIGA, maximizing finance for development by creating the conditions for increased private investment. AFW will increase use of Programs for Results (PforR) financing as the preferred instrument to focus on results, particularly regarding service delivery, and overcome implementation constraints. It will also address internal practices that have discouraged the use of PforRs. Investment Project Financing (IPF) will remain the instrument of choice for traditional operations based on financing project inputs. Priorities will include investing in public goods in rural areas where the vast majority (82%) of the poor live, developing value chains to link rural and urban markets, and increasing investment to foster cities that work. Finally, AFW will develop investment projects that can survive weak policy environments and enhance productivity when prospects improve, in order to use IDA resources effectively in countries with weak governments and/or little appetite for reform.

**Given the importance of regional integration both to enlarge markets and to solve joint problems, ranging from low electricity access to security spill-overs, AFW will reinforce its engagement with the Regional Economic Communities.** Consistent with its emphasis on results, its engagement with the Communities will focus on concrete solutions to identified problems.

**Across both analytic and financing activities, AFW will partner with other institutions in order to maximize joint impact, assure that knowledge and experience is shared, coordinate financing, and avoid duplication.** Strengthening partnerships will be particularly
important in the Sahel and FCV countries where increased integration of security and development activities will be required to achieve results.

Finally, AFW will also accept the risk of testing bold and innovative ideas. It will put a premium on learning and innovation in to help countries accelerate change and, where possible, leapfrog to new solutions to longstanding problems. Some leapfrog attempts will fail but one success will offset many failures. AFW will stress learning from failures. It will devote more resources to measuring results to learn what works and to design new operations accordingly.

CONCLUSION

The countries of West and Central Africa have many resources but they have not succeeded in combining those resources in ways that help their people’s well-being converge with that of people in other regions. AFW seeks to help the people of the region realize their aspirations and the WBG to reach its global twin goals by supporting economic transformation to create better jobs for more people. It will do so by focusing on four high-level goals: (1) rebuild trust between citizens and the state to create a new social contract, (2) remove the bottlenecks that prevent firms from creating more and better jobs, (3) strengthen human capital and empower women, and (4) ramp up climate resilience. The strategy laid out in this document defines measurable AFW regional outcome targets that contribute to achieving these high-level goals and elaborates how AFW will operationalize its strategy.

The strategy seeks to be simple and clear, despite the complex challenges facing the countries of West and Central Africa, in order to genuinely guide management decisions over the next four years. Two features distinguish it from previous approaches and will be key to its success:
First, the strategy focuses on measurable outcomes, at the regional and country level, which contribute to the high-level goals and by which AFW will measure its success or failure. The strategy defines a small number of regional outcome targets and, having set the broad regional goals, commits all future country strategy documents to define measurable country-specific outcome targets that contribute to these goals. The resulting regional focus and increased differentiation in country strategies will contribute to genuine selectivity, clear accountability, and enhanced outcomes.

Second, recognizing that specific interventions will evolve with experience, new challenges, and new knowledge, the strategy stresses that how it is implemented will be key. Implementation will be characterized by client engagement based on candor, learning from failures, and humility; a clear focus on reaching AFW goals; and an unwavering “whatever it takes” approach to getting there.
ENDNOTES

1 World Bank (2020), World Development Indicators. The twin goals converge in AFW since the poor constitute around 40% of the population.


3 Africa Region Chief Economist’s Office (July 2020), The Great Divergence: Sixty years of economic development in West and Central Africa.

4 World Bank (2020), Boosting Productivity in Sub-Saharan Africa.

5 Country Policy and Institutions Assessment (question 16); “World Bank (2020) CPIA Africa: Assessing Africa’s Policies and Institutions

6 Fox et al. (2020), “Africa’s ‘youth employment’ crisis is actually a ‘missing jobs’ crisis”, Brookings


9 World Bank (2020), Leapfrogging: The Key to Africa’s Development, From Constraints to Investment Opportunities


12 World Bank (2020), Africa Human Capital Plan: Game Changers for Investing in Africa’s People

The AFW learning poverty baseline and target were calculated using PASEC 2019 country results weighted by population. The learning poverty reduction rate is calculated based on the 70th percentile of the progress of countries with data. The learning poverty numbers will be revised in September 2021 based on the new learning assessments.

The girls secondary enrolment baseline and target were calculated using the World Development Indicators, whose source is the UNESCO Institute for Statistics. The gross enrollment rate for the year 2021 is projected to be 41.4%, which implies a reduction from 2020 as a consequence of COVID-19. The projections for 2021-2024 are calculated based on the population-weighted average for countries with positive growth between 2015 and 2019.


World Bank (2020), Climate Indicators Guidance Note: “Adaptation and resilience-building cannot be measured by a single, universal indicator, or even a set of uniform indicators, as there are a myriad of possible ways to improve adaptation to climate change/build resilience….Climate adaptation/resilience indicators must be rooted in the knowledge of the identified climate impacts for the particular country and the context-specific knowledge of climate vulnerabilities, which are dependent on factors such as location, beneficiaries, and sector.”

Disbursements are not results but a low disbursement rate is an early indicator of design or implementation problems. AFW’s FY20 15% disbursement rate shows there is a problem.

Western and Central Africa countries have made progress in reducing poverty but recent gains are threatened by the COVID-19 pandemic.

**THE REGION FACES 4 MAIN CHALLENGES**

- **Distrust in Government & Widespread Fragility**: More than 70% of the people of Western and Central Africa live in fragile and conflict-affected countries.
- **Rapid Population Growth**: Over the next 30 years, Africa’s working age population will increase by 800 million people.
- **Resource Dependency**: Countries are ‘mining’ their non-renewable capital.
- **Climate Change Vulnerability**: Temperatures in the Sahel are increasing 1.5 times faster than the global average.

**IMPROVE SERVICE DELIVERY**
**REINFORCE INSTITUTIONS AND GOVERNMENT CAPACITY**
**PROMOTE DIGITAL OPPORTUNITIES**
**SUPPORT CITIZEN ENGAGEMENT**

**MORE THAN 70% OF THE PEOPLE OF WESTERN AND CENTRAL AFRICA LIVE IN FRAGILE AND CONFLICT AFFECTED COUNTRIES**

**OVER THE NEXT 30 YEARS, AFRICA’S WORKING AGE POPULATION WILL INCREASE BY 800 MILLION PEOPLE**

**COUNTRIES ARE ‘MINING’ THEIR NON-RENEWABLE CAPITAL**

**TEMPERATURES IN THE SAHEL ARE INCREASING 1.5 TIMES FASTER THAN THE GLOBAL AVERAGE**
Western and Central Africa countries have made progress in reducing poverty but recent gains are threatened by the COVID-19 pandemic. The region faces 4 main challenges:

- Distrust in government & widespread fragility
- Resource dependency
- Rapid population growth
- Climate change vulnerability

4 BIG GOALS TO TRANSFORM THE ECONOMY AND INCLUSIVE GROWTH

A NEW SOCIAL CONTRACT
- Improve service delivery
- Reinforce institutions and government capacity
- Promote digital opportunities
- Support citizen engagement

MORE AND BETTER JOBS
- Address macroeconomic vulnerability and debt sustainability
- Support critical infrastructure
- Promote private sector investment and job creation

STRONGER HUMAN CAPITAL
- Prioritize health and education spending
- Empower women
- Expand social protection
- Connect workers to jobs

MORE CLIMATE RESILIENCE
- Build agricultural value chains
- Support food and water security
- Develop green energy
- Promote green cities
- Mitigate climate shocks

Today, more than 2/3rd of schools and health centers have no reliable electricity. Increase broadband connectivity from 30% to 43% by 2024. Today only 26% of Africa’s population have access to internet. Reduce learning poverty from 86% to 66% in 2024. Today 86% of children at late primary age are not proficient in reading. Increase girl’s secondary school enrollment from 42% to 52% by 2024. Today, only 2 out of 5 girls are enrolled in secondary school.
6 MEASURABLE OUTCOMES TO STAY ON COURSE

- **Increase access to electricity** from 50% to 64% by 2026
  
  *Today, more than 2/3rd of schools and health centers have no reliable electricity.*

- **Increase broadband connectivity** from 30% to 43% by 2024
  
  *Today only 26% of Africa’s population have access to internet.*

- **Reduce learning poverty** from 80% to 76% in 2024
  
  *Today 86% of children at late primary age are not proficient proficient in reading.*
Western and Central Africa countries have made progress in reducing poverty but recent gains are threatened by the COVID-19 pandemic. The region faces 4 main challenges:

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- Resource dependency
- Rapid population growth
- Climate change vulnerability

4 BIG GOALS TO transform the economy AND inclusive growth:

- A new social contract
- More and better jobs
- Stronger Human Capital
- More climate resilience

IMPROVE SERVICE DELIVERY
REINFORCE INSTITUTIONS AND GOVERNMENT CAPACITY
PROMOTE DIGITAL OPPORTUNITIES
SUPPORT CITIZEN ENGAGEMENT

MORE THAN 70% OF THE PEOPLE OF WESTERN AND CENTRAL AFRICA LIVE IN FRAGILE AND CONFLICT-AFFECTED COUNTRIES. ADDRESS MACROECONOMIC VULNERABILITY AND DEBT SUSTAINABILITY.

SUPPORT CRITICAL INFRASTRUCTURE
PROMOTE PRIVATE SECTOR INVESTMENT AND JOB CREATION

PRIORITIZE HEALTH AND EDUCATION SPENDING
EMPOWER WOMEN
EXPAND SOCIAL PROTECTION
CONNECT WORKERS TO JOBS
BUILD AGRICULTURAL VALUE CHAINS
SUPPORT FOOD AND WATER SECURITY
DEVELOP GREEN ENERGY
PROMOTE GREEN CITIES
MITIGATE CLIMATE SHOCKS

INCREASE ACCESS TO ELECTRICITY FROM 50% TO 64% BY 2026
TODAY, MORE THAN 2/3RD OF SCHOOLS AND HEALTH CENTERS HAVE NO RELIABLE ELECTRICITY
INCREASE BROADBAND CONNECTIVITY FROM 30% TO 43% BY 2024
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TODAY 86% OF CHILDREN AT LATE PRIMARY AGE ARE NOT PROFICIENT IN READING
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TODAY, ONLY 2 OUT OF 5 GIRLS ARE ENROLLED IN SECONDARY SCHOOL
INCREASE CLIMATE CO-BENEFITS IN AFW FINANCING TO AN AVERAGE OF 35% OVER FY21-25
WITHOUT CLIMATE RESILIENCE, 43M MORE PEOPLE IN AFRICA COULD BE PUSHED INTO POVERTY BY 2030
INCREASE TRANSPARENCY AND ACCOUNTABILITY IN PUBLIC AFFAIRS
COUNTRIES’ SCORE ON TRANSPARENCY AND ACCOUNTABILITY ARE AMONG THE LOWEST IN THE 2020 CPIA

OVER THE NEXT 30 YEARS, AFRICA’S WORKING AGE POPULATION WILL INCREASE BY 800 MILLION PEOPLE
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