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Sub-Saharan Africa: Into the Next Millennium

A Continent in Transition takes sustainable poverty reduction as the ultimate and overarching objective of all development strategies. In the last 5 years, several studies have examined the global and African experience with a view to developing a broad framework for pursuing this objective. These include the World Bank's Long-Term Perspective Study on Africa, several Human Development Reports and World Development Reports. The present study looks at Africa's development agenda in the mid-1990s and asks questions such as:

- What has happened to the landscape of Africa's political economy over the last 5 years?
- What have we learned about the development process?
- How is the development agenda unfolding as we look to the next decade?
- What are the respective roles of the partners in African development?

Highlights

The answers to these questions constitute the findings and recommendations of the study. However, as important as these findings and recommendations is the fact that these evolved out of extensive consultations with African countries and donors. This process of consultation, especially with African stakeholders, contributed to a valuable dialogue, paving the way for understanding and consensus on a number of issues. The highlights are as follows.

- Given sustainable poverty reduction as the overarching objective, African and global experience suggests that equitable and environmentally sustainable growth, accompanied by broad-based
investment in human development and infrastructure, would form the broad elements of a development agenda. For growth, macroeconomic stability is necessary, as are agricultural development and private sector development.

- An important part of the changing landscape of the last 5 years is the beginning of a political transition in Africa, with significant movements towards democratization and political liberalization. This transition, although partial and fragile, serves as the backdrop to any discussion of the political economy of development in the region.

- The last 5 years have seen noticeable progress on certain key items of macroeconomic reform such as exchange rates and price control, but with fragility in other key areas such as fiscal balance.

- There has been relatively less progress overall on the deeper, structural elements of the development agenda, but with very interesting country examples in specific sectors.

- In the coming decade, it is these elements of the development agenda that need to be advanced vigorously while maintaining macroeconomic stability. They include gender-responsive human development, agriculture and environment, private sector development, infrastructure services and capacity building. Only with progress in these areas can there be sustainable poverty reduction. Two elements cut across all others - human development and fiscal management.

- Implementation of the deeper structural reforms will be slower for purely technical reasons, but also because it will require broad-based consensus. Political liberalization could help this process by facilitating open discussion and debate - a discussion and debate which must include women.

- Without governmental and national commitment to the development agenda, external assistance will not help. For this reason, there should be greater selectivity in the allocation of scarce aid resources towards governments which show such commitment.

- The relative success in macroeconomic reforms has benefited from the donor coordination provided by the Special Program of Assistance for Africa. Building on this, donors need to improve their operations and their coordination, particularly in investment assistance which is fragmented, uses excessive foreign technical assistance, and does not undertake systematic consultation with beneficiaries. One promising avenue is to take a broad sectoral approach to investment assistance, whose basis is donor coordination around a common sector program, led by the government.

- It is no longer possible, in the mid-1990s, if it ever was, to speak of Sub-Saharan Africa as an undifferentiated whole. At one end are countries mired in civil strife and social unrest, and at the other end are countries that have made significant progress on macroeconomic reform and are beginning to reap the benefits. These advances, as well as the examples of interesting innovation and progress in the structural agenda in a range of countries, show that there are some African success stories. The task now is to spread the success more widely through systematic pursuit of the development agenda, in light of specific country circumstances.

**Conclusion**

Both African countries and donors need to make efforts to learn from the past, from each other and others, such as from the East Asian experience. Ultimately, however, Africa's development strategy will have to be fashioned in Africa. Realizing this strategy in any meaningful, broad-based and sustainable manner will be possible only through a dynamic partnership between the African people, governments and donors.
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