



# **G20 COMPACT WITH AFRICA**

**COMPACT MONITORING REPORT**

(FULL VERSION)

APRIL 2018

# CONTENTS

|   |    |
|---|----|
| Overall Assessment of Progress by the World Bank Group .....                      | 3  |
| Independent Review by the African Center for Economic Transformation (ACET) ..... | 8  |
| Joint Report of the International Organizations .....                             | 10 |
| Compact countries self-assessments .....  | 12 |
| AAG self-assessments .....  | 22 |

## “101 Commitments”

The Compact with Africa (CWA) is an important initiative of the G20 that seeks to enhance private sector financing in support of countries’ development objectives. Central to the CWA is the concept of mutual commitments to implementing measures and developing instruments to improve the framework conditions for private investment, including in infrastructure. The aim is to develop comprehensive, coordinated, and country-specific reform compacts between individual African countries and the international organizations of the African Development Bank, International Monetary Fund and World Bank Group (collectively, the IOs), and the G20 members.

Ten African countries—Benin, Côte D’Ivoire, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, and Tunisia—have prepared reform matrices that set out commitments to maintain macroeconomic stability and undertake relevant business and financing reforms needed to enhance private investment. Implementation of these reforms is supported by their key development partners.

This report, representing the first round of monitoring for the period ended February 28, 2018, is being conducted under the auspices of the G20 African Advisory Group (AAG) co-chaired by Germany and South Africa. It includes self-assessments by Compact countries, the three IOs and relevant AAG members. It also provides an independent review by the African Center for Economic Transformation.

The World Bank Group’s most recent report on [Global Economic Prospects](#) (GEP) offers a useful lens through which to assess progress under the CWA. Its headline message this year, particularly pertinent to CWA objectives, is that “A broad-based cyclical global recovery is underway ... The global outlook is still subject to substantial downside risks ... Particularly worrying are longer-term risks and challenges associated with subdued productivity and potential growth ... A combination of **improvements in** education and health systems; **high-quality investment**; and labor market, governance and **business climate reforms** could yield substantial long-run growth dividends.”<sup>1</sup>

### Overall Progress

Nine Compact countries participated in this monitoring round—the exception was Egypt, which only recently joined the Compact and had insufficient time to show meaningful progress against reform commitments. Participating G20-AAG members were Canada, the European Union, France, Germany, Italy, Japan, the Netherlands, Norway, Spain, the United Kingdom, and the United States of America.

As shown in Tables 1 to 3 below:

- **101 commitments are covered under this monitoring round** (Table 1). This reflects a remarkable and collective sense of purpose around a global agenda to maximize financing for development.
- **Ethiopia and Ghana** report the highest percentages of wholly achieved commitments (Table 1).
- **Reforms have been launched across virtually all of these 101 commitments** (Table 2): 23 percent of commitments are reported as wholly achieved; 74 percent of commitments are reported as on track.
- **There has been a clear focus on retaining macroeconomic stability** (Table 2): 43 percent of the reforms monitored relate to the macroeconomic pillar. This pillar also records the highest number of wholly achieved commitments at 33 percent.
- **Japan and Norway** have supported the most inward private investments in Compact countries (Table 3).

<sup>1</sup> See [Global Economic Prospects, Broad-Based Upturn but for How Long?](#) January 2018

A broader perspective demonstrating a consistent commitment to reform can be seen in the progress Compact countries are making in closing the Distance to Frontier (DTF), a key measure of the annual *Doing Business* report.<sup>[1]</sup> Between 2017 and 2018, **Senegal** moved furthest towards the Frontier among Compact countries (+ 3.75); followed by **Rwanda** (+ 3.21); and then **Ethiopia** (+ 2.08). In these three countries the business environment reform agenda is substantive, comprehensive, and continuous, with reforms undertaken in such areas as the establishment of credit bureaus, elimination of stamp duties for property transfers, streamlining and automating processes for applying for construction permits and business licenses, establishment of e-Tax platforms that facilitate the payment of taxes; and attention to investor protection issues including strengthening related legal frameworks and also by establishing an investor perception survey that will enable the collection of continuous feedback.

| Country        | Green     | Yellow    | Red      | Total      |
|----------------|-----------|-----------|----------|------------|
| Tunisia        | 2         | 9         | 0        | 11         |
| Benin          | 3         | 10        | 0        | 13         |
| Senegal        | 3         | 8         | 1        | 12         |
| Rwanda         | 2         | 7         | 2        | 11         |
| Morocco        | 0         | 7         | 0        | 7          |
| Guinea         | 1         | 11        | 0        | 12         |
| Ghana          | 5         | 7         | 0        | 12         |
| Ethiopia       | 5         | 8         | 0        | 13         |
| Côte d' Ivoire | 2         | 8         | 0        | 10         |
| <b>Total</b>   | <b>23</b> | <b>75</b> | <b>3</b> | <b>101</b> |

Source(s): Country self-assessments, WBG, April 2018

| Framework      | Green      | Yellow     | Red       | Total       |
|----------------|------------|------------|-----------|-------------|
| Macro-economic | 14%        | 29%        | 0%        | 43%         |
| Business       | 8%         | 28%        | 1%        | 37%         |
| Financing      | 1%         | 18%        | 2%        | 21%         |
| <b>Total</b>   | <b>23%</b> | <b>74%</b> | <b>3%</b> | <b>100%</b> |

Source(s): Country self-assessments, WBG, April 2018

<sup>[1]</sup> The Distance to Frontier (DTF) measure shows the distance of each economy to the “frontier,” which represents the best performance observed on each of the indicators across all economies in the *Doing Business* sample since 2005. An economy’s DTF is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier.

| Table 3: Direct support for inward private investment |           |           |          |           |
|---|-----------|-----------|----------|-----------|
| AAG country   | Green     | Yellow    | Red      | Total     |
| Japan   | 4         | 0         | 1        | 5         |
| Netherlands   | 0         | 2         | 0        | 2         |
| Norway  | 4         | 1         | 1        | 6         |
| Spain   | 0         | 2         | 2        | 4         |
| United Kingdom  | 0         | 2         | 2        | 4         |
| European Union  | 0         | 1         | 2        | 3         |
| Germany   | 1         | 8         | 0        | 9         |
| United States   | 1         | 7         | 0        | 8         |
| France  | 0         | 8         | 0        | 8         |
| Canada  | 0         | 0         | 0        | 0         |
| Italy   | 0         | 2         | 1        | 3         |
| <b>Total</b>  | <b>10</b> | <b>33</b> | <b>9</b> | <b>52</b> |

Source(s): AAG country self-assessments, WBG, April 2018

Key: Green = wholly achieved; yellow = partially achieved/on track/; red = not started.

### Macroeconomic Framework

According to the GEP, in Sub-Saharan Africa debt indicators continued to deteriorate in 2017 with median debt-to-GDP ratios rising to 53 percent from 48 percent in 2016. Fiscal sustainability gaps have also widened—between 2007 and 2016, fiscal sustainability gaps widened by 4 percent on average. In the Middle East and North Africa, debt-to-GDP ratios have similarly risen by 14 percent since 2014.

Commitments under this pillar have clustered around three recurring themes: (i) achievement of macroeconomic stability and debt sustainability; (ii) increased domestic revenue mobilization; and (iii) more effective public investment management.

**Recommendation:** By concentrating on these specific issues, Compact countries are steering an appropriate course and should remain focused on increasing domestic revenues, including pursuing reforms leading to adoption of broad-based consumption taxes, simplified tax design and improved tax administration.

### Business Framework

The Business Framework pillar accounted for 37 percent of the 101 commitments, with only 22 percent of these being wholly achieved during the period. There was less consistency in reform commitments under this pillar, with issues such as investor protections, strengthening of commercial courts, and standardization of contracts among the aspects addressed. Overall there is also a heavy focus on *Doing Business*-related reforms which, while necessary, are not in themselves sufficient to create an investor-friendly business environment.

Additionally, there is significant misalignment between some of the areas being supported by AAG members and priority reforms as captured in the matrices. Taken together with other publicly available information on Compact countries, there is significant scope for Compact countries, together with private sector stakeholders and key development partners, to re-assess where the most critical business environment reforms - economy wide or sector specific – are needed. The **Morocco** Compact team offers a good example of the process followed for reaching collective agreement on specific reforms.

**Recommendation:** Compact teams should undertake a re-assessment to identify and prioritize the business reforms most critical in the specific country context. This re-assessment should be based on a robust framework such as IFC’s Country Private Sector Diagnostic (CPSD). Finally, in undertaking this reassessment, Compact teams may wish to consider pertinent recommendations from the GEP for Compact countries to undertake reforms in three areas:

- Promote diversification: targeting improvements in transport and energy infrastructure; simplifying regulations and administrative procedures for starting a business; increasing efficiency of the legal system; reducing regulatory uncertainty.
- Boost agricultural productivity: improving land titling; increasing access to credit for investment in new farming techniques; improving awareness in new farming techniques; improving infrastructure needed to connect farms to markets.
- Strengthen governance: including in connection with state-owned enterprises, to reduce the extent to which corruption and lack of competition continue to crowd out private investment.

## Financing Framework

According to the GEP, measures targeted toward financial sector deepening are critical to Middle East and North African country objectives of sustained private sector-led growth. The same binding constraint is present in Sub-Saharan Africa, where annual infrastructure needs are estimated at \$93 billion while there is only \$45 billion of annual investment—an infrastructure deficit that cannot be financed from local capital markets.

Financing framework reforms, however, accounted for just 21 percent of the 101 commitments, with only 5 percent of these reported as wholly achieved reforms during the period. Only a few of the Compact countries—Côte d’Ivoire, Ghana, Morocco, and Rwanda—include commitments to develop domestic bond markets or alternative markets for small and medium enterprise listings. None of the Compact countries included specific proposals to engage institutional investors. Going forward, this will be critical to addressing financing needs in developing countries. Financing framework reforms clearly represent the biggest challenge to, and opportunity for, the CWA.

**Recommendation:** Development partners should commit to provide sustained support for structured and comprehensive financial sector deepening in Compact countries. They should also commit to identify and work with institutional investors to establish a public infrastructure investment facility for Compact countries.

## Additional Cross-cutting Recommendations

In addition to the recommendations under each specific CWA pillar, the World Bank Group recommends that the following additional cross-cutting actions be undertaken as CWA enters its second year:

- **Potential Investor Engagement.** G20 and bilateral partners should develop private sector involvement strategies to encourage interested companies in their countries to sustainably increase private investment in Compact countries.
- **Mainstreaming Compact Teams.** With a view to achieving sustainability of CWA objectives, proposals have been circulated regarding the functioning of the Compact teams and their closer alignment with existing private sector working groups that can help to foster greater engagement with the private sector. These should be the guidance for the work in the compact teams going forward.
- **ACETs Recommendations.** These are set out on pages 8 and 9. The World Bank Group supports these recommendations and urges their adoption by the AAG.

## **Next Monitoring**

Policy reforms take time to implement and so the World Bank Group proposes that the next full monitoring round take place in the margins of the 2019 WBG-IMF Spring Meetings. The World Bank Group, however, recommends that a mid-year review takes place in the margins of the 2018 Annual Meetings. The purpose of this mid-year review would be for Compact countries to indicate proposed revisions to their policy matrices, together with the rationale for the change.



This report is intended to analyze the CWA, AAG, and IO self-assessments; articulate progress and challenges; and provide recommendations. The report represents the views of ACET and is based upon the reports submitted by nine CWA countries, ten AAG members, and a joint report from the three IOs. The monitoring framework provides a robust starting point for tracking the impact of the CWA over the medium term.

### 1. Process and quality of self-assessment reports:

**CWA Country Self-Assessments:** In large part the CWA country reports align well with the policy matrices, and assuming the contents of the matrices does not change significantly, establishes a benchmark for progress. The CWA country reports identified most actions as “partially achieved”. Of the 101 commitments indicated in the self-assessments, only three were identified as “not started”, which indicates that while the CWA is in early stages, there is movement on most policy actions. Likewise, 23 of the activities were identified as wholly achieved, although it is not possible to determine impact of achieved actions.

**IO Joint Report:** The joint report outlined strong programs of support across the three CWA framework areas. The report indicated that CWA envisaged that IOs would “coordinate more closely, step up technical assistance, and provide greater support for early stage project preparation”. Given the report largely focused on the actions of each institution, there may be space for fostering greater coordination. That said, informal feedback from CWA countries emphasize the highly positive and enhanced collaboration of IOs as part of the CWA Compact Teams although there may be some duplication with other in-country coordination mechanisms.

**AAG Member Self Assessments:** There was variability between the AAG reports with some of the assessments providing significant detail and others providing less. There was also variability between the number of activities indicated under public sector “reform support” versus the activities indicated under “private sector”. There were 52 private sector engagements or activities identified (out of 125 total activities indicated by AAG members), some of which may have been initiated prior to the launch of CWA. With a few exceptions, the AAG reports often focus on the activities of development agencies, rather than a “whole of Government” approach, that could in the future include development finance institutions, trade and investment support bodies, etc.

### 2. Progress and Alignment with CWA:

When announced by Germany on March 14, 2017 it stated, *“We propose that, with the G20’s political backing, African governments, international organizations, and bilateral partners prepare comprehensive, country-specific investment compacts to encourage private-sector investment”*.

The self-assessments provide an important base for ensuring progress over the coming years. While there is additional work needed to consummate concrete investment compacts, the commitments shown by all parties provides an opportunity for G20 members to continue enhancing their level of commitment and encouraging the private sector to invest in CWA countries. Likewise, the IO joint report reinforces the strong alignment between CWA policy matrices and the technical support programs of the AfDB, IMF and World Bank. That said, to better assess the impact of the CWA, IOs may wish to indicate which of their support is “additional” as a response to the CWA.

### 3. Thoughts on the Way Forward:

Given the CWA was only announced in March 2017 and there are more than thirty governments and organizations involved, there has been significant progress to date, with strong political support, robust technical inputs, and an effective institutional structure. The monitoring architecture will support CWA to meet its objective over the medium term, while increasing its impact and scope. Recommendations below are drawn from the documentation available and informal inputs from stakeholders and are intended to help position CWA for success over the next 3-5 years.

## Africa Advisory Group Members

- a) **“All of Government” reporting for AAG members:** Going forward, the monitoring framework will be strengthened if AAG reporting includes the activities of respective development finance institutions, other Ministries beyond Development Cooperation and Finance, and chambers of commerce or other industry groups. Some AAG reports did include the engagements of these institutions, which greatly strengthened the understanding of those AAG member’s overall contribution to the CWA in respective African countries.
- b) **Specific Investment Compacts:** To improve the CWA monitoring framework, where possible it will be helpful if AAG members articulate investment objectives in the self-assessments, either for specific countries, sectors or time periods. If investment goals are indicated, it will give the CWA more credibility and provide an improved baseline for the monitoring.

## International Organizations

- c) **Leverage strong in-country IO coordination:** There is generally a high level of coordination among IOs, Government and other development partners in CWA capitals on the CWA matrices and documents. This coordination could be leveraged for implementation of assistance work programs of the three IOs. In reporting, a greater emphasis on trilateral coordination will increase understanding of joint support.
- d) **Identification of additionality in technical assistance by IOs:** The monitoring framework would be strengthened if IOs provide some indication of “additionality” of technical assistance being provided to CWA countries. This will ensure strong buy-in among CWA countries.

## CWA Countries

- e) **CWA challenges to implementation:** To ensure successful and rapid reform implementation, going forward CWA countries may wish to identify challenges to implementation related to actions in the policy matrices. This will better identify where particular additional support is needed and can provide areas for learning from peer CWA countries.
- f) **Greater collaboration among CWA countries:** There is a high level of commonality in the policy approaches undertaken by CWA countries. Given this alignment, CWA countries would benefit from expanded and real-time experience sharing through case studies, peer-to-peer learning, and policy platforms. Likewise, capturing good practice and successes and sharing these with investors will improve reduce risk perceptions.

## The Monitoring Framework

- g) **Private Sector Perceptions:** Given that a key goal of the CWA is enhanced private sector investment, the monitoring framework would be strengthened by a periodic (possibly every other year) private sector perception survey that is specific to the CWA. This would provide additional balance and insight.
- h) **Validation:** The CWA is only one year old and much of the effort has been on establishing the initiative, the matrices, the governance structure, etc., hence a high-level assessment is appropriate at this time. That said, ACET proposes that by spring 2019 to include some in-country validation utilizing a high level eminent persons panel. Panel members would engage with policymakers and stakeholders in CWA countries to provide some validation of self-assessments, identify specific challenges faced by CWA governments, and improve mutual accountability.

The G20 Compact with Africa envisaged that the participating international organizations (IOs)—the African Development Bank (AfDB), International Monetary Fund (IMF), and the World Bank Group (WBG)—would coordinate more closely to support domestic efforts to promote private investment, step up technical assistance, and provide greater support for early stage project preparation. The IOs also agreed to act multilaterally to strengthen cooperation on international taxation issues, harmonize risk mitigation instruments and make them more accessible and user-friendly to private investors, and increase investments through their private sector arms.

#### **Direct support to the CWA Initiative (participation in Compact teams, specific support for reforms included in the CWA matrix)**

The Resident Representatives, Country Directors, and Country Managers of the IOs have, as envisaged, been critical in creating and fostering the in-country ecosystems in which the aims of the CWA can develop. The IOs have been leaders of, or active participants in, the Compact teams. Their activities have included advising government on the design of policy reforms and the contents of reform matrices, and contributing to the self-assessment process. The IOs have also, in different ways each, contributed an additional dimension to the CWA initiative and to the effectiveness of the Compact teams. For example:

- **AfDB** organized a meeting with authorities and development partners in Morocco to create five thematic sub-groups that are organizing a series of workshops to inform the implementation of the reforms. AfDB is also extending use of its Private Sector Credit Enhancement Facility and Partial Credit and Partial Risk Guarantees to CWA countries. For example, in 2017, AfDB approved an African Development Fund Partial Risk Guarantee to crowd in commercial financing as part of a financing program for the regional airline, Air Côte d'Ivoire.
- **IMF**, which plays an active role in peer-learning events, organized a workshop on economic diversification in January 2018 in collaboration with the Government of Senegal and a conference on revenue mobilization in April 2018 in collaboration with the African Center for Economic Transformation and the Government of Ghana. IMF's African Department flagship seminar, to be held during the 2018 Spring Meetings, titled "Attracting Private Investment in sub-Saharan Africa" is also closely linked to the CWA agenda.
- **WBG** prepared an inventory of instruments available to support private investments in Compact countries. The inventory groups these instruments into three main categories according to availability for governments, investors, and firms and further provides an analysis of which of these instruments are: (i) project preparation and advisory facilities; (ii) risk mitigation vehicles/guarantees; (iii) co-investment platforms; (iv) project financial instruments; and (v) blended finance project instruments. WBG has also recently approved the first IDA 18 Private Sector Window project in Africa, *Caisse Régionale de Refinancement Hypothécaire*, which will expand the availability of housing finance by \$500 million in eight West African countries, including Benin, Côte d'Ivoire and Senegal, in the next four years.

The IOs are also providing robust technical assistance for implementation of Compact reforms under each of the three pillars. As examples:

- **AfDB** is supporting reforms under the Macroeconomic Framework pillar, such as capacity development support for a monitoring and evaluation facility in Senegal, technical assistance to help stabilize and improve the external debt stress rating in Ethiopia, and improving procurement and financial management in Ethiopia. In connection with the Business Framework pillar, AfDB has helped finance the acquisition of a public-private partnership (PPP) financial modelling software in Morocco and is increasing investment in energy and transport infrastructure to expand productive infrastructure for business competitiveness (improving the financial health of the energy sector to improve distribution of energy) in Ghana. In connection with the Financing Framework pillar, AfDB is helping develop domestic debt markets and supporting better performance of public utilities in Ghana, and providing efficient risk mitigation instruments in Senegal.
- **IMF's** commitment to CWA focuses on the *macroeconomic* framework in the form of policy advice supported by analytical work and capacity development. The Fund has stepped up capacity development efforts to support Compact implementation, including through the six AFRITACs (Africa Regional Technical Assistance Centers) and the Middle East Technical Assistance Center. Technical assistance provided to promote macroeconomic stability and support reforms has included the areas of domestic revenue mobilization, expenditure policy, public investment management, public financial management, and financial market regulation. IMF country consultations and programs also incorporate key reforms underpinning the

Compacts, while helping to build macroeconomic resilience and ensure debt sustainability. Examples include IMF-supported programs with Benin, Ghana, Senegal, and Tunisia.

- **WBG** is supporting reforms under the Macroeconomic Framework pillar, including by providing technical assistance on e-procurement and public investment management to Côte d'Ivoire and Ethiopia, and analytical work on domestic revenue mobilization in Ethiopia. For the Business Framework pillar, WBG is assisting Rwanda in finalizing and implementing a PPP law and helping Senegal with reforms to strengthen governance and improve the investment climate, including by simplifying land registration procedures and streamlining procedures at the level of the high court of Dakar. Under the Financing Framework pillar, WBG is helping Morocco strengthen and diversify the financing instruments for SMEs and assisting Tunisia with the draft code of private equity investment.

#### **Other portfolio support that has contributed to strengthening the macroeconomic, business, and financing frameworks of Compact countries.**

All three participating IOs have a history of engagement with Compact countries and ongoing programs of support that are consistent with, and therefore contribute to, the achievement of CWA objectives. Some key highlights of these programs are:

- **AfDB** provides support through its African Economic Outlook and other policy notes, budget support and institutional capacity building, dialogue and advice for the improvement of the business climate, and financing of non-sovereign operations. For example, the Egypt program has helped the country achieve some of the key indicators listed in the Egypt matrix including: primary balance increase; reduction in budget deficit; and an increase in tax revenues. Under the ongoing Ghana Institutional Support Project, AfDB is providing technical assistance and training to improve public financial management at the Ministry of Finance and key state-owned enterprises. Finally, Compact countries will play an important role in presenting investment projects and programs at the forthcoming AfDB-initiated Africa Investment Forum (AIF). AfDB is identifying projects to ensure strong participation of the private sector of Compact countries at AIF.
- **IMF** has been supporting Compact countries on strengthening governance and identifying institutional and system weaknesses (e.g., audit of unpaid bills in Ghana, and High Anti-Corruption Authority in Tunisia). The Fund also provides intensive policy advice on key macro-structural reforms (e.g., Morocco, Tunisia) and on actions improving competitiveness and the business environment (e.g., Ethiopia, Benin). Finally, the Fund's support for the SDGs helps strengthen the macroeconomic, business, and financing frameworks of Compact countries.
- **WBG** is supporting market creation with a number of new approaches. Under the IDA 18 Private Sector Window there are several new mechanisms to crowd in private sector investment to IDA countries and conflict-affected situations by de-risking. In addition to the Systematic Country Diagnostics and Country Partnership Frameworks, the newly launched CPSDs are identifying the main barriers to private sector investment—and the opportunities—and laying out joint plans to address these at the sector level. Finally, in December 2017, IFC launched the IFC Support Program for CWA (ISCA). ISCA strives to contribute to the CWA objectives through the provision of advisory services and investment support activities, including the CPSDs mentioned above, and sector deep dive studies. Germany and Norway are the first donors, and have contributed a total of \$16 million. IFC hopes to raise an additional \$18 million for ISCA.
- **Multilaterally**, a key development has been the leadership of the IMF and the WBG on the Platform for Collaboration on Tax. The platform formalizes regular discussions between the participating organizations (which also include the United Nations and Organization for Economic Cooperation and Development) on the design and implementation of standards for international tax matters, strengthens their ability to provide capacity-building support to developing countries, and helps them deliver jointly developed guidance. The platform is therefore particularly relevant to the CWA initiative.

## COMPACT COUNTRIES SELF-ASSESSMENTS



### Results of the 9 Countries at a glance (Total of 101 reforms)

| Tunisia      | Green    | Yellow   | Red      | Total     | Morocco      | Green    | Yellow   | Red      | Total    | Côte d' Ivoire | Green    | Yellow   | Red      | Total     |
|--------------|----------|----------|----------|-----------|--------------|----------|----------|----------|----------|----------------|----------|----------|----------|-----------|
| Macro        | 1        | 4        | 0        | 5         | Macro        | 0        | 2        | 0        | 2        | Macro          | 2        | 3        | 0        | 5         |
| Business     | 1        | 1        | 0        | 2         | Business     | 0        | 2        | 0        | 2        | Business       | 0        | 4        | 0        | 4         |
| Finance      | 0        | 4        | 0        | 4         | Finance      | 0        | 3        | 0        | 3        | Finance        | 0        | 1        | 0        | 1         |
| <b>Total</b> | <b>2</b> | <b>9</b> | <b>0</b> | <b>11</b> | <b>Total</b> | <b>0</b> | <b>7</b> | <b>0</b> | <b>7</b> | <b>Total</b>   | <b>2</b> | <b>8</b> | <b>0</b> | <b>10</b> |

  

| Benin        | Green    | Yellow    | Red      | Total     | Guinea       | Green    | Yellow    | Red      | Total     | Ethiopia     | Green    | Yellow   | Red      | Total     |
|--------------|----------|-----------|----------|-----------|--------------|----------|-----------|----------|-----------|--------------|----------|----------|----------|-----------|
| Macro        | 2        | 5         | 0        | 7         | Macro        | 0        | 5         | 0        | 5         | Macro        | 1        | 4        | 0        | 5         |
| Business     | 1        | 4         | 0        | 5         | Business     | 1        | 3         | 0        | 4         | Business     | 4        | 4        | 0        | 8         |
| Finance      | 0        | 1         | 0        | 1         | Finance      | 0        | 3         | 0        | 3         | Finance      | 0        | 0        | 0        | 0         |
| <b>Total</b> | <b>3</b> | <b>10</b> | <b>0</b> | <b>13</b> | <b>Total</b> | <b>1</b> | <b>11</b> | <b>0</b> | <b>12</b> | <b>Total</b> | <b>5</b> | <b>8</b> | <b>0</b> | <b>13</b> |

  

| Senegal      | Green    | Yellow   | Red      | Total     | Ghana        | Green    | Yellow   | Red      | Total     | Rwanda       | Green    | Yellow   | Red      | Total     |
|--------------|----------|----------|----------|-----------|--------------|----------|----------|----------|-----------|--------------|----------|----------|----------|-----------|
| Macro        | 2        | 2        | 0        | 4         | Macro        | 4        | 4        | 0        | 8         | Macro        | 2        | 0        | 0        | 2         |
| Business     | 1        | 5        | 0        | 6         | Business     | 0        | 2        | 0        | 2         | Business     | 0        | 3        | 1        | 4         |
| Finance      | 0        | 1        | 1        | 2         | Finance      | 1        | 1        | 0        | 2         | Finance      | 0        | 4        | 1        | 5         |
| <b>Total</b> | <b>3</b> | <b>8</b> | <b>1</b> | <b>12</b> | <b>Total</b> | <b>5</b> | <b>7</b> | <b>0</b> | <b>12</b> | <b>Total</b> | <b>2</b> | <b>7</b> | <b>2</b> | <b>11</b> |

Key: Green = wholly achieved; yellow = partially achieved/on track/; red = not started.



**BENIN**  
**COMPACT WITH AFRICA**

**MONITORING REPORT – [ON BENIN'S POLICY REFORM MATRIX](#)**

**APRIL 2018**

|                            | Indicator  | Progress | Comments   |
|----------------------------|--|----------|--|
| <b>Macro framework</b>     |  |          |  |
| 1                          | Debt-to-GDP (Net Present value) <50%   |          | The debt to GDP was 46.9% in December 2017 (source: CAA)   |
| 2                          | Inflation rate <3%   |          | Inflation rate was 1.2% in the past 5 years. In 2017, inflation rate was estimated at 0.1%.  |
| 3                          | Budget deficit <3% by 2019   |          | The anticipated budget deficit is 4.7% for 2018 against 6.4% in 2017.  |
| 4                          | Ratio of Payments-to-number of VAT self-reporting forms: ≥ 60% by 2020                                       |          | Preliminary activities are being done to enable to determine the Ratio. Software and equipment's have been bought and 150 companies have been trained to use the software, a communication campaign will start soon.         |
| 5                          | Tax revenue-to-GDP ratio target of 15.5% by 2020 vs. 13.5% as of 2017  |          | Tax revenue increased by more than 1 percentage point of GDP, from 12.6% in 2016, to 13.7% in 2017.were above the target set by the IMF program.   |
| 6                          | Coverage ratio for the different phases of public investment lifecycle by regulation: 100% in 2019.          |          | Preliminary activities are being completed namely the activities related to the judicial framework.  |
| 7                          | Proportion of Ministries presenting budgets in Commitment Authorization and in Payment Credits in 2019: 100% |          | 23 % of ministries are presenting their budget in commitment authorization and in payment credit in 2019.  |
| <b>Business Framework</b>  |  |          |  |
| 8                          | Adoption of new investment code  |          | The project of new code has been completed and will be submitted to parliament for approval by the end of the first semester of 2018.  |
| 9                          | Investment code authorization processing time of less than 20 days   |          | Preliminary activities are being completed namely the creation go a new system of investment management and decree for creation of an Agency in charge of promoting investments.   |
| 10                         | Development of all targeted SEZs by 2019   |          | Progress are being made as a special economic zone has been identified and is being constructed. A law for SEZs has also been adopted along with a judicial framework. Proposals for a technical partner are being reviewed. |
| 11                         | Number of functional courts and appeals courts for commerce: 2 in 2018 and 4 by 2020                         |          | 2 courts agree functional as of April 2018.  |
| 12                         | Proportion of PPP projects using standard clauses: 80% in 2020   |          | Preliminary activities are being completed. Indeed, after the approval of the decree giving the legal framework for PPPs, the supporting agencies need to become functional.   |
| <b>Financing Framework</b> |  |          |  |
| 13                         | Number of projects financed via multilateral guarantee agencies  |          |  |

Key: **Green** = wholly achieved; **yellow** = partially achieved/on track/; **red** = not started.



**CÔTE D'IVOIRE**  
**COMPACT WITH AFRICA**

**MONITORING REPORT – [ON COTE D'IVOIRE'S POLICY REFORM MATRIX](#)**

**APRIL 2018**

|                            | Indicator   | Progress | Comments   |
|----------------------------|---|----------|--|
| <b>Macro framework</b>     |   |          |  |
| 1                          | Public debt (as percent of GDP)   |          |  |
| 2                          | Reserve Coverage ratio  |          | The foreign exchange reserves reached 4.2 months of imports at end of 2017 compared to the regional WAEMU requirement of 3 months.   |
| 3                          | Inflation annual rate   |          | Inflation stood at 0.8 percent in 2017 and projected to remain low at 1.7 percent at Medium term as compared to 3% regional target of WAEMU.                                     |
| 4                          | Fiscal deficit (As percent of GDP)  |          | The fiscal deficit stood at 4.2 % of GDP in 2017 due to current expenditures control. The 2018 budget is built on a deficit of 3.75% of GDP as target.                           |
| 5                          | Tax Revenue to GDP  |          | 2018 budget projected an increase of tax revenues to 15.7% of GDP against 15.4% in 2017.   |
| <b>Business Framework</b>  |   |          |  |
| 6                          | Doing business indicators: distance to frontier (Construction permits, Enterprise creation, etc.) |          | 2018 Doing Business reforms agenda shows 21 reforms are underway for 2018. Creation of enterprise online has been finalized to be launched officially by March 31, 2018.         |
| 7                          | Number of grievances recorded and follow-up and action taken to fight corruption                  |          | Reforms are underway and a new framework is being designed that will help to reduce the number for grievances recorded in the execution of the court decisions.                  |
| 8                          | Budget allocation for project preparation funds expressed in relative terms.                      |          | 2018 budget shows 20 million USD (0,07% of GDP) endowment of Special funds named “Fonds d'études” for projects preparation and feasibility studies.                              |
| 9                          | Number of PPP projects using standard clauses: 80% in 2020  |          | PPP projects Database available online.<br>PPP management framework under revision to improve the legal framework with regard to IMF TA recommendations.                         |
| <b>Financing Framework</b> |   |          |  |
| 10                         | Local currency bonds to GDP   |          | 2018 Budget projects Treasury securities to CFAF 300 billion (1,16% of GDP)<br>Conceptual framework to create a Guarantee Funds for SME is under discussion with the World Bank. |

Key: **Green** = wholly achieved; **yellow** = partially achieved/on track/; **red** = not started.



**ETHIOPIA**  
**COMPACT WITH AFRICA**

**MONITORING REPORT – [ON ETHIOPIA'S POLICY REFORM MATRIX](#)**

**APRIL 2018**

|                           | Indicator   | Progress | Comments  |
|---------------------------|---|----------|---|
| <b>Macro framework</b>    |   |          |   |
| 1                         | Average annual rate of inflation (<10% in 2020)   | Yellow   | 7.1% inflation rate in the past FY  |
| 2                         | IMF and WBG's external debt distress rating (Moderate or Low in 2020)                         | Yellow   | Mitigating measures have been set to ensure the rating will be moderate or low in 2020.   |
| 3                         | Level of government budget deficit (around 3% of GDP in 2020)                                 | Green    | Level of current budget deficit to GDP estimated at 3.4%.   |
| 4                         | Share of domestic tax revenue to GDP (17.2% by 2020)  | Yellow   | The following preliminary activities have been taken to ensure the 17.2% target will be reached in 2020: Different measures being taken by GoE to enhance efficiency in tax collection and administration. Revision of excise tax and VAT regimes is underway to complement the recently enacted Income Tax proclamation and Tax Administration Proclamation. |
| 5                         | Ethiopia's overall PEFA scores improved (aggregate scores in 2020 improved from that of 2015) | Yellow   | Ongoing works towards efficient public investment management include disclosure of public resources (Directive enacted to this effect).   |
| <b>Business Framework</b> |   |          |   |
| 6                         | Average time to import down by 20% to 40 days by 2025   | Yellow   | key time and cost saving reforms realized by ERCA, and recognized by WBG's DB team.   |
| 7                         | Average time to export down by 20% to 14 days by 2025   | Yellow   | key time and cost saving reforms realized by ERCA, and recognized by WBG's DB team.   |
| 8                         | Number of industrial parks fully developed (10 by 2020)                                       | Green    | Three industrial parks fully developed and inaugurated in 2017. Development of four other industrial parks is expected to be completed in 2018.   |
| 9                         | Investment promotion strategy adopted and implemented (in 2020)                               | Yellow   | The investment promotion strategy is being drafted.   |
| 10                        | Average annual percentage increase in FDI (20%)   | Green    | Ethiopia has registered 27.6% growth in FDI inflow during 2016/17 FY.   |
| 11                        | Number of Public-Private Dialogues organized (5 by 2020)                                      | Green    | The first PPD was held in November 2017, and is expected to progress on a bi-annual basis.  |
| 12                        | Number of comprehensive legal reform on PPP (1 by 2020)                                       | Green    | A comprehensive legal framework (proclamation and subsidiary legislation) enacted in 2017/18  |
| 13                        | PPP unit resourced and trained (with at least 3 PPPs with foreign investors by 2020)          | Yellow   | PPP Directorate is established in MOFEC, and Director assigned for the Unit. The Unit is yet to be fully resourced with required staff and expertise.   |

Key: Green = wholly achieved; yellow = partially achieved/on track/; red = not started.



**GHANA**  
**COMPACT WITH AFRICA**

**MONITORING REPORT- [ON GHANA'S POLICY REFORM MATRIX](#)**

**APRIL 2018**

|                            | Indicator  | Progress | Comments  |
|----------------------------|--|----------|---|
| <b>Macro framework</b>     |  |          |   |
| 1                          | Reduce fiscal deficit to GDP to 6.3% in 2017 and 3-5% in medium term (2018-2021)                                   |          | 2017 provisional outturn shows a fiscal deficit of 6.0% of GDP.   |
| 2                          | Maintain a positive primary balance  |          | 2017 provisional outturn shows a primary surplus of 0.7% of GDP from a deficit of 1.4% (2016).  |
| 3                          | Reduce public debt to GDP ratio to below 70%   |          | 2017 provisional outturn shows a decline in the public debt to 69.8% of GDP from 73.1% (2016).  |
| 4                          | Reduce short-term debt to 20%-25%  |          | Short-term debt has been reduced to 22.4% in 2017 from 50.5% (2016).  |
| 5                          | Publish and disseminate the simplified versions of the five major tax laws by 2019                                 |          | Initial drafts for Excise Duty Act and Excise Tax Stamp Act reviewed.   |
| 6                          | Roll-out simplified business record keeping manual/template by 2020  |          | Draft templates and manuals completed.  |
| 7                          | Operationalize the Public Investment Management (PIM) system by end 2018   |          | PIM system is currently being updated to include additional fields to make it comprehensive.  |
| 8                          | Submit the Public Private Partnership (PPP) Bill to Parliament by 2018   |          | Initial comments from Cabinet has been incorporated and resubmitted for approval.   |
| <b>Business Framework</b>  |  |          |   |
| 9                          | Submit draft Corporate Insolvency Bill to Parliament by 2018   |          | Stakeholder consultations and drafting instructions completed. Drafting of Bill at advanced stage, and IFC/World Bank comments incorporated.          |
| 10                         | Ghana to rank among the top five countries in SSA for the Doing Business (DB) ranking of World Bank Group by 2021. |          | Current ranking (2018) in SSA is 12 <sup>th</sup> .   |
| <b>Financing Framework</b> |  |          |   |
| 11                         | Increase volume of trade reported by Central Securities Depository (CSD) and Bloomberg trading platform            |          | The CSD recorded an increase of 83.1% over the 2016 volume of trade, similarly, the Bloomberg trading platform recorded an increase of 9.73% in 2017. |
| 12                         | Introduction of the 20-year bond   |          | Medium Term Debt Strategy and Annual Borrowing Plan has been drafted and yet to be approved.  |

Key: Green = wholly achieved; yellow = partially achieved/on track/; red = not started.



**GUINEA**  
**COMPACT WITH AFRICA**

**MONITORING REPORT - [ON GUINEA'S POLICY REFORM MATRIX](#)**

**APRIL 2018**

|                            | Indicator   | Progress | Comments   |
|----------------------------|---|----------|--|
| <b>Macro framework</b>     |   |          |  |
| 1                          | Transfer of the accounts of the autonomous public bodies to the Single Treasury Account by June 2018.   |          | 60% of accounts have been transmitted to the Single treasury (which represents 7 banks out of 13.                                    |
| 2                          | Finalizing the online tax return and the terms of payment by September 2018   |          | System for online payment functioning and discussion are undergoing with the new provider for online tax returns and online payment. |
| 3                          | Finalization and adoption of the implementing texts of the Customs Code by December 2018.   |          | 5 texts proposals out of 26 have been signed, 14 have been submitted to the reform committee and 7 are being drafted.                |
| 4                          | Finalization of the revision of the tax identification number (TIN) of taxpayers by December 2018.  |          | 80% of this progress has been completed in Conakry. The mapping of taxpayers is undergoing.  |
| 5                          | In 95% of public procurement in the localities covered by the mercurial, the prices paid are lower or equal to the reference prices of the mercurial by 2018.   |          | A mercurial had been approved in January 2018, published on website and shared with all stakeholders.                                |
| <b>Business Framework</b>  |   |          |  |
| 6                          | Publication of the Decree establishing the PPP Unit, and adoption of the implementing texts, before the end of and enrolment the staff during the third quarter of 2018 June 2018 and September 2018.   |          | The decree has been submitted for final approval, the law has been adopted and implementing texts are being reviewed for adoption.   |
| 7                          | Finalization of the National Industry Policy by 2018.   |          | National policy documentation completed and submitted to parliament for approval.  |
| 8                          | Computerization of One-Stop Service of the Investor with the launching of the SYNERGUI tool (National System for Companies Registration in the Republic of Guinea) by 2018.   |          | Tool is under Trial by APIP and 3 notaries.  |
| 9                          | Adoption of the decree implementing the anti-corruption Act in accordance with international best practices, including the criminalization of all acts of corruption and the publication of statements of assets of senior officials by April 2018. |          | Law has been published and a draft decree has been submitted for approval.   |
| <b>Financing Framework</b> |   |          |  |
| 10                         | Adoption of the implementing decrees of the new Act on financial inclusion by April 2018.   |          | Draft decrees have been submitted to microfinance institutions for review.   |
| 11                         | The ratio between the forecasts and weekly achievements of forex demand is above 80% by April 2018.   |          | in progress.   |
| 12                         | Establishment of a bank resolution framework to put in place a deposit guarantee scheme by December 2018.   |          | in progress.   |

Key: Green = wholly achieved; yellow = partially achieved/on track/; red = not started.



**MOROCCO**  
**COMPACT WITH AFRICA**

**MONITORING REPORT-[ON MOROCCO'S POLICY REFORM MATRIX](#)**

**APRIL 2018**

|                            | Indicator  | Progress | Comments  |
|----------------------------|--|----------|---|
| <b>Macro framework</b>     |  |          |   |
| 1                          | Debt ratio below 60% of GDP by 2021  |          | Government debt ratio: Slight decrease of in 2017 to 64.5% of GDP for the first time since 2008 thanks to fiscal consolidation measures allowing a significant reduction of fiscal deficit from 7% in 2012 to 4.1% in 2016 and 3.5% of GDP in 2017. |
| 2                          | Setting up a legal framework to unify the investment management process                  |          | Preliminary activities are being conducted such as the recruitment process for a technical assistance in investment management, staffing for the public investment budget secretariat, conception of a legal and institutional framework.           |
| <b>Business Framework</b>  |  |          |   |
| 3                          | Rank among the 50 first countries in the Doing Business Report                           |          |   |
| 4                          | Approval of 2 PPP projects per year  |          |   |
| <b>Financing Framework</b> |  |          |   |
| 5                          | Stock market capitalization: 57% of GDP in 2020 against 52% in 2015                      |          |   |
| 6                          | At least 20 SMEs listed on the new Alternative Market , within 5 years                   |          | Progress are being made toward the achievement of this target with the crowdfunding law in drafting, the pilot study to attract business angels, the " fund innov invest, the Souk At Tanmia project  |
| 7                          | Number of SMEs benefiting from guarantee instruments: 11000 in 2020 against 7290 in 2016 |          |   |

Key: Green = wholly achieved; yellow = partially achieved/on track/; red = not started.



**SENEGAL**  
**COMPACT WITH AFRICA**

**MONITORING REPORT- [ON SENEGAL'S POLICY REFORM MATRIX](#)**

**APRIL 2018**

|                            | Indicator   | Progress | Comments   |
|----------------------------|---|----------|--|
| <b>Macro framework</b>     |   |          |  |
| 1                          | Reduce fiscal deficit to 3% in 2019   |          | 2018 draft budget shows a deficit of 2.7% of the rebased GDP, following a 2,9% of (rebased) GDP deficit in 2017                                    |
| 2                          | Increase tax take to at least 20% of GDP over the next three to five years based on rebased GDP   |          | Preliminary figures show that at end 2017, the tax take is estimated at 14.8% of the rebased GDP, and will reach 16% in 2018.                      |
| 3                          | 100% of new projects financed by own-resources in the 2018 budget will come from the integrated projects bank and all of those projects in the 2019 budget will have been reviewed by the public investment selection committee |          | At the time of 2018 budget preparation, the projects bank included 57 already evaluated projects and programs, including 27 for 2017.              |
| 4                          | Mo Ibrahim governance ranking improves from 10 to 8   |          | New regulations issued. Revised framework became effective on 15 December 2017. It is expected that the 2018 ranking will reflect these reforms    |
| <b>Business Framework</b>  |   |          |  |
| 5                          | Fully operating Commercial Court implemented by 2019  |          | An enhanced commercial court was set up and its members were installed in February 2018.   |
| 6                          | Fully operating Electronic Register of Guarantees implemented by end 2019   |          | Activities for the operationalization of the electronic register of guarantees are undergoing and it should be fully operating by the end of 2019. |
| 7                          | Double the share of FDI: from 3% of GDP in 2015 to 6% in 2020   |          | FDI has increased at an average annual rate of around 17% since 2013.  |
| 8                          | Improve from 141 (2016/DB2017) to 134 (2019/DB2020) in the Registering Property indicator in Doing Business;  |          | Target has been achieved.  |
| 9                          | Improve from 144 (DB2017) to 134 (2019/DB2020) in the Enforcing Contracts indicator in Doing Business   |          | In progress.   |
| 10                         | Improve from 174 (DB 2017) to 150 (DB 2020) in the Paying Taxes indicator in Doing Business   |          | In progress.   |
| <b>Financing Framework</b> |   |          |  |
| 11                         | Fully functioning "projects bank" by end 2018   |          |  |
| 12                         | Fully functioning risk mitigation fund, with a USD *** million initial capital, by end 2018.  |          | Budget constraint  |

Key: Green = wholly achieved; yellow = partially achieved/on track/; red = not started.



**TUNISIA**

**COMPACT WITH AFRICA**

**MONITORING REPORT – [ON TUNISIA’S MONITORING MATRIX](#)**

**APRIL 2018**

|                            | Indicator  | Progress | Comments  |
|----------------------------|--|----------|---|
| <b>Macro framework</b>     |  |          |   |
| 1                          | Reduce payroll to 12.5% of GDP by 2020 (14.5% in 2016)   | Yellow   | Law No. 2017-51 of June 28th established new measure in connection with early retirement; law 2018-05 of January 23rd established a framework for early retirements; decree limiting recruitment of new employees for the year 2018 issued. |
| 2                          | Increase the percentage of tax to total revenue. (Baseline 65%)  | Yellow   | Reorganization of the general direction of tax in 2017 and establishment of a tax investigation group. Improvement of monitoring agencies' efficiency by targeting high risks projects.   |
| 3                          | Achieve debt to GDP ratio of under 70% by 2020   | Green    | Debt to GDP ratio of 69.9% at the end of 2017.  |
| 4                          | Adopt a new pension fund law by 2017   | Yellow   | Adoption of the CSS / social security system reform will be engaged in 2018   |
| 5                          | Adopt action plan for the reform of SOEs in November 2017.   | Yellow   | Action plan now drafted.  |
| <b>Business Framework</b>  |  |          |   |
| 6                          | Achieve Doing Business ranking in top 50   | Yellow   | Work in progress under the supervision of the Ministry of Investment, Development, International Cooperation with the involvement of the various ministerial departments concerned and monitored by the Council of Ministers.               |
| 7                          | Publication of anti- corruption law  | Green    | Organic law n ° 59-2017 of August 24, 2017 issued to create an anti- corruption commission.   |
| <b>Financing Framework</b> |  |          |   |
| 8                          | Increase financing for startups and entrepreneurs in the knowledge economy by 200 Bn and 500 Bn respectively annually. | Yellow   | Draft code for capital investment ready   |
| 9                          | Banks to increase lending to MSMEs and SMEs by 10%   | Yellow   | On-going, the draft organic law on strengthening the quality of credit information has been transmitted to parliament   |
| 10                         | Establish performance contracts for public banks by 2020   | Yellow   | Performance contracts signed and entered into force in 2017   |
| 11                         | Increasing margin from 20% to 30% between the annual percentage rate and the excess credit rate for companies          | Yellow   | The draft law amending Law No. 99-64 on the excessive interest rate was transmitted to the parliament   |

Key: Green = wholly achieved; yellow = partially achieved/on track/; red = not started.



**RWANDA**  
**COMPACT WITH AFRICA**

**MONITORING REPORT – [ON RWANDA'S MONITORING MATRIX](#)**

**APRIL 2018**

|                            | Indicator  | Progress | Comments  |
|----------------------------|--|----------|---|
| <b>Macro framework</b>     |  |          |   |
| 1                          | Increase tax to GDP ratio - FY17/18 Target of 15.3%.   |          | Analysis conducted of the cost/benefits of the current tax incentive. Tax IT infrastructure upgraded. Half year results show that level of annual tax to GDP ratio for FY 17/18 will be above 15.3%.    |
| 2                          | Establish a financial swap that would lower private sector investment finance costs                  |          | National Bank of Rwanda has established a swap with commercial banks to ensure availability of forex when necessary. Also forex availability has improved a lot over 2017/18.                           |
| <b>Business Framework</b>  |  |          |   |
| 3                          | \$x m in investments attracted to Rwanda's Industrial Parks  |          | Feasibility study that will inform GoR policy on industrial parks development   |
| 4                          | Reduced number of investment complaints  |          | Quarterly investment roundtable to resolve investor issues established. Implementation of systemic investment response mechanism underway   |
| 5                          | Number of investment policy changes effected as a result of Private Sector Federation (PSF) advocacy |          |   |
| 6                          | Number of investors attracted  |          | Pipeline of projects for private investors exist. Will need to conduct more feasibility studies to regularly update with new projects.  |
| <b>Financing Framework</b> |  |          |   |
| 7                          | \$x m of private investment leveraged by the Affordable Housing Fund                                 |          | Establishing of Affordable housing scheme ongoing with support from WB (and IFC).   |
| 8                          | No of exporters accessing the Export Growth Facility   |          | EGF is operational. Criteria for accessing the EGF are being reviewed to ensure larger take up.   |
| 9                          | \$x m of private investment leveraged into the agriculture sector                                    |          | Various separate components of the Agriculture Risk Sharing Facility (ARSF) are being developed while a feasibility study is being conducted to inform optimal way of bringing all components together. |
| 10                         | No of companies listed on the Rwanda stock exchange (RSE)  |          | Continuous sensitization and capacity building is ongoing to attract more companies to list on RSE - workshops organized for SMEs.  |
| 11                         | No of Banks rated by international credit rating agencies  |          |   |

Key: **Green** = wholly achieved; **yellow** = partially achieved/on track/; **red** = not started.

## AAG SELF-ASSESSMENTS



**Results of the 10/12 AAG Countries at a glance**  
 (Total of 52 direct support for inward private investments and 73 reforms to foster investments)

| Direct support for inward private investment |           |           |          |           | Reforms Implemented by AAG countries |           |           |          |           |
|--|-----------|-----------|----------|-----------|--------------------------------------|-----------|-----------|----------|-----------|
| AAG country                                  | Green     | Yellow    | Red      | Total     | AAG country                          | Green     | Yellow    | Red      | Total     |
| Japan  | 4         | 0         | 1        | 5         | Japan                                | 0         | 5         | 0        | 5         |
| Netherlands                                  | 0         | 2         | 0        | 2         | Netherlands                          | 0         | 0         | 0        | 0         |
| Norway                                       | 4         | 1         | 1        | 6         | Norway                               | 0         | 2         | 0        | 2         |
| Spain  | 0         | 2         | 2        | 4         | Spain                                | 2         | 1         | 0        | 3         |
| United Kingdom                               | 0         | 2         | 2        | 4         | United Kingdom                       | 1         | 3         | 0        | 4         |
| European Union                               | 0         | 1         | 2        | 3         | European Union                       | 0         | 13        | 0        | 13        |
| Germany                                      | 1         | 8         | 0        | 9         | Germany                              | 9         | 8         | 0        | 17        |
| United States                                | 1         | 7         | 0        | 8         | United States                        | 1         | 7         | 0        | 8         |
| France                                       | 0         | 8         | 0        | 8         | France                               | 1         | 16        | 0        | 17        |
| Canada                                       | 0         | 0         | 0        | 0         | Canada                               | 0         | 1         | 0        | 1         |
| Italy  | 0         | 2         | 1        | 3         | Italy                                | 1         | 2         | 0        | 3         |
| <b>Total</b>                                 | <b>10</b> | <b>33</b> | <b>9</b> | <b>52</b> | <b>Total</b>                         | <b>15</b> | <b>58</b> | <b>0</b> | <b>73</b> |

Key: Green = wholly achieved; yellow = partially achieved/on track/; red = not started.



**JAPAN  
COMPACT WITH AFRICA  
MONITORING REPORT  
APRIL 2018**

| Compact Country | Reforms Support | Private Investors | Comments  |
|-----------------|-----------------|-------------------|---|
| Cote D'Ivoire   |                 |                   | Technical Assistance on industrial policies in growing sectors, etc.  |
|                 |                 |                   |   |
| Ethiopia        |                 |                   | Technical Assistance to formulate investment promotion strategies and develop Industrial Parks, etc.            |
|                 |                 |                   | Japan Tobacco Inc. (JT) acquired shares in National Tobacco Enterprise Share Company (NTE).                     |
| Ghana           |                 |                   | Enhancement of electricity transmission system, etc.  |
|                 |                 |                   | Sumitomo Corporation, "K" Line and JGC had agreed in principle to acquire shares in Yinson's West African unit. |
| Morocco         |                 |                   | Training program for improvement of investment business environment, etc.                                       |
|                 |                 |                   | Nippon Express established a branch.  |
| Senegal         |                 |                   | Investment for quality infrastructure development (e.g., sea water desalination plant), etc.                    |
|                 |                 |                   | Kagome established agriculture business of tomatoes for processing.   |

Key: Green = wholly achieved; yellow = partially achieved/on track/; red = not started.



**NETHERLANDS  
COMPACT WITH AFRICA  
MONITORING REPORT  
APRIL 2018**

| Compact Country | Reforms Support | Private Investors | Comments   |
|-----------------|-----------------|-------------------|--|
| Rwanda          |                 |                   | Dutch Investment Fund for derisking horticultural business was started end of 2017. Program is on track.       |
| Tunisia         |                 |                   | WB financing facility for accelerators (startups), including export promotion programs (signed 28 March 2018). |

Key: **Green** = wholly achieved; **yellow** = partially achieved/on track/; **red** = not started.



**NORWAY  
COMPACT WITH AFRICA  
MONITORING REPORT  
APRIL 2018**

| Compact Country | Reforms Support | Private Investors | Comments   |
|-----------------|-----------------|-------------------|--|
| Ghana           |                 |                   | Signing of Oil for Development, new agreement on revenue management on March 19, 2018.   |
|                 |                 |                   | Office of NORFUND (DFI) opened in Accra, will invest in local companies in the following sectors clean energy, finance and agribusiness. |
|                 |                 |                   | Norway - Ghana Business and Investment Forum held on March 19, 2018 with 40 Norwegian companies/investors.                               |
|                 |                 |                   | Signing of Norwegian-German MoU on investment facilitation under CWA March 19,2018.  |
|                 |                 |                   | Norway has provided to IFC/ISCA initiative under CWA: Country Private Sector Diagnostic for Ghana as first CWA country.                  |
|                 |                 |                   | Norwegian company Aker energy has bought Hess Ghana (oil exploration and production).  |
| Ethiopia        |                 |                   | Norwegian company Yara (fertilizer) plan investment in potash mining, FID pending.   |
| Tunisia         |                 |                   | Support to partnership between Norwegian and Tunisian Business Confederation (UTICA).  |

Key: **Green** = wholly achieved; **yellow** = partially achieved/on track/; **red** = not started.



**SPAIN  
COMPACT WITH AFRICA  
MONITORING REPORT  
APRIL 2018**

| Compact Country | Reforms Support | Private Investors | Comments                                    |
|-----------------|-----------------|-------------------|---|
| Morocco         |                 |                   | Active participation in bilateral meetings  |
|                 |                 |                   | Active support for infrastructure financing |
|                 |                 |                   | Event in Spain to support Compact           |
|                 |                 |                   | No incremental private investment           |
| Tunisia         |                 |                   | Active participation in bilateral meetings  |
|                 |                 |                   | Event in Spain to support Compact           |
|                 |                 |                   | No incremental private investment           |

Key: **Green** = wholly achieved; **yellow** = partially achieved/on track/; **red** = not started.



**CANADA  
COMPACT WITH AFRICA  
MONITORING REPORT  
APRIL 2018**

| Compact Country | Reforms Support | Private Investors | Comments  |
|-----------------|-----------------|-------------------|---|
| Ghana           |                 |                   | Agreement recently signed with GIZ. Canada joining DRM (Domestic Resource Mobilization) program currently underway. |

Key: **Green** = wholly achieved; **yellow** = partially achieved/on track/; **red** = not started.



**UNITED KINGDOM  
COMPACT WITH AFRICA  
MONITORING REPORT  
APRIL 2018**

| Compact Country | Reforms Support | Private Investors | Comments  |
|-----------------|-----------------|-------------------|---|
| Benin           |                 |                   | Active support for macroeconomic reforms.   |
|                 |                 |                   | No incremental private investment.  |
| Cote D'Ivoire   |                 |                   | In discussions with government on possible support to tax policy reform agenda.   |
|                 |                 |                   | One serious investor is in the final stages of due diligence in connection with a ports project.  |
| Ethiopia        |                 |                   | On-going technical assistant in the area of tax admin and tax policy.<br>In discussion with the Ministry of Finance, National Planning Commission and World Bank on appropriate support to Public Investment Management, following the Public Investment Management Diagnostic.<br>Jobs Compact program has been approved and DFID is working closely with the World Bank and GoE on detailed design issues.<br>Working alongside World Bank on implementation of Strategic Investor Relationship Management (SIRM) program at the Ethiopian Investment Commission. |
|                 |                 |                   | Visit by the Secretary of State for International Trade, accompanied by a trade delegation. Led to signing of MOU between GOE and UK minigrids company. 3 visits to Ethiopia by the UK PM's trade envoy promoted stronger trade and investment links and investment climate policy reforms.<br>Ethiopia signed its first Independent Power Producer deal, with significant UK financing.  |
| Ghana           |                 |                   | Support for business regulatory reform strategy is ongoing through a bilateral TA Program managed by DFID Ghana. Support on domestic revenue mobilization ongoing through improving organizational capability of Ghana Revenue Authority and working on specific reform aspects, this is a DFID and HMRC collaboration.   |
|                 |                 |                   | Planned Program which is at design stage in DFID on investment promotion, esp. for manufacturing and processing sectors. Some feasibility studies on sectors have been started with the Ministry of Trade and Industry but the program has not started yet. Work on capital markets development through the Prosperity Fund Global Finance Programme also due to start soon.  |

Key: **Green** = wholly achieved; **yellow** = partially achieved/on track/; **red** = not started.



**EUROPEAN UNION  
COMPACT WITH AFRICA  
MONITORING REPORT  
APRIL 2018**

| Compact Country | Reforms Support | Private Investors | Comments  |
|-----------------|-----------------|-------------------|---|
| Cote D'Ivoire   |                 |                   | Macroeconomic Framework: through EU Budget support (e.g. focus on DRM and public procurement) and technical assistance on public investment expenditure efficiency, investment planning and debt management   |
|                 |                 |                   | Business Environment: EU Technical assistance for business environment and trade regulation, and support to the National Public Procurement Regulatory Authority and the Court of Auditors; project for the promotion of Ivory Coast competitiveness, including TA on business environment (under preparation)  |
|                 |                 |                   | Financial Framework: EIB support to Private Sector; EU External Investment Plan to de-risk investment and blended finance   |
| Ghana           |                 |                   | Macroeconomic framework: through EU Budget support, technical assistance to Ghana Revenue Authority   |
|                 |                 |                   | Business Environment: EU Technical assistance and structured dialogue to enhance the investment climate through the EU EIP  |
|                 |                 |                   | Financial Framework: EU Implementation of the EU External Investment Plan for de-risking investment and blended finance   |
| Morocco         |                 |                   | - In macroeconomy: ongoing support to fiscal policy reform, preparation of support to strengthen capacities in public investment management<br>- In business climate : support to business related administrative procedures' simplification and public-private dialogue platforms, ongoing national regulatory convergence program with the European Union (in employment, aviation, consumer protection, standardization, postal sector,...)<br>- In financing : preparation of support to start-up's development |
|                 |                 |                   | Financial framework: Several EU External Investment Plan proposals under evaluation (guarantee system) are regional, including Morocco  |
| Rwanda          |                 |                   | Macroeconomic Framework: through EU budget support and technical assistance (PFM, DRM, Statistics)  |
|                 |                 |                   | Business Environment through the structured dialogue in the framework of the EIP  |
|                 |                 |                   | Financial Framework: EU Implementation of the EU External Investment Plan for de-risking investment and blended finance   |
| Senegal         |                 |                   | EU Budget support 2019-2021 to support macroeconomic stability and domestic resources mobilization; Contribution to the Revenue Mobilization Trust Fund (DRM) and performance of public services through strengthening programming and budget preparation, payroll management and performance contracts with agencies   |
|                 |                 |                   | Business Environment: EU Technical assistance and structural dialogue to enhance investment climate; Budget support 2019-2021 to improve business climate   |
|                 |                 |                   | Financial Framework: EU Implementation of the EU External Investment Plan for de-risking investments and blended finance  |
| Tunisia         |                 |                   | Active and ongoing EU support for the reform of public financial management (in particular support to the implementation of the upcoming Organic Budget Law).   |
|                 |                 |                   | Active and ongoing EU support for the reform of the civil service with a view to assist the Government in achieving a more sustainable payroll and improve public service delivery to citizens.   |
|                 |                 |                   |   |
|                 |                 |                   | Upcoming EU support to fiscal reforms (budget support and technical assistance Programme to be launched in 2018).   |

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**FRANCE**  
**COMPACT WITH AFRICA**  
**MONITORING REPORT**  
**APRIL 2018**

| Compact Country | Reforms Support | Private Investors | Comments   |
|-----------------|-----------------|-------------------|--|
| Benin           |                 |                   | On the macro framework: active support for macroeconomic reforms through technical assistance. On the financial framework : The French AFD group launched a program of private sector support through financing initiative.  |
|                 |                 |                   | Several projects have been push forward, with new and existing French public financing tools's use being expanded in Benin. Discussions are under way for a significant project.   |
| Cote D'Ivoire   |                 |                   | On the macro framework: France supports economic and financial stability through technical assistance for capacity building and improved governance. On the business framework: France develops bilateral technical cooperation in favor of business facilitation and regional economic integration strengthening legal and fiscal security. On the macro/financial framework France already supports project with the ministry of the Budget, the national public procurement regulator and the newly established Cours des comptes ; with concrete steps forward in the very last weeks. |
|                 |                 |                   | In Ivory Coast, several French private investors are under discussion for projects in a wide array of sectors.   |
| Guinea          |                 |                   | On the business framework: the AFD group offers to contribute to the private sector financing through investment guarantee instruments. On the financial framework: France is already providing significant financing for public debt reduction in infrastructures management (especially electric energy).  |
|                 |                 |                   | Discussions are under way for specific projects in two sectors.  |
| Morocco         |                 |                   | On the business framework: France provides bilateral technical assistance and will develop actions in favor of the governance reform.  |
|                 |                 |                   | Active discussion with private investors on several projects.  |
| Senegal         |                 |                   | On the business and financial framework: France offers an economic and financial stability through technical assistance for capacity building and improved governance (financing major infrastructures in water and electricity production and providing technical assistance to public contracting authority).  |
|                 |                 |                   | Active discussion with private investors on several specific projects.   |
| Tunisia         |                 |                   | On the macro framework: a macro-economic seminar held by the Directorate General of the Treasury has opened new ways to improve cooperation. On the business framework: France supports Tunisia reforms through quality technical assistance through a 3 year cooperation between the French Tax Secretary and the Tunisian tax administration, bilateral cooperation with the custom committee.   |
|                 |                 |                   | French private investors are very active in Tunisia, with several projects being discussed.  |

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**GERMANY**  
**COMPACT WITH AFRICA**  
**MONITORING REPORT**  
**APRIL 2018**

| Compact Country | Reforms Support | Private Investors | Comments  |
|-----------------|-----------------|-------------------|---|
| Benin           |                 |                   | Capacity reinforcement in modelling and analysis. Reconstitution of Public Investment Program database.   |
|                 |                 |                   | Organisation of investor events to promote CWA initiative.  |
| Cote D'Ivoire   |                 |                   | Support to private investment in the energy sector especially in renewable energies to improve profitability, efficiency and reliability.   |
|                 |                 |                   | Support for strengthening framework conditions for private sector investments into renewable energies and to promote efficiency within key institutions.  |
|                 |                 |                   | Reform and partnership in the energy sector to derisk investments and to work with public entities on how to assure investor protection.  |
|                 |                 |                   | A de-risking instrument is currently being conceptualised by Germany, AfDB and EIB.   |
|                 |                 |                   | Investor roundtable on Côte d'Ivoire in March 2018 to identify German Flagship Investors and discuss possible solutions to investment barriers. Visit of a delegation of the German-African Business Association (Afrika-Verein der deutschen Wirtschaft) in February 2018, meetings with government and business representatives, two further events at the German embassy.  |
| Ethiopia        |                 |                   | Organisation of investor events to promote CWA initiative.  |
| Ghana           |                 |                   | Ongoing GIZ support from the project "Good Financial Governance", which supports improvements to Ghana's public finances.   |
|                 |                 |                   | KfWs "Financing for solar power generation" and GIZs "Capacity building for procurement auction processes for renewable energy" projects focus on capacity building for procurement and related studies, decentralized renewable energy, and energy efficiency of households.   |
|                 |                 |                   | KfW project preparation support for capacity building in de-risking instruments.  |
|                 |                 |                   | Specific investor roundtable on Ghana in February 2018 to identify German Flagship Investors and discuss possible solutions to investment barriers. Foundation of several regional offices of German companies in Accra since summer 2017 (ThyssenKrupp, Hapag-Lloyd, Kühne&Nagel, B. Braun); Several roundtable events in Accra with foreign investors and government representatives e.g. GHA-German Business Taskforce; December 2017: Visit of Federal President Steinmeier in Accra, accompanied by a business delegation, signing of MoUs regarding private investments. USD; February 2018: visit of President Akufo-Addo in Germany, participation in business conferences e.g. German-Ghanaian Business Forum; April 2018: Business delegation from Germany in Accra; November 2018: Business delegation of German-African Business Association; scheduled: February 2019: German-African Business Summit (GABS) in Accra. |
| Guinea          |                 |                   | Business Forum organised by the German-African Business Association (Afrika-Verein der Deutschen Wirtschaft).   |
| Morocco         |                 |                   | Public investment management: KfW and GIZ support for the implementation of the Moroccan Renewable Energies and Energy Efficiency Plans.  |
|                 |                 |                   | GIZ support for business related administrative reforms & investment policies, KfW financing for local or central PPPs and catalyzing private funding for PPP projects  |
|                 |                 |                   | KfW TA for Banks; provision of credit lines to local banks, support to micro credit institutions and equity participations.   |
|                 |                 |                   | Organisation of investor events to promote CWA initiative. Business Forum North Africa in Berlin in February 2018 organized by Euro-Mediterranean-Arab Association, MENA Business Forum in Berlin in April organized by Association of German Chambers of Industry and Commerce .   |
| Rwanda          |                 |                   | Explore forex hedging possibilities through the TCX fund it cosponsors.   |
|                 |                 |                   | KfW support for de-risking investment in specific sectors (housing, exports and agriculture); support to Export Growth Facility.  |
|                 |                 |                   | Organisation of events to promote CWA initiative.   |
| Senegal         |                 |                   | Support for Results-Based Development and Budget Planning project aims at improving the capacities in the fields of planning, budgeting and monitoring.   |
|                 |                 |                   | Business delegation from Germany in December 2017; Business delegation of German-African Business Association end of March 2018 . Roundtable in German Embassy. Start of negotiations on Double Taxation Agreement in April.  |
| Tunisia         |                 |                   | Policy Based Loan over 3 years and TA, e.g. for the implementation of the banque de région .  |
|                 |                 |                   | Advisory services for the Tunisian Investment Agency.   |
|                 |                 |                   | SME loan programme to promote employment; support for a guarantee framework for SMEs.   |
|                 |                 |                   | Investor roundtable on Tunisia in March 2018 to identify German Flagship Investors and discuss possible solutions to investment barriers, Business Forum North Africa in Berlin in February 2018 with Minister for Industry and SMEs Slim Feriani organized by Euro-Mediterranean-Arab Association, MENA Business Forum in Berlin in April organized by Association of German Chambers of Industry and Commerce.  |

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**UNITED STATES  
COMPACT WITH AFRICA  
MONITORING REPORT  
APRIL 2018**

| Compact Country | Reforms Support | Private Investors | Comments  |
|-----------------|-----------------|-------------------|---|
| Cote D'Ivoire   |                 |                   | Treasury: new project that will assist Minister of Economy and Finance to improve debt management.  |
|                 |                 |                   | Treasury: new project to help the Direction Générale des Impôts (DGI) manage tax compliance risks, audit specialized business sectors, improve compliance of multinational taxpayers, and promote fair and prompt dispute resolution.   |
|                 |                 |                   | MCC Compact signed November 2017 to support growth and private investment by building workforce capacity, reducing transportation costs and opening new markets.  |
|                 |                 |                   | USAID conducted Public Financial Management Risk Assessment Framework (PFMRAF) estimated for final review / approval in April, 2018.  |
|                 |                 |                   | Power Africa: Support for the government's "Electricity for All" program; Beyond the Grid transaction and advisory support.   |
|                 |                 |                   | Increasing number of U.S. private firms established offices in CIV in 2017, including Visa, Jacobs Engineering, and Eaton Manufacturing   |
| Ethiopia        |                 |                   | USAID supports an embedded advisor to the Ethiopian Revenue and Customs Authority   |
|                 |                 |                   | PVH, one of the world's largest apparel US companies, started production as an anchor tenant in the Hawassa Industrial Park in the first half of 2017.  |
| Ghana           |                 |                   | High level diplomatic engagement on macroeconomic and fiscal issues   |
|                 |                 |                   | Power Africa: supporting development of power sector master plan development, providing transaction advisory support.   |
|                 |                 |                   | MCC is supporting the Government of Ghana in introducing private sector participation into the electricity distribution sector.   |
|                 |                 |                   | MCC supporting Ghana's efforts to improve the financial and technical performance of the Northern Electricity Distribution Company (NEDCO).   |
|                 |                 |                   | USAID and Ministry of Finance MOU to undertake a Joint Domestic Revenue Needs Analysis  |
|                 |                 |                   | OPIC support for US private investment in 200MW power plant   |
|                 |                 |                   | USTDA is funding technical assistance to assess the viability of a privately-owned 50 megawatt (MW) wind project in Ghana. The analysis will be used to attract and secure financing for the project.   |
|                 |                 |                   | USTDA is funding an assessment of the viability of a proposed privately owned 20 MW power plant in Ghana fueled by a mix of cultivated giant bamboo and existing biomass. The analysis is being used to attract and secure financing for the project.   |
| Senegal         |                 |                   | USTDA is funding a feasibility study to evaluate the viability of a 20 MW solar photovoltaic project in Ghana. The study will support the development of renewable energy at one of the first commercial-scale solar plants in the country. The analysis will be used to attract and secure financing for the project.  |
|                 |                 |                   | Treasury: new program to assist the Senegalese Ministry of Economy, Finance and Planning with improvements to the management of the General Directorate of Public Accounting and Treasury.  |
|                 |                 |                   | USAID/Senegal Legislative Strengthening and Citizen Access to Public Budget Information / Sunu Budget activity (implemented by a Senegalese NGO) supports open and transparent budgeting, including through constructive dialogue between citizen groups and the legislative and executive branches of government.  |
|                 |                 |                   | Several USAID/Senegal government-to-government (G2G) awards work to improve Senegal's public administration and service delivery.   |
|                 |                 |                   | USTDA is working with a Senegalese company to develop the design, terminal layout and operational plan for a new multi-commodity bulk port in Bargny-Sendou. The study will be completed in 2018 and should provide information necessary to secure financing.  |
| Tunisia         |                 |                   | USTDA is funding technical assistance for a private firm on the implementation and operation of solar minigrids in 31 villages using advanced metering and monitoring. The assistance includes piloting and field testing U.S. advanced metering, payment collection, and remote monitoring technology. The firm is engaged in discussion with several potential partners seeking grants and concessional debt to reduce the cost of capital. |
|                 |                 |                   | USAID Tax and Customs Project, focused on streamlining tax administration, building capacity in tax unit  |
|                 |                 |                   | USAID Business Reform and Competitiveness Project: firm-level assistance, worker skills development and job-matching to accelerate firm growth and employment.  |
|                 |                 |                   | Tunisian-American Enterprise Fund - to provide financing to Tunisian SMEs with strong growth prospects  |

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**ITALY**  
**COMPACT WITH AFRICA**  
**MONITORING REPORT**  
**APRIL 2018**

| Compact Country | Reforms Support | Private Investors | Comments   |
|-----------------|-----------------|-------------------|--|
| Benin           |                 |                   | Active support for macroeconomic reforms   |
|                 |                 |                   | No incremental private investment  |
| Cote D'Ivoire   |                 |                   | In discussions with government on possible support to tax policy reform agenda   |
|                 |                 |                   | One serious investor is in the final stages of due diligence in connection with a ports project.   |
| Ethiopia        |                 |                   | EIC commitment to reforms, but realistically some key sectors are unlikely to be touched (telecoms, financial services, management of the exchange rate, logistics) * AICS projects are contributing to the development of the value chains surrounding the Integrated Agro Industrial Parks, with feasibility studies and social/environmental impact studies. In terms of improving investment climate a public/private forum has been institutionalized, the registration procedure for SMEs has been simplified, custom procedures have been smoothed, and a credit bureau together with a collateral registry have been created. Final financial innovation, such as leasing and commodity collateralized financing have been introduced. |
|                 |                 |                   | Some private companies (BOSCH, Siemens, Volkswagen) have manifested their interest in investing in the country   |

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