



Budget Support

Financial Implementation,
Risk Assessment,
and Selected Poverty, Macroeconomic and Fiscal
Results

2015

Table of Contents

Executive Summary	0
Part I - Financial Implementation	5
1. Commitments	5
2. Disbursements	7
3. Fixed and Variable Tranches	8
4. Distribution by Sector and Income Group	9
5. Forecast 2015 Commitments	10
Part II – Risk Management	11
1. Risk Analysis	11
1.1. Risk Category Analysis	11
1.2. Risk Dimensions Analysis	13
1.3. Risk Profile by Type of Budget Support Contract	14
2. Mitigating Measures and Risk Response	14
Part III – Selected Macroeconomic and Fiscal Results	15
1. Poverty and Inequality	15
1.1. Overview	15
1.2. Regional Analysis	16
2. Economic Growth and Macroeconomic Stability	17
2.1. Overview	17
2.2. Regional Analysis	19
3. Public Financial Management, Corruption and Budgetary Transparency	22
3.1. Public Financial Management	22
3.2. Corruption	24
3.3. Budgetary Transparency and Oversight	25
3.4. Illicit Financial Flows	26
Annex 1 – Selected regional and country indicators	
Annex 2 – Budget support/non-budget support country group list	

Abbreviations

AVR	Average
BS	Budget Support
DCI	Development Cooperation Instrument
EDF	European Development Fund
EITI	Extractive Industries Transparency Initiative
ENP-E	European Neighbourhood Policy Instrument East
ENP-S	European Neighbourhood Policy Instrument South
ESA	Eastern and Southern Africa
GGDC	Good Governance and Development Contract
HR	Human Rights
IBP	International Budget Partnership
IFMIS	Integrated Financial Management Information System
LIC	Low Income Country
MIC	Middle Income Country
OCT	Overseas Countries and Territories
PAC	Pacific
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
RMF	Risk Management framework
SBC	State Building Contract
SBS	Sector Budget Support
SRC	Sector Reform Contract
WCA	West and Central Africa

Executive Summary

This report on EU budget support coincides with important milestones in development policy. During 2015, the Financing for Development Conference and the Sustainable Development Summit will present a new development agenda. Budget support remains uniquely well placed to respond to development challenges as an effective aid modality. A review of budget support evaluations¹ highlighted the contribution of budget support to service delivery, macroeconomic performance, strengthened public financial management, transparency and oversight, and the fight against corruption. Budget support was furthermore found to have lower transaction costs, and a greater degree of alignment to government policies and processes than other aid modalities. Where conditions allow for its use, budget support remains Europeaid's preferred modality. At the same time, a close monitoring of results and risk management and mitigation, for example in relation to corruption risks, remains essential.

The report provides an overview of the implementation of EU budget support programmes, risk analysis based on the Risk Management Frameworks, and a review of selected poverty, macroeconomic and fiscal developments in budget support countries.

As of 1 January 2015, provisional data shows on-going EDF, DCI, and ENP budget support commitments for 240 operations in 84 countries and OCTs amounted to €11.2 billion. Of this amount, € 1.3 billion was newly committed in 2014 and € 4.1 billion still remained to be disbursed. In 2014, €1.6 billion was disbursed as budget support, representing 21% of total Europeaid disbursements. Disbursements and commitments were affected by a lack of payment credits and the delay in the ratification of the revised EU-ACP Cotonou Agreement. Sub-Saharan Africa was the largest recipient of budget support funds, followed by the Neighbourhood region.

The large majority of budget support programmes were Sector Reform Contracts (82%), most often provided in support of the education sector. State Building Contracts (SBCs) represented 6%, and Good Governance and Development Contracts (GGDCs) represented 4%, most of which are being implemented in Sub-Saharan Africa. The remainder are general budget support (GBS) programmes which pre-date the new budget support policy. The introduction of State Building Contracts has allowed for resilience building and budget support interventions in fragile situations, for example in response to the ebola crisis. At the same time, such contracts are subject to a higher degree of risk, requiring appropriate risk mitigation.

Variable tranches remain an important part of budget support operations with planned variable tranche shares for 2014 reaching on average 50% of total tranches, and substantially more in ENP, Latin America, Caribbean and OCTs. However, timely variable tranche execution rates were relatively low, highlighting the importance of further increasing indicator quality and strengthening the related policy dialogue.

The risk management framework has proven its use in guiding the identification of country risks specific to budget support and ensuring that risk mitigation actions are identified and monitored. The

¹ "Synthesis of budget support evaluations", November 2014, study carried out on behalf of the European Commission

methodology was strengthened with a more systematic review approach compared to the 2013 pilot exercise. In February 2015, the DEVCO and NEAR budget support and financial assistance steering committees adopted 87 Risk Management Frameworks showing an upward revision in risks compared with the pilot exercise. Thirty-six percent of all budget support countries, representing 42% of total outstanding disbursements, now have an average substantial risk compared with 27% for the pilot exercise. The increase is likely to be due to a combination of a more developed risk coherence review methodology and increased risks, particularly in the West and Central Africa region. The latter is now the region with the highest proportion of substantial/high risks followed by Asia.

The relative importance of risk categories has remained relatively stable. Corruption and fraud risks dominate, followed by developmental, public financial management, political and macroeconomic risks. Developmental risks are largely driven by government effectiveness risks, which affect middle-income budget support countries as much as low-income budget support countries, but public policy risks remain limited. Political risks are concentrated in West and Central Africa, Asia and Neighbourhood budget support countries. Macroeconomic risks are most prevalent in West and Central Africa and selected Caribbean countries. Developmental and corruption risks on the other hand are important across all regions. Public Financial Management risks are less pronounced in Latin America, Caribbean, Neighbourhood and Eastern and Southern Africa budget support countries.

The upwards revision in risks is also a reflection of the increase in the number of State Building Contracts, which continue to be subject to the highest risk ratings. Political risks in countries that benefit from Good Governance and Development Contracts continue to be assessed as low/moderate.

Risk mitigation measures have been identified for all substantial/high risk areas. Looking ahead, it will be important to ensure that these measures progressively target the most critical areas, include an appropriate mix of short term actions and structural measures, based on a sound analysis of the opportunities of risk mitigation.

Part III provides a summary overview of selected poverty, macroeconomic and fiscal country results in budget support countries. Causality or attribution of country results to budget support is not examined. A review of data comparing budget support with non-budget support developing countries shows a clear trend of faster poverty reduction, less inequality, higher and less volatile economic growth, lower fiscal deficits and debt levels, higher levels of investments, stronger public financial management systems, more budgetary transparency, and a better control of corruption, which nevertheless remains a key challenge.

Poverty figures have continued their downward trend, and more so in budget support countries, where poverty is generally more prevalent. Importantly, this trend extends to all regions. Budget support countries have, however, not made much progress in reducing inequality.

Economic growth in low-income budget support countries has barely suffered from the 2008-09 world economic crisis and has consistently outperformed budget support middle-income countries since the crisis. Growth projections for 2016 generally revert to previous post crisis trend levels, following a slowdown in 2014-15. However, this outlook is subject to much uncertainty due to commodity price volatility, weak global trade growth, weak economic growth in important trading

partners, and reduced fiscal space, particularly in Africa. The sharp decline in oil prices during the second half of 2014 could, if sustained, give a modest push to global growth and sizeable income shifts from oil exporters to oil importers. The reduction in fiscal space means that domestic revenue mobilisation efforts must be increased.

Finally, an important budget support portfolio requires effective management and oversight. Budget support governance was further strengthened in 2014. The DEVCO Budget Support Steering committee continued to provide strategic guidance on budget support programmes with an increased focus on the more strategic cases. The newly created DG NEAR set up its own financial assistance steering committee. The central DEVCO unit in charge of budget support policy and methodology was strengthened to provide increased support to geographic units and EU delegations on budget support programmes. A simplification exercise streamlined budget support procedures and reporting requirements for low/moderate risk countries. As a result the Commission decided not to pursue the creation of new regional support teams (hubs), originally envisaged to increase the support to Delegations and geographical services in headquarters in managing their budget support operations. The role of the regional teams was entrusted to the central unit in charge of budget support policy and methodology.

Part I - Financial Implementation

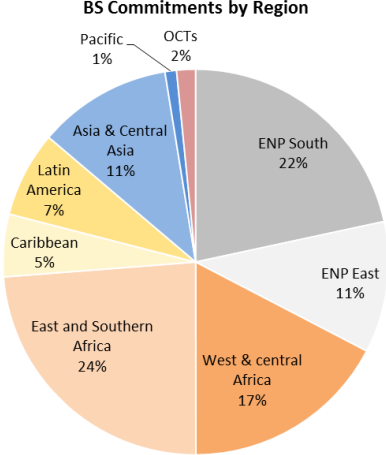
The financial data in this chapter relate to EDF, ENI and DCI budget support operations, and should be considered as provisional. Official data is provided in the Annual Report on the European Union's Development and External Assistance Policies and their Implementation. Provisional data for individual budget support countries is provided in annex 1.

1. Commitments

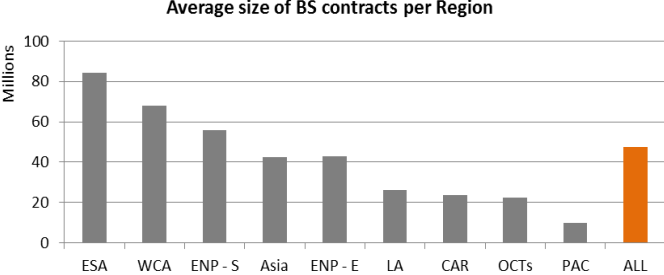
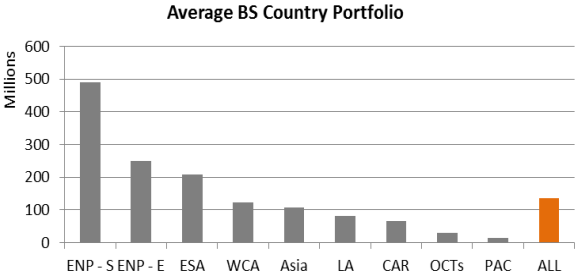
End 2014, on-going commitments on BS programmes amounted to €11.4 billion, of which €1.3 bn newly committed in 2014. Of these ongoing commitments, €4.1 bn still remained to be disbursed (RAL) as of 1st of January 2015. The level of new commitments in 2014 was about 50% lower than in previous years due to the end of the 2007-13 multiannual financial framework and the delay in the ratification of the revised EU-ACP Cotonou Agreement. For 2015, which marks the start of the new 2014-20 framework, new commitments are expected to rise again to €2.3 bn.

Region	Number of Countries	Number of BS operations	Types of BS contracts				BS commitment		Total Disbursed 2014	To be paid after 1/01/2015
			SRC/SBS	GGDC	SBC	GBS	Total BS commitment	of which new BS commitment 2014		
ENP South	5	44	41	1	2		2,455.4	379.5	243.2	1,239.4
ENP East	5	29	27		2		1,249.7	558.3	344.5	658.2
West & central Africa	16	29	14	3	9	3	1,969.3	128.0	458.9	371.2
East & Southern Africa	13	32	20	4	1	7	2,700.3	85.0	217.9	595.6
Caribbean	9	25	21		1	3	596.0		127.1	234.2
Latin America	10	31	30			1	815.9	100.0	58.0	371.4
Asia	12	30	28			2	1,276.9	37.0	107.0	598.7
Pacific	8	11	9	1		1	110.1	1.0	16.3	49.9
OCTs	6	8	5	1		3	179.9	24.6	33.8	14.0
ENI On-Going	10	73	68	1	4	0	3,705.1	937.8	587.7	1,897.6
DCI On-Going	22	61	58	0	0	3	2,092.8	137.0	165.0	970.1
EDF On-Going	52	105	69	9	11	17	5,555.6	238.6	854.0	1,265.0
Total ALL On-Going Operations	84	240	195	10	15	20	11,353.5	1,313.4	1,606.7	4,132.7

The breakdown by region shows that the largest recipients of budget support programmes are the Eastern and Southern Africa (24%), European Neighbourhood South (22%), and West and Central Africa (17%) regions. Neighbourhood East and Asia each have 11% of ongoing budget support commitments, followed by Latin America (7%), Caribbean (5%), OCTs (2%) and Pacific (1%).



The average amount of BS commitments per country is about €135 million with substantial differences between regions. In ENP South and East countries, country BS commitments are particularly large: on average €491 million and €250 million respectively. Budget support in these regions is both concentrated in fewer countries, and represents a higher share of total EU ODA disbursements in those countries.



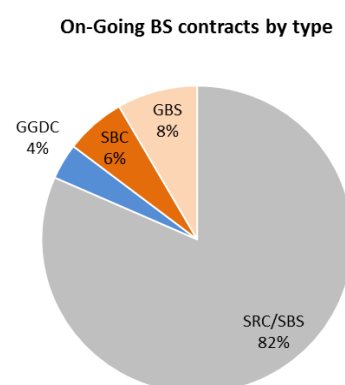
Average size of the BS contracts per Type (in million Euros)

Type of Contract	Number of On-going BS programs	Amount BS commitment	Average Size
SRC/SBS	195	7,214.2	37.0
GGDC	10	421.8	46.9
SBC	15	1,369.3	91.3
GBS	20	2,348.2	117.4
All	240	11,353.5	47.5

The average size of a BS contract in 2014 was €48 million. The largest BS contracts are provided in Sub-Saharan Africa, particularly in ESA where the average BS contract amounts to over €80m.

End 2014, the average number of on-going BS programmes in BS countries totalled 2.8, compared with 2.3 in 2013. Most regions are quite close to this global average except ENP with a significant number of 7 BS programmes on average per country. While such a high number of programmes can go against efficiency and concentration objectives, it nevertheless represents an important reduction from the previous 8.8 BS programmes average.

Most BS contracts are Sector Reform Contracts (including former sector budget support) with 82% of the total number of BS programmes. State building Contracts increased from 4% in 2013 to 6% in 2014. Good Governance and Development Contracts decreased from 5% to 4%, and former General Budget Support programmes decreased from 10% to 8% as such programmes are being closed. The majority of GGDC/GBS and SBC are implemented in Sub-Saharan Africa. Annex 1 lists the countries with GGDCs and SBCs. The average size of GGDCs (€47m) is close to the overall average, SRCs are on average smaller (€37M), and SBCs, which tend to respond to significant financing needs, larger (€91M).



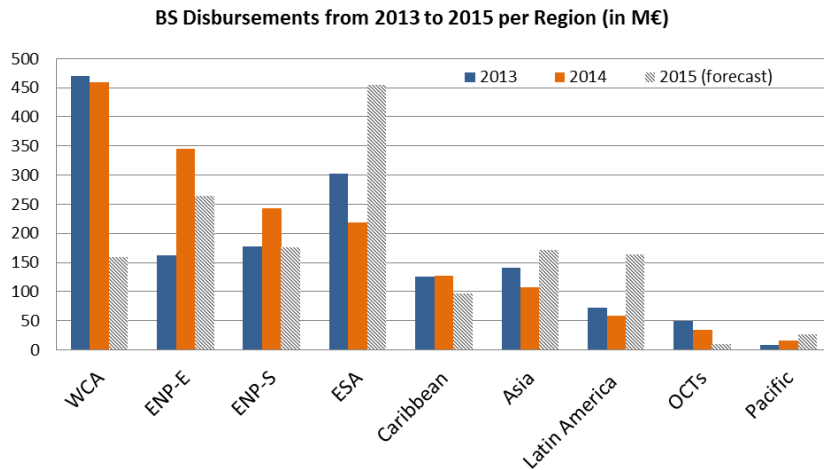
2. Disbursements

In 2014 an amount of €1.6 billion was disbursed, representing 21% of total Europeaid disbursements. The level and timeliness of DCI and ENP disbursements was affected by the lack of payment credits in 2014, which led to a number of delays relative to disbursements planned in financing agreements.

Regions	BS Disbursements Executed 2010-2015 (in M€)					
	2010	2011	2012	2013	2014	2015 (forecast)
ENP-S				178	243	175
ENP-E	339	469	375	163	345	264
WCA				470	459	159
ESA	1,010	798	921	303	218	455
Caribbean	211	77	95	125	127	96
Latin America	96	84	119	72	58	164
Asia	153	179	129	141	107	171
Pacific	19	14	8	8	16	26
OCTs	40	3	55	50	34	10
TOTAL ENI	339	469	375	341	588	439
TOTAL DCI	249	263	248	213	165	335
TOTAL EDF	1,280	892	1,079	956	854	746
Total	1,868	1,624	1,702	1,510	1,607	1,520

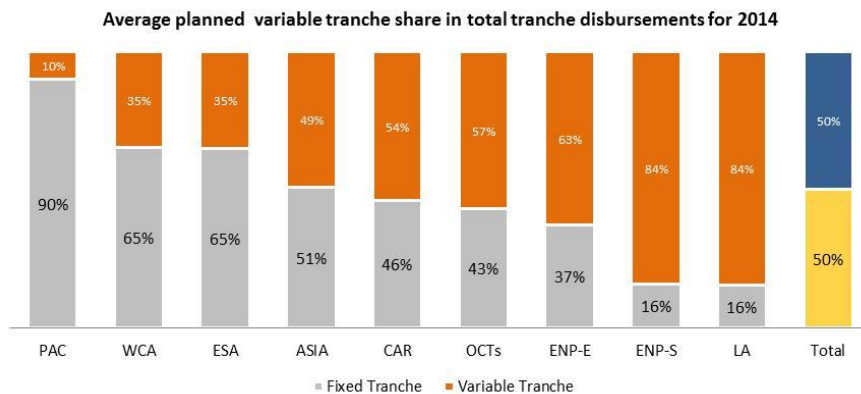
BS Disbursements have remained relatively stable over the past 5 years and this trend is expected to continue for 2015 with expected disbursements of €1.5 billion.

ENP saw an important increase in disbursements in 2014, largely due to the sizeable SBC disbursement to Ukraine.

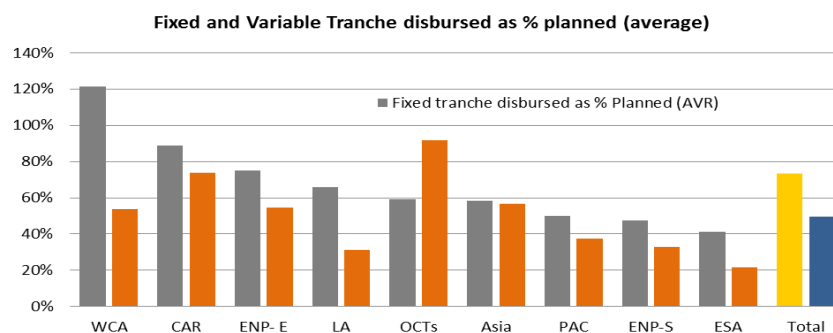


3. Fixed and Variable Tranches

The average planned variable tranche share in total tranche disbursements for 2014 was 50% and is forecasted to rise to 53% in 2015. This is substantially higher than the average suggested in the BS guidelines. Variable tranches are particularly large in ENP, Latin America, Caribbean and OCTs. ENP BS countries tend to be characterised by higher risks (cf. part II), which can explain a higher variable tranche share. This is not the case for Latin America and Caribbean BS countries, however. The use of variable tranches for OCTs should be reduced given their special status.



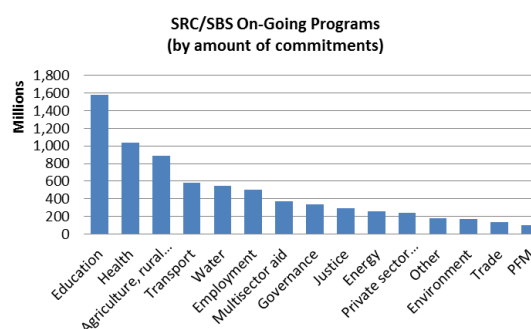
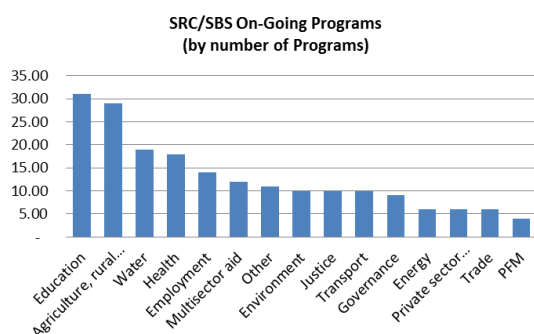
Variable tranches can be useful in creating an incentive effect, particularly in weak policy environments and when there is some stability over time in the indicators used, and in order to focus the policy dialogue. Nevertheless, over-usage can put excessive weight on the selection, definition and assessment of a limited number of indicators, and there is a trade-off with predictability. Average variable tranche execution rates are relatively low. Compared to total potential disbursements initially planned in financing agreements for 2014, actual 2014 disbursements reached on average 73% of potential for the fixed tranches and only 49% for the variable tranches. Execution rates vary substantially by region:



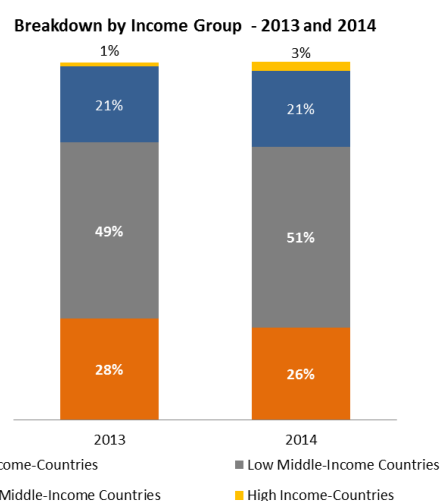
Actual disbursements can be lower than planned for a number of reasons: both tranches can be affected by administrative delays, and non-disbursement or disbursement delays due to eligibility concerns. Variable tranches can moreover be affected by reduced disbursements due to a number of variable tranche conditions not being met in a timely manner. The relatively low share of timely variable tranche execution highlights the importance of increasing efforts to ensure that indicators abide by the SMART principles, and to strengthen the related policy dialogue.

4. Distribution by Sector and Income Group

Sector reform contracts covered a wide variety of sectors. **Education is the most important sector followed by Health and Agriculture/Food security.** The latter is expected to increase further in importance, considering the new BS programmes that are expected to be launched in 2015 under the new multiannual financial framework (cf. section 5).



Lower Middle-Income countries are the largest beneficiary of budget support, representing 51% of the total amount of on-going commitments. In this category, Morocco is by far the largest beneficiary of budget support with 10% of the total amount of all BS commitments. Low Income countries represent 26% of the total amount of commitments followed by Upper Middle Income countries with 20%. Four High Income countries (Barbados, Trinidad & Tobago, St Kitts & Nevis, and Uruguay) and the OCTs together account for 3 percent of total BS commitments. Compared to 2013, the breakdown between income groups remained stable with no significant change. The



relatively low LIC share is partly a reflection of the smaller LIC group in general, the more so given that an increasing number of LICs is graduating to MIC status, and of the smaller size of LICs. Nevertheless, further effort is needed to increase the share of budget support going to LICs.

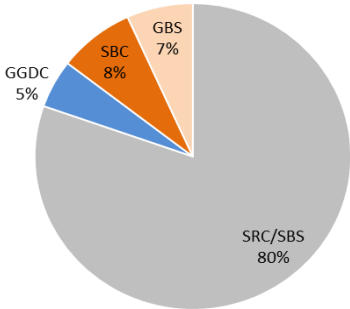
5. Forecast 2015 Commitments

Expected new 2015 commitments amount to €2.3 billion, shows a return to former levels of commitments with the new multiannual financial framework. Fifty-six new BS programs are planned for 2015 in 41 countries. The average amount of BS commitments per country is expected to increase from €133M to €155 million with the new commitments planned for 2015.

BS expected new commitment in 2015						
Region	Number of Countries	Number of BS operations	Types of BS contracts			Commitment amount expected (€ million)
			SRC/S BS	GGDC	SBC	
ENP South	3	6	6	0	0	343
ENP East	3	5	5	0	0	125
West & central Africa	14	19	9	3	7	585
East and Southern Africa	7	10	7	2	1	884
Caribbean	2	3	3	0	0	53
Latin America	4	5	5	0	0	132
Asia & Central Asia	4	4	4	0	0	117
Pacific	1	1	1	0	0	17
OCTs	3	3	2	1	0	16
ENI On-Going	6	11	11	0	0	468
DCI On-Going	8	9	9	0	0	249
EDF On-Going	27	36	22	6	8	1,555
Total ALL Forecast Operations	41	56	42	6	8	2,272

Most BS contracts would remain Sector Reform Contracts, representing 80% of the total number of new BS contracts expected to be launched in 2015. State building Contracts are expected to increase from 6% in 2014 to 8% in 2015, and Good Governance and Development Contracts from 4% to 5%. The majority of GGDC/GBS and SBC would continue to be implemented in Africa. The average size of planned new budget support contracts for 2015 is €41million, somewhat below the previous average of €48 million.

BS contracts by type including new 2015 BS Forecast programmes



The sector distribution of the new Sector reform contracts expected to be launched in 2015 shows that agriculture/food security would increase in importance. Bearing in mind the limited sample (56 new BS operations expected for 2015), the change nevertheless reflects at least partially the change in sector priorities in the 2014-2020 programming exercise, where sustainable agriculture and food security, education, energy and governance are sector priorities, in line with the Agenda for Change.

Part II – Risk Management

The following risk analysis is based on the 87 Risk Management Frameworks (RMF) adopted by the DEVCO and NEAR budget support and financial assistance committees in February 2015. The RMFs were submitted by EU Delegations and reviewed by DEVCO, NEAR, EEAS, and ECFIN geographic and thematic directorates. Compared with the pilot exercise, the RMFs have benefitted from the experience gained with the pilot exercise and an extensive review process to ensure quality and coherence.

The analysis below is based on the frequency of substantial/high risk cases. The RMF has a structure consisting of 5 risk categories, each of which is a simple average of a number of underlying risk dimensions. The total of 14 risk dimensions are assessed on the basis of a questionnaire that consists of 44 questions. For important risks, mitigating measures are identified. The chapters below present an overview risk and mitigating measures analysis, both from a geographic and a thematic perspective.

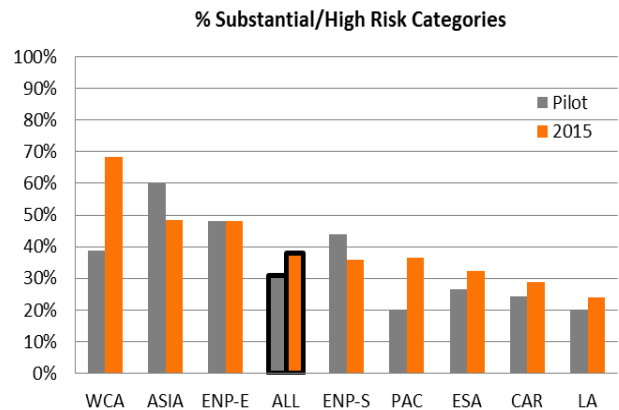
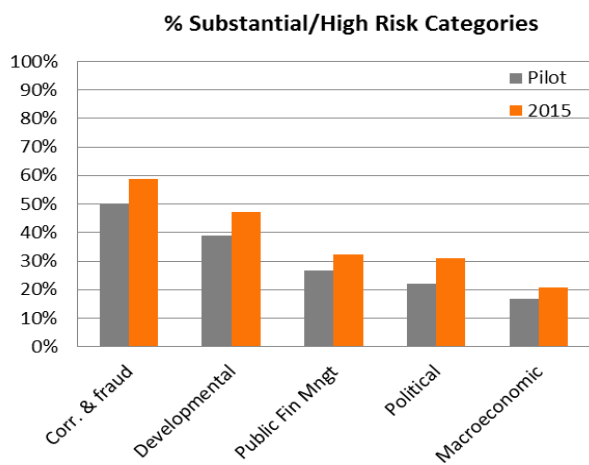
1. Risk Analysis

Overall, risks have been revised upwards in comparison with the pilot exercise². 36% of all budget support countries have an average substantial or high risk compared with 27% for the pilot and representing 42% of total outstanding disbursements. The increase is likely to present a combination of a more developed risk review methodology compared with the pilot, and increased risks, particularly in the WCA region. Bearing in mind the limitations of such a simple indicator, this result continues to point to a reasonable risk profile given the Commission's response strategy of risk mitigation rather than risk avoidance in its development policy. Furthermore, non-intervention can increase risks and development failures in the long run. Risks should nevertheless be carefully balanced with the expected benefits and risk of non-intervention, and risk mitigation measures must be identified and implemented.

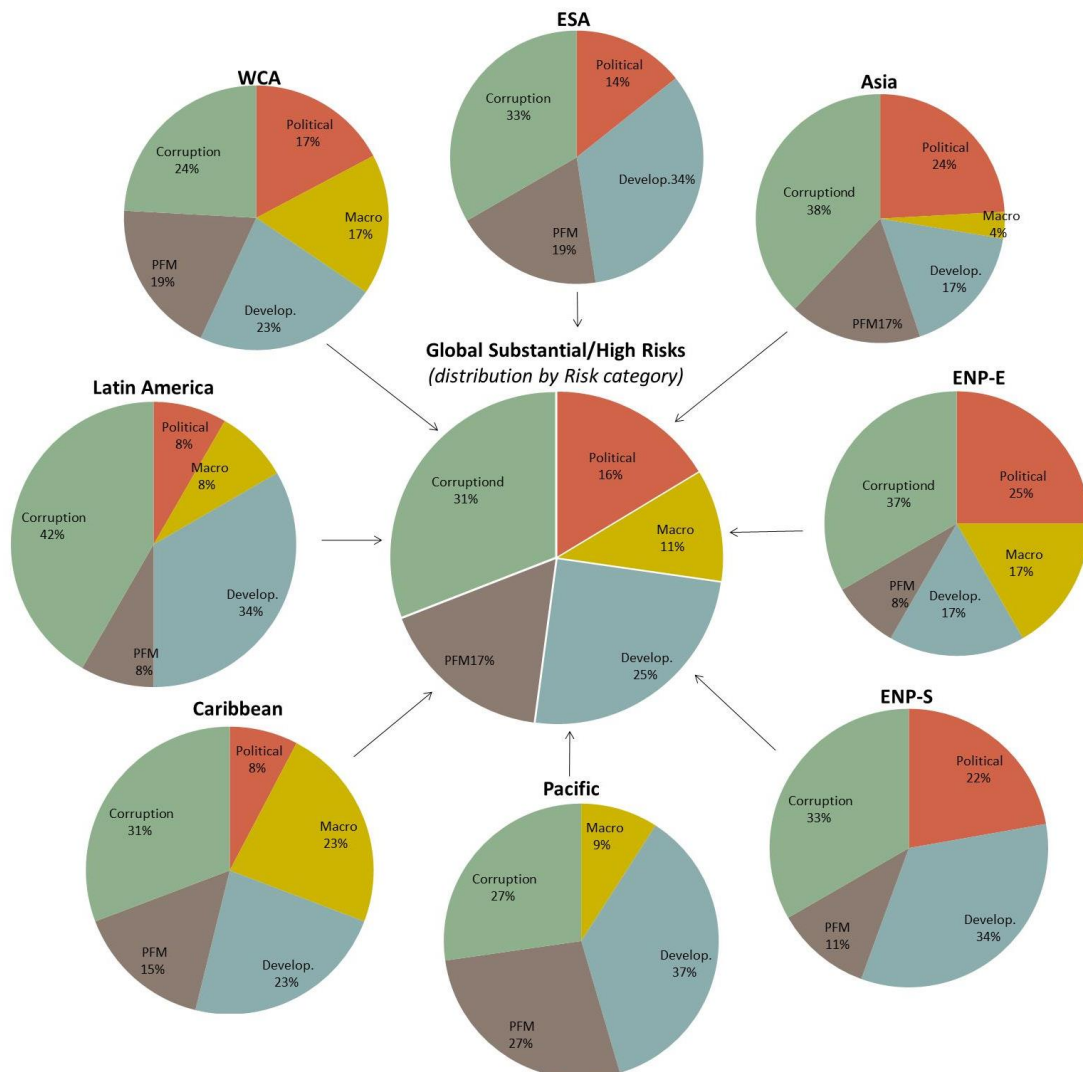
1.1. Risk Category Analysis

The charts below show that **all risk categories have been revised upwards, with the exception of the macroeconomic risk category, but the relative importance of the different risks has remained broadly stable with corruption & fraud and developmental risks continuing to dominate**, followed by public financial management and political risks. The macroeconomic risk category continues to see the lowest share of substantial/high risk cases. **The increase is largely driven by the WCA region**, where the proportion of substantial/high risk cases increased from less than 40% to almost 70%, making it the region with the highest level of identified risks, followed by Asia, ENP-E, ENP-S, Pacific, ESA, Caribbean and Latin America.

² Note that since the pilot, RMFs have been added for Guinea Bissau, Guinea Conakry, Madagascar and Costa Rica, whereas the RMFs for Kenya, South Sudan, and Mayotte were discontinued.

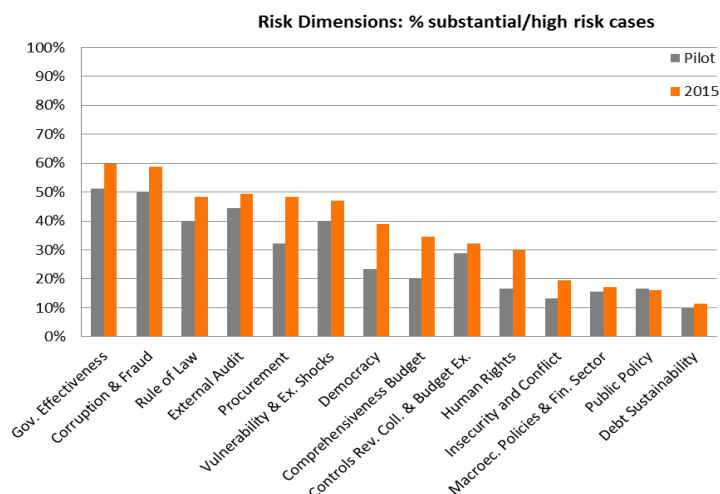


The risk profile differs from region to region not only in terms of its level or risk but also in terms of the relative importance of the 5 different risk categories. Political risk countries are concentrated in WCA, Asia, and ENP with only a handful of substantial/high risk cases in other regions. Macroeconomic risks are even more concentrated in WCA and selected Caribbean countries. Corruption & fraud and developmental risks are pronounced in every region. Public Financial Management risks are less pronounced in Latin America and ENP BS countries.



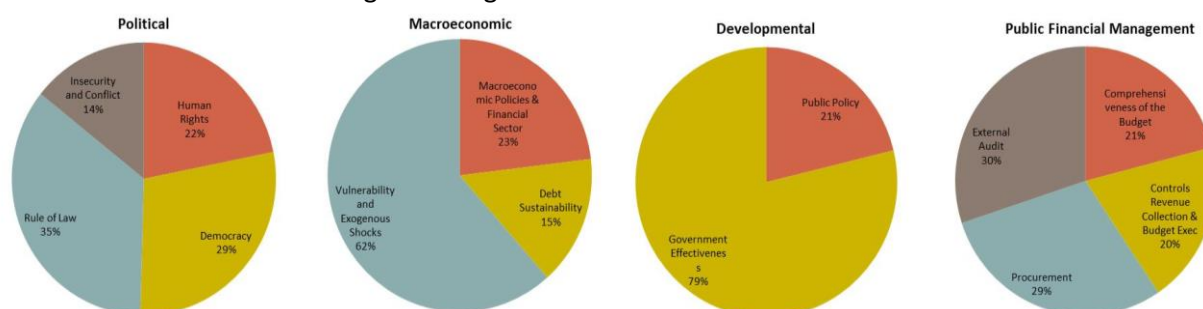
1.2. Risk Dimensions Analysis

In line with the risk category results, **the underlying risk dimensions have generally seen upward revisions but with broad stability in the relative importance of the risk dimensions. Government effectiveness and corruption & fraud risks continue to dominate** with almost 60% of substantial/high risk cases, followed by the rule of law, external audit, procurement, and vulnerability & exogenous shocks with almost 50% of substantial/high risk cases. Many of these dimensions reflect compliance, enforcement and oversight functions.



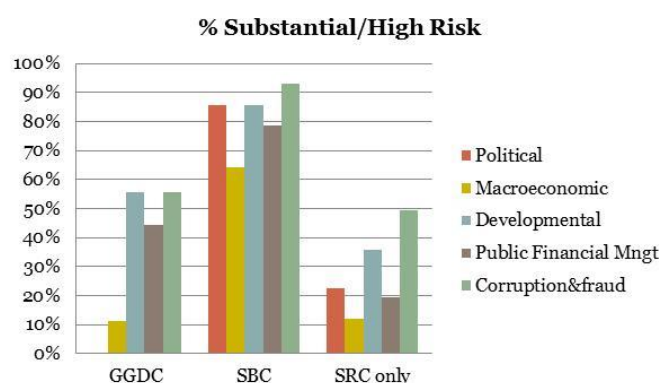
Democracy, comprehensiveness of the budget, controls in revenue collection and budget execution, and human rights are all characterised by between 30% and 40% of substantial/high risk cases. Finally, insecurity and conflict, macroeconomic policies and the financial sector, public policy and debt sustainability risk dimensions fall between 10% and 20%. The relatively low percentage in this group of risk dimensions nevertheless requires close monitoring due to the high impact potential. Compared with the pilot, the upward revision was most notable for the democracy, human rights, procurement, and budget comprehensiveness risk dimensions.

The charts below show that **all underlying risks dimensions contribute clearly to political and PFM risk categories. Macroeconomic risks on the other hand are mostly affected by vulnerability and the risk of exogenous shocks, and developmental risks are clearly dominated by government effectiveness dimension.** Whereas BS countries have broadly adopted sound macroeconomic policies, limiting financial sector and debt sustainability risks, many remain vulnerable to exogenous shocks due to the lack of diversification in their economies. The relatively low risk profile for public policy is encouraging and suggests that public policy results are achievable despite important government effectiveness constraints. A possible explanation is that public policy objectives take such capacity constraints into account. Risk ratings suggest furthermore that such constraints are not limited to low-income budget support countries, as in fact middle-income budget support countries do not achieve lower risk ratings for the government effectiveness dimension.



1.3. Risk Profile by Type of Budget Support Contract

An analysis of the risk profile by type of budget support contract shows clearly how **SBC countries are characterised by a high degree of risk**. There are no cases of countries with GGDCs, which are subject to the fundamental values pre-condition, having a substantial or high political risk, and few cases of substantial/high macroeconomic risks. In other risk categories, however, SRC countries present a lower risk profile, particularly in relation to public financial management, which might be explained by the fact that most GGDCs concern low-income countries, which tend to have higher public financial management risks.



2. Mitigating Measures and Risk Response

The table below lists the most frequently identified mitigating measures for the five risk categories. Measures tend to be relatively broad and should progressively be more targeted to critical elements. Generally, the focus is on areas that are expected to have a more immediate impact. Other possible measures such as enhancing transparency, accountability, or civil society participation in budgetary and policy processes, are somewhat less frequent. Such longer term structural measures can usefully complement shorter term measures focussed on the executive. Finally, further analysis, including context analysis, is rarely proposed as a mitigating measure.

Types of Mitigating Measures				
Political	Macroeconomic	Developmental	Public Financial Mngt	Corruption
Policy and Political Dialogue, elections observations; demarches; public statements; sheltering HR activists; rule of law programmes; support to and structured dialogue with civil society, population outreach, field monitoring visits, support parliament, EU HR strategy, IfS, EIDHR, conflict mngt support	WB/IMF dialogue; BS provision; conditionality; export diversification support	Policy dialogue; programming; thematic programmes; conditionality; statistics support; Trade Agreement; civil service reform support; aid effectiveness; support to EITI, transparency, decentralisation; results-based mngt, sector strategy costing	PFM support, IFMIS, PFM training support, PEFA, conditionality, procurement transparency and audits	Policy dialogue, support to anti-corruption institutions (incl. twinning with EU institutions), civil society support, control and oversight support, PFM support; EITI; Rule of law support; Open Governance Partnership

Looking ahead, it will be important to **ensure that mitigating measures target the most critical areas, include an appropriate mix of short term actions and more structural measures, based on a sound analysis of the opportunities of risk mitigation.**

Part III – Selected Poverty, Macroeconomic and Fiscal Results

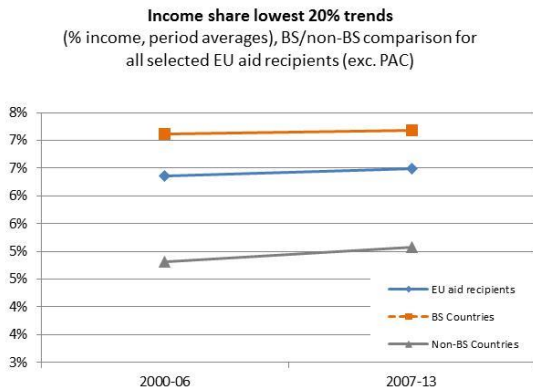
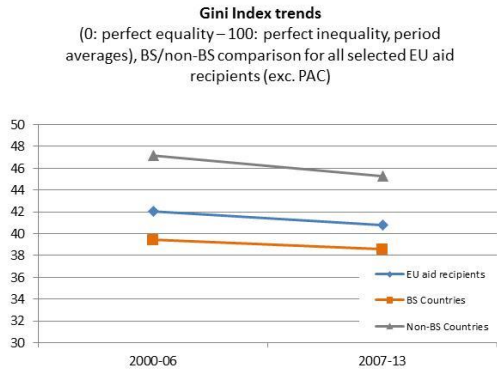
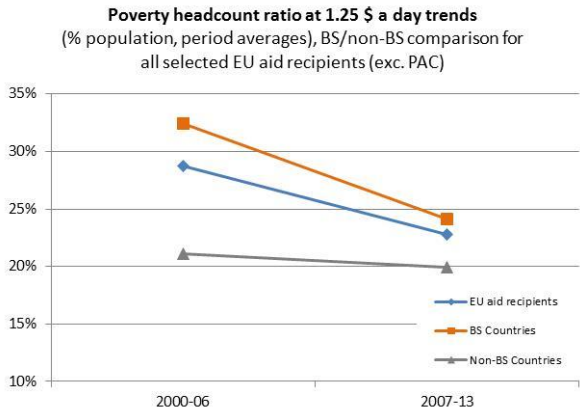
This section presents poverty, macroeconomic and fiscal developments using a selection of key indicators. Causality or attribution of country results to budget support is not examined. The graphs are internal computations³ based on data from the IMF World Economic Outlook April 2015 database and World Bank World Development Indicators October 2014 database. Other data sources include the IBP's Open Budget Index, the Worldwide Governance Indicators, and the PEFA secretariat. Annex 1 provides more detailed country-by-country data.

1. Poverty and Inequality

1.1. Overview

Despite the downwards revision of growth patterns since the 2008 economic crisis, **poverty figures have continued their positive trends during the last decade, and more so in BS countries, where poverty reduction is faster than in non-BS countries.** Overall, BS countries are getting nearer the extreme poverty level of non-BS countries, which is around 20 %.

BS countries have lower levels of inequality than non-BS countries but levels of inequality have remained largely unchanged. Recent IMF and OECD studies⁴ show that increases in inequality not only threaten social and political stability but also economic development.



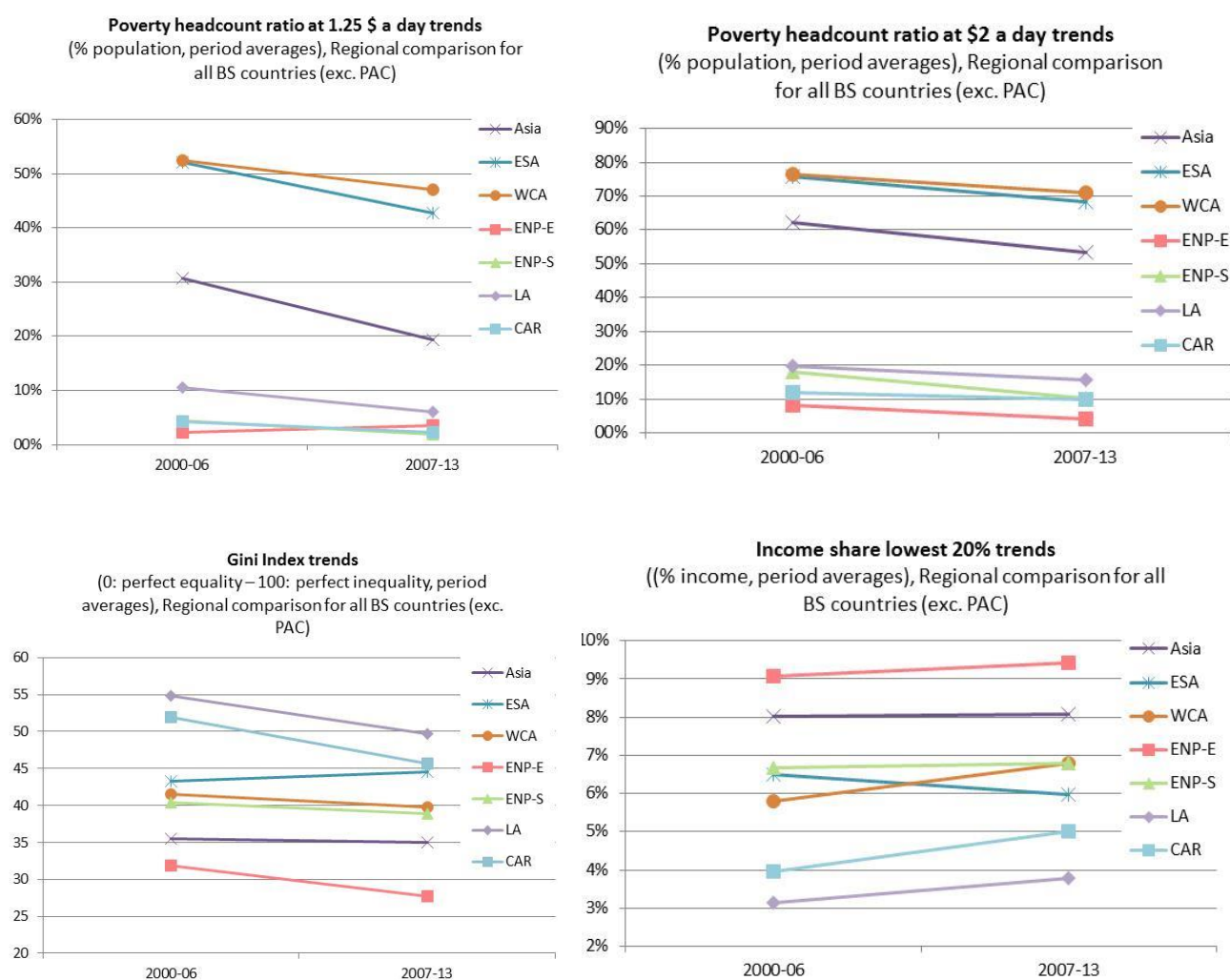
Source: internal computations (weighted averages) based on WB WDI (online Data Mapper)

³ Poverty and inequality averages are population weighted. Macroeconomic averages are GDP weighted and the 2014 and 2015 data are projections. India and China are excluded from the calculations due to their size.

⁴ See <http://www.imf.org/external/np/fad/inequality/> and <http://www.oecd.org/social/inequality.htm>

1.2. Regional Analysis

Strong economic growth in Sub-Saharan BS countries has facilitated a decrease in poverty by close to 10 percentage points over the last decade in the Eastern and Southern African region and about 5 percentage points in West and Central Africa. New poverty data for Tanzania and Uganda confirm this positive trend. Both regions nevertheless continue to have much higher poverty levels compared with other regions, and there are exceptions to the positive trend, in particular Madagascar, Zambia, and the new data also points to an increase in poverty in Benin, due to low productivity. Furthermore, **Eastern and Southern Africa BS countries' rise in inequality is of concern and contrasts the West and Central Africa experience in reduced inequality**, particularly in countries such as Côte d'Ivoire, Niger, Mali, and Sierra Leone. A study on inequality in Sub-Sahara Africa is ongoing to examine the underlying factors of such divergent trends.



Asian BS countries have experienced the highest level of extreme poverty reduction in the shortest period of time, a trend confirmed by new poverty data for India, Vietnam, and Lao PDR. Only Bangladesh, Lao PDR and Nepal now have extreme poverty figures above 20%. According to a recent IMF study⁵, the positive growth and great reduction in poverty levels are accompanied by a high and

⁵ "Asia's Quest for Inclusive Growth", IMF Working Paper Prepared by Chie Aoyagi and Giovanni Ganelli, February 2015

increasing level of inequality in Asia. EU BS countries in Asia nevertheless perform reasonably well with the second lowest levels of inequality compared with other regions. Lao PDR and Indonesia are exceptions with high and rising inequality.

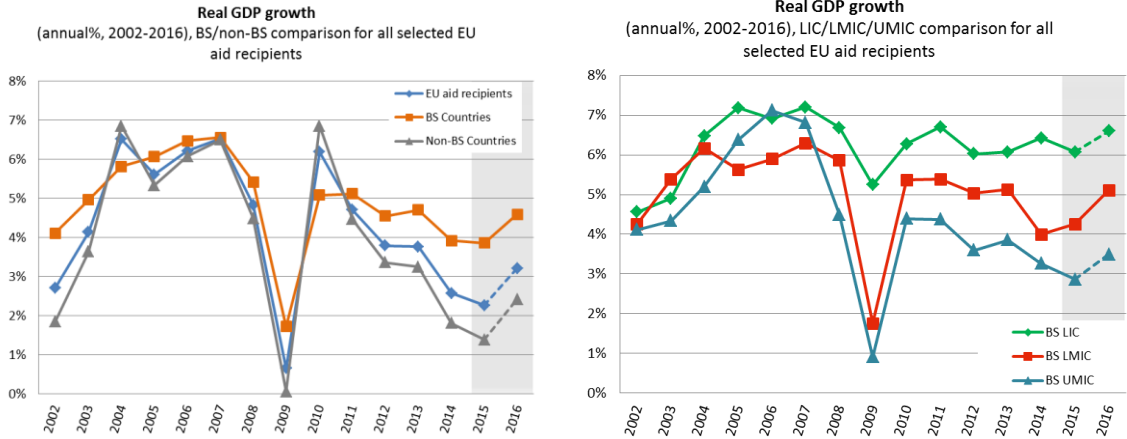
New WDI poverty data was recently published for most **Latin American BS countries**, confirming both a **trend of declining poverty and reducing inequality**. Extreme poverty has been reduced to a (weighted) average of 6%, but Honduras still has an important degree of extreme poverty estimated at 18%. **Inequality nevertheless remains the highest across regions** with no Latin America BS country achieving an income share of the poorest 20% that is above 5%.

Among **Neighbourhood BS countries**, with the exception of Armenia, all have achieved important **progress in reducing poverty** as measured by the poverty headcount ratio measure of 2\$ a day (PPP), and only Georgia still has a considerable level of extreme poverty as measured by the 1.25\$ a day (PPP) poverty headcount ratio. **ENP-East BS countries have the lowest levels of inequality** and the trend is towards a further decrease.

2. Economic Growth and Macroeconomic Stability

2.1. Overview

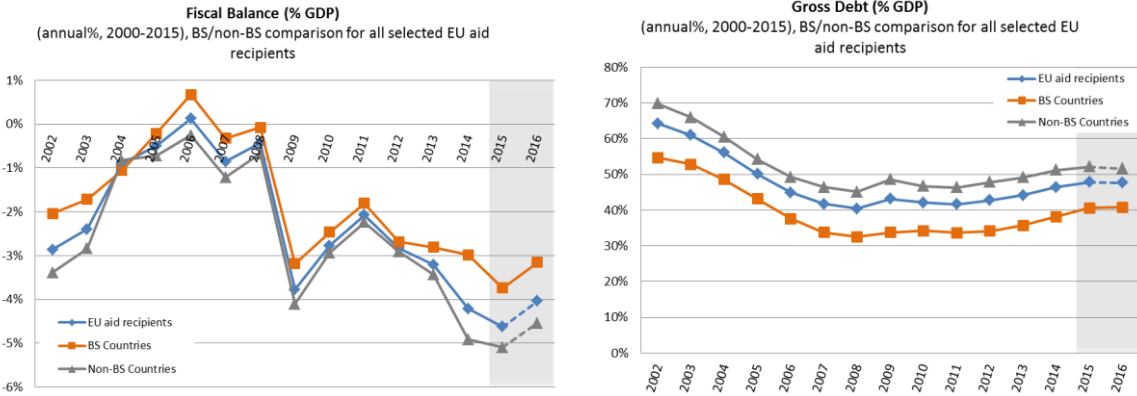
In the years **following the economic crisis growth in EU BS countries has slowed compared with the immediate pre-crisis years** from 6-7% to around 5%. However, BS countries have demonstrated more resilience and have been much less affected than non-BS countries which saw a much sharper reduction. **Low Income BS countries’ growth rates in particular have barely been affected** and have outperformed MIC BS countries consistently since the crisis, bearing in mind that growth in most LICs was based primarily on factor accumulation rather than productivity growth.



Source: internal computations (weighted averages) based on IMF WEO data

For 2014 and 2015, growth patterns have gradually been revised downwards and the more positive projections for 2016 are subject to much uncertainty due to commodity price volatility, weak global trade growth, weaker economic growth in important trading partners, and reduced fiscal space. Trade is growing at less than 3.5% compared with a pre-crisis average of 7% and below world economic growth. Reduced growth in important trading partner countries such as China is reducing external demand. Fiscal space is reducing particularly in African BS countries as evidenced by rising

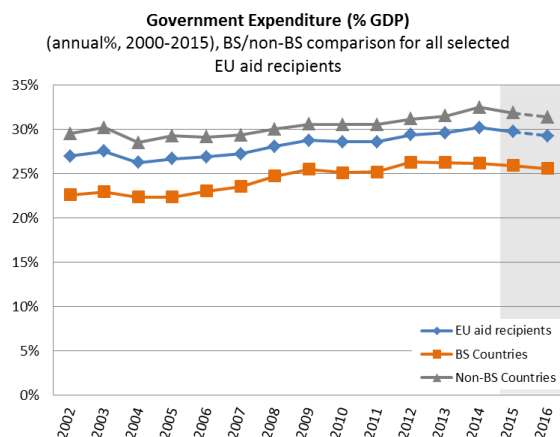
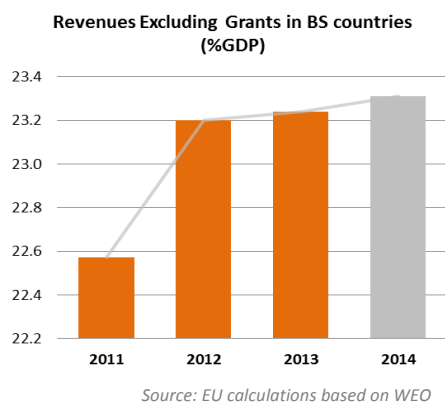
fiscal deficits and debt (albeit less severe than for non-BS countries). Seven out of forty BS countries for which WB/IMF Debt Sustainability Analyses are available are currently at a high risk of debt distress⁶. **Overall, BS countries nevertheless have lower fiscal deficits and debt levels than non-BS countries.**



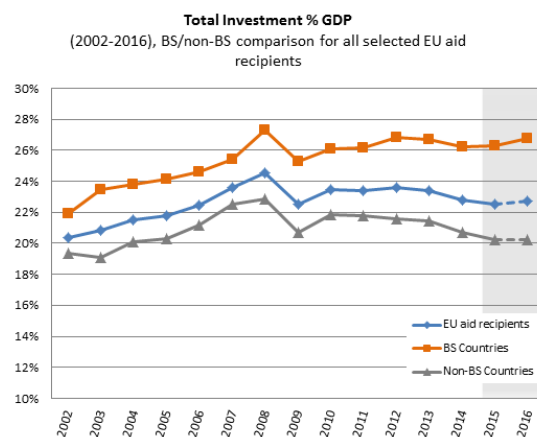
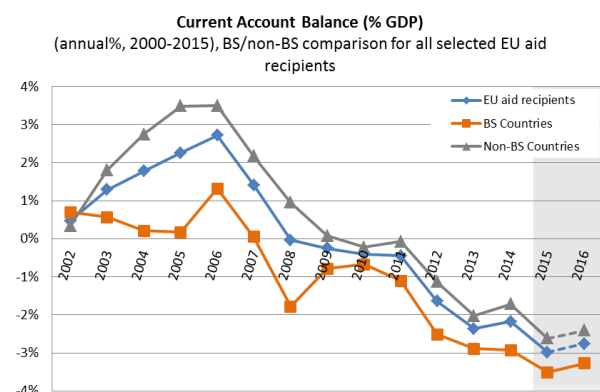
Commodity prices are volatile and overall on a downward trend since 2011. Metals commodity prices continued their declining trend during 2014, and agriculture commodity prices also declined sharply following a short-lived rise early 2014. **In the case of oil, the sharp decline in prices during the second half of 2014 could, if sustained, lead to improved global growth in 2015 and sizeable income shifts to oil importers from oil exporters.** Oil exporters tend to have less diversified economies than oil importers and they are therefore more affected although the fiscal impact can be mitigated by a reduction in budgetary outlays for fuel subsidies. Oil importers, on the other hand, should experience an increase in output, but can still be negatively affected where the economy is reliant on exchanges with oil exporters (e.g. Caribbean dependency on Venezuela, or dependency on remittances from Gulf countries). **The decline in oil prices also provides a window of opportunity to reform fuel subsidies or energy taxes** (e.g. Indonesia, Ghana, and Bolivia).

The reduction in fiscal space means that domestic revenue mobilisation (DRM) efforts should be increased, the more so given the likely future rise of debt servicing costs once interest rates start increasing from historical lows. Another reason is that contingent liabilities, although difficult to measure, are considered to be on the rise in emerging markets, which suggests that in emerging countries, but possibly too in the frontier economies of Africa, fiscal risks are rising. It is therefore encouraging that BS countries have gradually increased revenues excluding grants on average (unweighted⁷) by close to 1 percentage point of GDP over the last three years, with some achieving substantial increases of up to 9 percentage points⁸. At the same time public expenditure levels in BS countries have stabilised at around 26% of GDP, which is below the level of public expenditure in non-BS countries.

⁶ Burundi, Central African Republic, Ghana, Guinea-Bissau, Mauritania, Samoa, Haiti
⁷ The reason for using unweighted averages (unlike other macroeconomic indicators which are weighted) is to measure the average government effort, unbiased by the size of the countries. Public financial management averages in chapter 3 are similarly unweighted for the same reason.
⁸ Lesotho (close to 9 percentage points); Mozambique, Malawi, St. Kitts and Nevis, and Mauritania (around 6 percentage points); and Bolivia, Nepal and Namibia (over 3 percentage points)

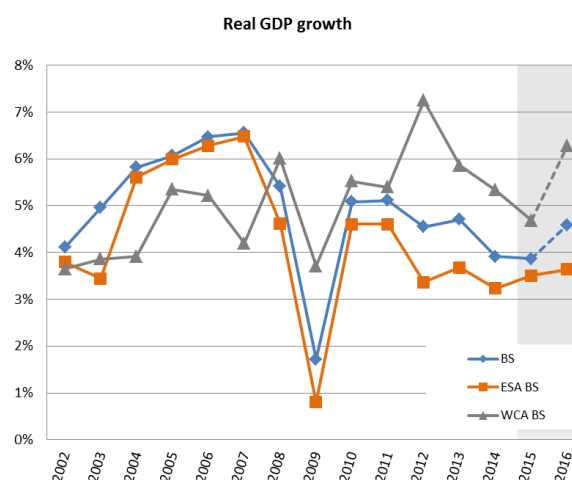


Current account deficits are increasing across BS and non-BS countries although deficits are expected to stabilise in 2016. Higher current account deficits in BS countries are a reflection of higher, and gradually increasing, investment levels of about 26% of GDP. Combined with a better macroeconomic environment as evidenced by lower deficits and debt levels, this is likely to have contributed to the improved growth performance of budget support countries.



2.2. Regional Analysis

The growth outlook for Sub-Saharan BS countries generally remains favourable. In ESA growth figures are weighted down by low growth in South Africa. Other ESA countries continue to have positive growth outlooks, especially Ethiopia, Tanzania, Mozambique and Zambia, and more recently, strong growth has resumed in Malawi and Uganda. Impressively, post-crisis growth in WCA BS countries is higher than pre-crisis growth, led by strong performance particularly in Côte d'Ivoire and Rwanda but also in other countries. Growth is nevertheless quite volatile in this region due to various conflicts affecting particularly C.A.R. and Mali, and the Ebola crisis (cf. box 1). Cabo Verde's growth outlook has improved following a period of stagnant growth, whereas



growth prospects for Ghana are expected to improve from 2016. The decline in commodity prices, particularly oil, has a largely positive effect on the growth prospects of African BS countries, but with some exceptions. Liberia, Mauritania, and Sierra Leone are all expected to see terms of trade declines of over 10% in 2015.

Box 1: The Ebola Crisis in West Africa

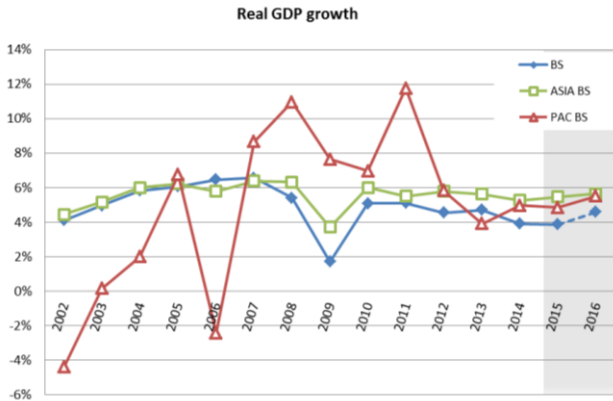
A major development in 2014 has been the emergence of the Ebola virus in Guinea, Liberia, and Sierra Leone. The economic impact of the epidemic is significant. Reduced economic output and disruption to both domestic and cross-border trade and services has adversely affected both the fiscal accounts and the balance of payments. Although the various estimates of the economic impact of the epidemic have been revised downwards, the latest estimates still suggest a significant impact (over 25 billion euro according to the latest World Bank estimates). In terms of fiscal impact, Liberia will likely be the most affected, but all three economies will be affected to some degree by the following factors:

- A decline in employment, especially in rural areas. In Liberia, it is estimated that about half of the heads of households are unemployed, with devastating effects on the living conditions. The need to quarantine some areas contributed to this by restricting movements to the workplace;
- Food insecurity has increased, albeit in various degrees. Many households report fearing food shortages and inflation has put basic commodities out of the reach of impoverished household.
- The collapse of non-Ebola healthcare, closure of schools, etc.

In response to the crisis, the EU has provided significant amounts of Budget Support to Liberia (€30 million) and Sierra Leone (€22.6 million). The possibility to start a Budget Support operation in Guinea is also being explored. The usefulness of Budget Support as a crisis response is one of the main development lessons learned from the Ebola crisis.

A worrisome new trend is the built of fiscal imbalances in several SSA BS countries which has heightened vulnerability to growth shocks. Projected fiscal deficits for 2015 are particularly high for Liberia, Niger, Cabo Verde, Mozambique, and Ghana. Debt sustainability analyses point to high risks of debt distress in Burundi, CAR, Ghana, Guinea-Bissau, and Mauritania. And 2014 was another record year for the issuance of sovereign bonds in SSA with over 5.5 billion euro of new issues⁹. Such bonds can alleviate funding constraints for much needed investments, but the increased resources are not always put to productive use, and bonds can exacerbate vulnerabilities particularly through exchange rate and refinancing risks given the back loaded repayment profiles of such bonds usually denominated in US dollars. WCA BS countries have seen an increase in domestic revenue mobilisation 2014 but ESA BS countries only slightly so.

Economic growth projections for Asian BS countries are positive except for Central Asia. All have projected growth rates above 5% except Pakistan where the outlook has nevertheless improved with an expected 4.3% growth in 2015, and the Kyrgyz Republic, and Tajikistan where growth projections have been revised downwards substantially due to the weaker Russian outlook. Growth has increased in Nepal owing to good monsoons and growth in services and public spending. Nepal's



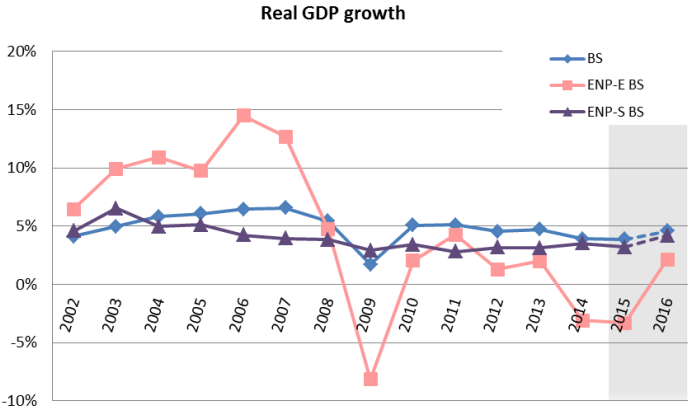
⁹ 2014 issuing Sub-Saharan countries are Kenya, Ethiopia, Ghana, Zambia, Côte d'Ivoire, and Senegal

macroeconomic outlook has however recently been severely affected by a devastating earthquake. Growth is expected to accelerate In Bhutan, joining Lao P.D.R. and Cambodia as the Asian BS countries with the fastest growth rates of over 7%.

On the fiscal side, projected deficits are generally moderate with the exception of Vietnam, Lao PDR, and Pakistan (where it is nevertheless improving). Debt in Bhutan is projected to rise fast due to a large scale hydropower investment. Domestic Revenue Mobilisation remains particularly low in this region.

Pacific BS countries generally suffer from volatile and low growth with the exception of resource-rich Timor-Leste where growth is expected to benefit from infrastructure spending. Vanuatu's economy is projected to see an important GDP contraction due the devastating cyclone. Tonga's economy is projected to see temporary higher growth as post cyclone reconstruction takes place. **Faced with higher public expenditure needs but a narrow tax base, most Pacific BS countries continue to rely heavily on concessional finance**, with the exception of resource-rich Timor Leste, which is substantially increasing public expenditure. Samoa remains at high risk of debt distress.

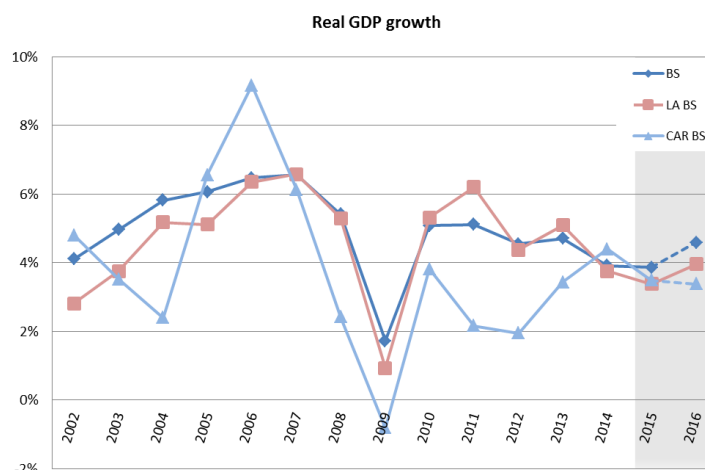
As a result of geopolitical factors growth in Neighbourhood BS countries has generally been revised downwards, with an improved but uncertain outlook for 2016. In the East, Ukraine's economy has suffered heavily from conflict and is expected to see a further decline of -5.5% in 2015 while its debt is expected to double compared with 2012. Moldova and Armenia are also expected to see contractions of close to 1% of GDP. Georgia on the other hand has so far managed to contain the economic fallout of the crisis in Ukraine, helped by stronger exports to Europe and Russia. Azerbaijan is projected to see a resumption of growth following close to zero growth in 2015. The outlook for the region is subject to much uncertainty due to the uncertain outlook for Russia.



ENP-South BS countries' economies have suffered from political transitions and conflict. Growth is nevertheless expected to improve in 2016, but structural bottlenecks and the weak fiscal situation, particularly in Jordan, can still negatively affect the future outlook. Algeria's revenues are expected to see an important reduction as a result of lower oil prices, and as a result the fiscal deficit is projected to increase sharply in 2015 to over 12%. Overall, ENP BS countries, particularly ENP-East, have the highest level of domestic revenue mobilisation among BS countries.

Economic Growth is also decelerating in Latin American BS countries due to reduced external demand and depressed domestic confidence. The main underlying factor is the end of the commodity boom but growth is also undermined by a lack of domestic confidence and lost reform momentum. Even countries that have previously performed well are expected to see important reductions in growth: Columbia, Bolivia and Ecuador's growth outlook has recently worsened due to the sharp fall in oil prices. Uruguay's growth prospects are undermined by the growth slowdown in

its two main trading partners, Argentina and Brazil. Peru's economy is suffering from a slowdown in exports and mining investment, and Costa Rica from reduced manufacturing activity and weak public investment. Paraguay's more dynamic economy is an exception to the declining trend but it is vulnerable to lower agricultural prices and economic weakness among its trading partners. On the fiscal front, **domestic revenue mobilisation is largely stagnant.**

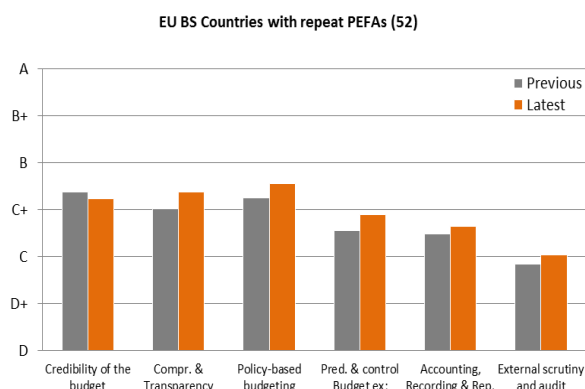


Caribbean Budget support countries are generally experiencing sub-par growth and heightened vulnerabilities due to Venezuela's economic stress. The Dominican Republic and Guyana nevertheless continue to experience strong growth led by strong tourism flows for Costa Rica and agriculture and extractives for Guyana. Vulnerabilities remain high with debt levels generally rising and particularly high in Jamaica and Grenada. Jamaica is reducing public expenditure as part of a debt reduction strategy and its sovereign bond spread has declined reflecting increase market confidence. In Grenada, discussions with creditors on a comprehensive restructuring of public debt have intensified.

3. Public Financial Management, Corruption and Budgetary Transparency

3.1. Public Financial Management

The EU's preferred means of assessing public financial management performance is the Public Expenditure and Financial Accountability (PEFA) tool. Budget support has greatly facilitated the adoption of the PEFA with virtually all BS countries having undergone at least one PEFA assessment¹⁰, whereas PEFA assessments for non-BS countries only exist in 28 cases. The EU is furthermore co-steering a process of revising the PEFA framework, which is due to conclude in 2015. **PEFA results continue to suggest progress across the different PFM dimensions¹¹, albeit at a slow pace** as shown in the table. Notwithstanding the positive trend, continued support and close



¹⁰ As of mid-2014, 71 out of 77 BS countries had undergone at least one PEFA assessment

¹¹ PEFA results are averaged by dimension. Regional PEFA ratings are unweighted averages and consider all final PEFA.

monitoring of progress in PFM will be needed. PEFA results suggest only modest progress and there are can be setbacks.

This positive finding is echoed in a number of new studies and evaluations, which furthermore looked at the contribution of budget support to public financial management results. A 2014 evaluation of budget support covering four Low Income Countries¹² (i.e. Mali, Mozambique, Tanzania and Zambia) noted a significant strengthening of PFM systems and some gains in transparency and oversight, as well as in the legal and institutional framework for fighting corruption. Another 2014 study¹³ notes “strengthening of PFM systems appears to be one of the most common, positive effects of BS across countries”. A 2014 study on PFM reforms in Sierra Leone¹⁴ noted “Since the end of the civil war, the Government of Sierra Leone has made substantial progress in strengthening public financial management. Improvements have been achieved across all aspects of the budget cycle and are particularly notable with regard to budget execution functions.” A recent World Bank working paper¹⁵ estimated that about 40 percent of the variation in the quality of PFM was associated with certain country characteristics. Natural resource dependence and being a small island are associated with weaker PFM. A high level of GDP, recent high economic growth, and particularly programmatic political parties are associated with strong PFM. The paper also finds that good PFM is associated with greater aggregate fiscal discipline and smaller differences between budget plans and budget outturns (although not necessarily smaller fiscal deficits). However, it finds no evidence that good PFM is associated with better health and education relative to public spending, which might be due to the lack of complementary measures to improve service delivery and/or to difficulties in measuring the efficiency of service delivery.

The following table presents the average PEFA dimension results for the latest PEFA available, showing that **budget support countries present on average better PEFA results** than non-BS countries.

PEFA dimensions averages (latest)	EU BS Countries									ALL NON-BS
	All BS	Asia	WCA	ESA	CAR	PAC	LA	ENP-S	ENP-E	
	71	10	16	13	8	6	9	4	5	28
Credibility of the budget	C+	C+	C+	B	C+	C+	B	B	B+	C+
Compr. & Transparency	B	C+	C+	B	B	C+	B	B	B+	C
Policy-based budgeting	B	B	C+	B	C+	C+	B	B	B	C+
Pred. & control Budget ex;	C+	C	C+	C+	C+	C+	B	B	B	C
Accounting, Recording & Rep.	C+	C+	C	C+	C+	C+	C+	B	B	C
External scrutiny and audit	C	C	C	C+	C	D+	C	C	C+	C

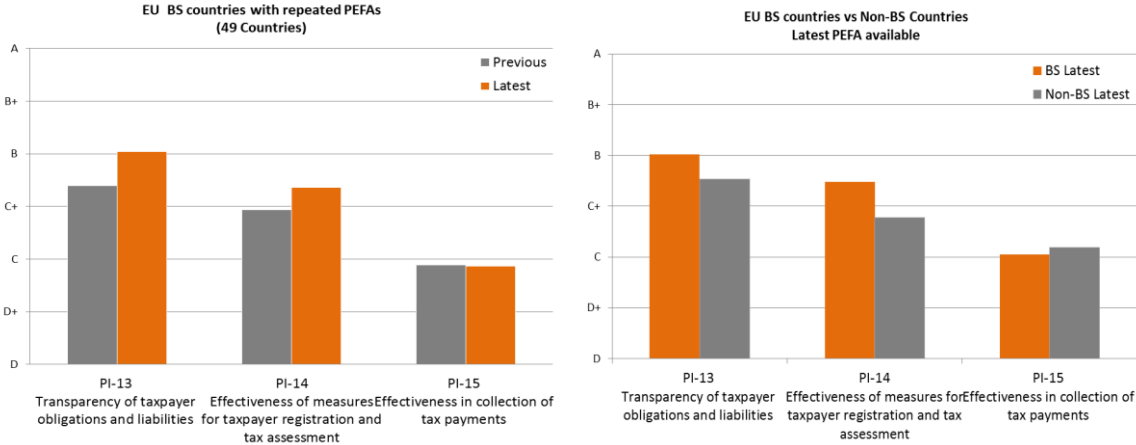
Source: Computations based on June 2014 PEFA secretariat data. Public and Final PEFA results are considered

The ENP and LA regions with a higher share of MICs, generally have better PEFA results. WCA lags other regions, but encouragingly has seen most improvements. ENP-E, Pacific, and to a lesser

¹² Andrew Lawson, "Synthesis of budget support evaluations", November 2014
¹³ Ministry of Foreign Affairs of Denmark, "Review of Budget Support Evaluations", Evaluation Study 2014/1, <http://www.oecd.org/derec/denmark/Review-of-Budget-Support-Evaluation.pdf>
¹⁴ Heidi Tavakoli, Ismaila Cessay, and Winston Cole, "Success when stars align: Public financial management reforms in Sierra Leone", WIDER Working Paper 2014/081, United Nations University, World Institute for Development Economics Research, April 2014,
¹⁵ Verena Fritz, Stephanie Sweet and Marijn Verhoeven, "Strengthening Public Financial Management: Exploring Drivers and Effects," Policy Research Working Paper 7084, (World Bank, November 2014)

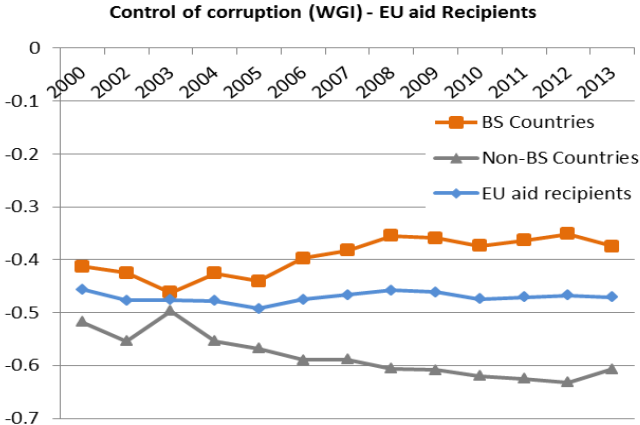
extent ESA also saw improvements whereas progress was more limited in ENP-S and Asia. Since the previous 2013 budget support pilot report, a number of new PEFA have been undertaken for budget support countries. For El Salvador, Guatemala, Honduras, Botswana new repeat PEFA show similar broadly satisfactory results but no solid further improvements. Armenia and Georgia achieved further improvements with solid PEFA scores as a result. Vietnam’s first PEFA showed a strong result for external scrutiny and audit but weak on budget credibility.

PEFA indicators furthermore suggest that **BS countries have made progress in strengthening tax administration and achieve better results than non-BS countries.** The average PEFA rating in "Transparency of taxpayer obligations and liabilities" and "Effectiveness of measures for taxpayer registration and tax assessment" was significantly higher in BS countries when compared with Non-BS countries.



3.2. Corruption

Fighting corruption requires improvements in a wide range of institutions and societal functions – what Transparency International calls the "national integrity system"¹⁶ – where effective anti-corruption laws and agencies and sound public financial management are but a few of the necessary elements. We can therefore expect significant reductions in corruption to take a broad effort for many years. The purpose of budget support is, among other things, to contribute to the strengthening of integrity systems in order to reduce corruption and fraud.



¹⁶ Cf. "National integrity system assessments," Transparency International, http://archive.transparency.org/policy_research/nis

The Worldwide Governance Indicators¹⁷ suggest a **modest average improvement in the control of corruption** in budget support countries over the last decade. This positive trend has taken place **while non-BS countries saw a worsening trend**.

Annex 1 shows that **the improvement was most pronounced in the ENP-E and Pacific BS countries, whereas Asia and ENP-S BS countries saw the least progress on average**. Among BS countries, notable improvers are Rwanda, Georgia, Uruguay, Paraguay, Barbados, Zambia, Cabo Verde, Algeria, Vanuatu and Tonga. Some BS countries however, saw an important deterioration in their WGI ratings, particularly Columbia, Dominican R, South Africa, Madagascar, Burkina Faso, and Mauritania.

The Transparency International's Corruption Perception Index (CPI)¹⁸, which rates countries on a scale from zero for very corrupt to 100 for least corrupt, equally suggests a better performance for BS countries, with an average 38 CPI result compared with 28 for non-budget support EU aid recipients. Furthermore, CPI results have improved by an average 6 CPI points over the last decade while it decreased by 9 points in non-budget support EU aid recipient countries. Excluding middle income countries, the difference is much more pronounced with BS LICs improving by 4 CPI points while in non-BS LICs the CPI worsened by 27 CPI points. Examples of recent CPI improvers are Senegal and Côte d'Ivoire.

The 2014 synthesis of budget support evaluations in Mali, Morocco, Mozambique, South Africa, Tanzania, Tunisia and Zambia produced during the period 2010-2014¹⁹ noted some gains in the legal and institutional framework for fighting corruption. A combination of technical assistance, budget increases facilitated by general budget support, and focussed policy dialogue contributed to progress.

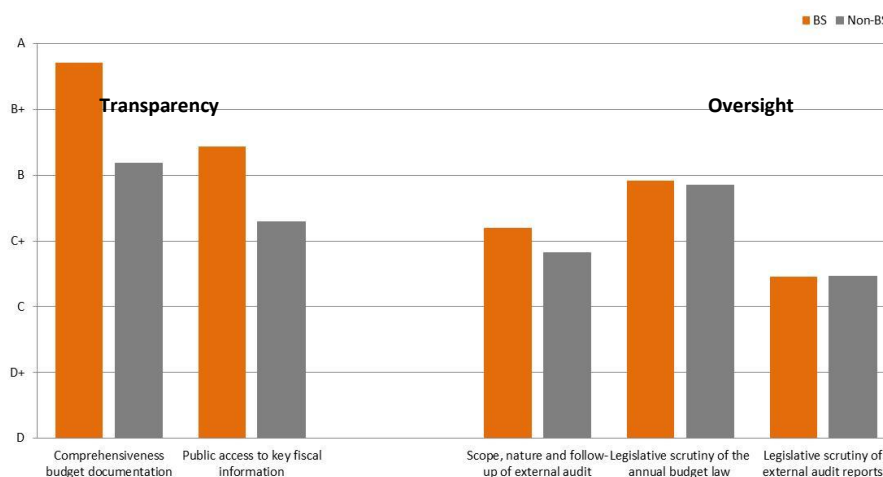
3.3. Budgetary Transparency and Oversight

While the 2014 Open Budget index results are not yet available, the existing 2012 data shows **budget support countries on average close to the threshold between 'scant' and 'some' information, but above the non-BS country average**. Furthermore, where repeat assessments are available, BS countries have demonstrated **progress albeit at a limited pace**. The transparency related PEFA indicators confirm a better transparency result for BS countries. However, in terms of the oversight PEFA indicators, there is not clear difference between BS and non-BS EU aid recipients.

¹⁷ The Worldwide governance indicator on the control of corruption is a commonly used composite indicator aimed at measuring perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as 'capture' of the state by elites and private interests. Note that WGI results should be interpreted with care as they are subject to important standards errors.

¹⁸ The perception of corruption in a country is a proxy for the level of corruption, which cannot be measured directly. The perception of corruption is however sensitive for corruption scandals, political discussions, etc. that are related to the level of corruption in a complex way.

¹⁹ "Synthesis of budget support evaluations", November 2014, study carried out on behalf of the European Commission



Among regions, ENP-E is the most transparent according to repeat PEFA results, whereas ENP-S and LA BS countries saw a reduction albeit it from a high level of transparency. WCA BS countries have the lowest PEFA and OBI results but have made most progress. ESA and Asia BS countries have also made progress according to both PEFA and OBI, but progress in Caribbean and Pacific BS countries was more limited.

ENP-E BS countries also achieved the highest oversight related PEFA results and Asian BS countries have made most progress in this area, albeit from a low basis. Other regions have made limited progress and results remain particularly low in Pacific, Caribbean, and WCA BS countries.

3.4. Illicit Financial Flows

Illicit financial flows from developing countries concern the leakage of funds through corruption, tax evasion, money laundering and other financial crimes, thereby undermining countries' efforts to mobilise domestic revenues. The EU supports a number of important initiatives to tackle such flows, particularly in relation to transfer pricing, transparency and exchange of information for tax purposes, and extractive industry transparency. The EU is the main contributor to two related IMF trust funds, namely the *Tax Policy and Administration Topical Trust Fund*²⁰ and *Managing Natural Resource Wealth Topical Trust Fund*²¹. The EU is collaborating with the IMF on the development of a Tax Administration Diagnostic Assessment tool (TADAT) aimed at helping governments gauge performance of their tax administrations and identify priorities for reform.

Regarding **transfer pricing**, the EU has been working closely with the UN Financing for Development Office on the establishment of a United Nations Practical Manual on Transfer Pricing for Developing Countries, and has launched a Tripartite Partnership with the World Bank and OECD to support developing countries in their efforts to set up transfer pricing regimes. As part of this initiative, the

²⁰The Tax Policy and Administration Topical Trust Fund aims to deliver technical assistance to improve tax policy and administration to countries in greatest need of revenue strengthening.

²¹ The Topical Trust Fund on Managing Natural Resource Wealth delivers medium- to long-term technical assistance focusing on capacity and institution building. 80% of the funds are channelled to the following modules: (1) extractive industries fiscal regime; (2) extractive industries revenue administration and (3) macro-fiscal policies and public financial management.

EC supports several countries through advisory and technical assistance to improve their policy and legislation as well as build up transfer pricing expertise in auditing and monitoring. Concrete results have been achieved in EU BS countries (cf. box 2).

Box 2 – Transfer pricing results

Transfer pricing adjustments made as a result of audits carried out on Multinational Enterprises (MNEs) in Colombia increased such revenues by more than 50%; Ghana introduced new transfer pricing regulations aligned with international standards; The Rwanda Revenue Authority is designing an effective transfer pricing regime; In Vietnam the enforcement of transfer pricing legislation through tax audits resulted in overall revenue adjustments of €54.4 million; Other countries and regional projects are in the formative stages, including in Cambodia, Jamaica, Sri Lanka, Tunisia, Zimbabwe and the ECOWAS region.

In order to strengthen cooperation in the areas of tax transparency and information exchange, the EU promotes the participation in the **Global Forum on Transparency and Exchange of Information for tax Purposes**, which now includes 125 countries. The implementation of standards for transparency and exchange of information on request (EOIR) has led to positive results. For example, the EOI process was crucial in South Africa for the collection of 58 million euro through a taxpayer settlement. Furthermore, an important number of BS countries have committed to implementing the new standard for the automatic exchange of financial information (AEOI) between tax authorities²².

The **Extractive Industry Transparency Initiative (EITI)** aims at enhancing the transparency of payments by extractive industries to its host countries, thereby helping to discourage corruption and to tackle illicit financial flows, and contributes to reinforce public finance management systems since countries have to disclose information about the revenues coming from extractive industries, resulting in better accountability of the governments to its citizens. Most resource-rich countries in which the EU has BS operations are implementing the EITI Standard (10 are compliant, 2 are candidate, and the remaining are in the pre-candidate phase). Reports have shed light on numerous gaps in revenue collection and distribution mechanisms leading to a vast body of recommendations for improving government and company systems. For example, in Peru, the EITI process facilitated the introduction of a new mining sector tax scheme which increased revenues. And in Trinidad and Tobago the EU has supported the use of EITI standards to help defining measures to mitigate Climate Change.

²² Colombia, Dominica, India, Mauritius, Seychelles, South Africa, Trinidad and Tobago, Uruguay committed to implement the new standard by 2017. Costa Rica, Grenada, Indonesia, Saint Kitts and Nevis and Samoa committed to implement the new standard by 2018.

Annex 1: Selected Regional and Country Indicators²³

Regional Overview	ALL BS			ESA			WCA			ENP-South			ENP-East			Asia			Latin America			Caribbean			Pacific			OCT		
Financial Implementation	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Nr BS programmes	256	239		32	32		29	29		47	44		41	29		32	30		24	31		30	25		10	11		11	8	
Commitments (total)	10,779	11,353		2,695	2,700		2,021	1,969		2,187	2,455		1,140	1,250		1,278	1,277		550	816		662	596		83	110		163	180	
Of which, new commitments		1,339	2,272		85	884		128	585		380	343		558	125		63	117		100	132		-	53		1	17		25	16
Disbursements Forecast (1st trim)	1,718	1,558	1,518	361	320	455	341	402	159	358	325	175	154	118	264	215	76	170	102	118	164	118	141	96	14	21	26	55	38	10
Disbursements	1,510	1,607		303	218		470	459		178	243		163	345		141	107		72	58		125	127		8	16		50	34	
Planned variable tranche share (AVR)		50%	53%		35%	37%		35%	41%		84%	86%		63%	79%		49%	41%		84%	80%		54%	75%		10%	30%		57%	42%
Fixed tranche disbursed (%planned; AVR)		74%			41%			121%			47%			75%			59%			66%			89%			50%			59%	
Variable tranche disbursed (%planned; AVR)		50%			22%			54%			33%			55%			57%			31%			74%			38%			92%	
Disbursements outstanding (year end)		4,133			596			371			1,239			658			599			371			234			50			14	
Poverty reduction & inclusive growth	00-06 07-13			00-06 07-13			00-06 07-13			00-06 07-13			00-06 07-13			00-06 07-13			00-06 07-13			00-06 07-13			00-06 07-13					
Poverty headcount ratio (\$1.25)		32%	24%		52%	43%		52%	47%		4%	2%		2%	4%		31%	19%		11%	6%		4%	2%						
Poverty headcount ratio (\$2)		58%	50%		76%	68%		77%	71%		18%	10%		8%	4%		62%	53%		20%	16%		12%	10%						
Gini coefficient		39	39		43	45		41	40		40	39		32	28		35	35		55	50		52	46						
Income share lowest 20%		7%	7%		7%	6%		6%	7%		7%	7%		9%	9%		8%	8%		3%	4%		4%	5%						
Real GDP growth (%)	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
	4.7%	3.9%	3.9%	3.7%	3.2%	3.5%	5.9%	5.3%	4.7%	3.1%	3.5%	3.2%	2.0%	-3.1%	-3.3%	5.6%	5.3%	5.5%	5.1%	3.8%	3.4%	3.4%	4.4%	3.5%	3.9%	5.0%	4.8%			
PFM, Transparency (PEFA)	Repeat only All			Repeat PEFA All			Repeat PEFA All			Repeat PEFA All			Repeat only All			Repeat PEFA All			Repeat PEFA All			Repeat PEFA All			Repeat PEFA All					
	Prev	Latest	latest	Prev	Latest	latest	Prev	Latest	latest	Prev	Latest	latest	Prev	Latest	latest	Prev	Latest	latest	Prev	Latest	latest	Prev	Latest	latest	Prev	Latest	latest	Prev	Latest	latest
Credibility of the budget	C+	C+	C+	C+	C+	B	C+	C	C+	C+	B	B	B+	B+	B+	C+	C+	C+	B	B+	B	B	C+	C+	B	B	C+	B	B	C+
Comprehensiveness & Transparency	C+	C+	B	C+	C+	B	C	C+	C+	B+	B	B	B	B+	B+	C+	C+	C+	B	B	B	C+	B	B	C+	C+	C+	C+	C+	C+
Policy-based budgeting	C+	B	B	C+	B	B	C+	C+	C+	B+	B+	B	B+	B+	B	C+	C+	B	C+	C+	B	B	C+	C+	C+	B	C+	C+	B	C+
Pred. & control Budget ex;	C+	C+	C+	C+	C+	C+	C	C+	C+	B	B	B	C+	B	B	C	C	C	C+	C+	B	C+	C	C+	C	C+	C+	C	C+	C+
Accounting, Recording & Rep.	C	C+	C+	C+	C+	C+	D+	C	C	C	C	B	C+	B+	B	C	C+	C+	B	C+	C+	C+	C	C+	C	C+	C+	C	C+	C+
External scrutiny and audit	C	C	C	C	C+	C+	D+	C	C	C+	C+	C	C+	C+	C+	C	C	C	C	C	C	C	C	C	C	C	C	C	D+	D+
Open budget index	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012
	35	37	39	51	51	51	16	22	24	27	26	30	48	53	50	32	35	38	39	39	44	22	24	33	22	24	33	34	36	
Control of corruption	00-06 07-12 2013			00-06 07-12 2013			00-06 07-12 2013			00-06 07-12 2013			00-06 07-12 2013			00-06 07-12 2013			00-06 07-12 2013			00-06 07-12 2013			00-06 07-12 2013					
WGI Control of corruption	-0.42	-0.36	-0.37	-0.16	-0.11	-0.21	-0.62	-0.56	-0.59	-0.13	-0.20	-0.22	-0.78	-0.67	-0.57	-0.77	-0.78	-0.68	-0.39	-0.27	-0.31	-0.02	0.04	0.04	-0.38	-0.24	-0.16			
Macroeconomic management, DRM	2013 2014 2015			2013 2014 2015			2013 2014 2015			2013 2014 2015			2013 2014 2015			2013 2014 2015			2013 2014 2015			2013 2014 2015			2013 2014 2015					
Gen. gov. gross debt (%GDP)	36%	38%	41%	39%	41%	43%	44%	47%	49%	33%	34%	38%	33%	54%	71%	6%	5%	5%	32%	34%	36%	52%	53%	50%	29%	28%	30%			
Reserve coverage (m. imports)	7			4			3			20			6			6			9			5								
Gen. gov. net lend/borr (%GDP)	-3%	-3%	-4%	-4%	-4%	-4%	-5%	-5%	-5%	-3%	-6%	-9%	-3%	-3%	-5%	-3%	-2%	-3%	-2%	-2%	-3%	-3%	-3%	-3%	39%	16%	5%			
Gen. gov. expenditure (%GDP)	26%	26%	26%	29%	30%	30%	26%	26%	26%	35%	36%	37%	43%	42%	42%	20%	19%	19%	28%	28%	28%	25%	25%	24%	27%	32%	36%			
Current Account bal. (%GDP)	-3%	-3%	-4%	-6%	-6%	-6%	-10%	-9%	-8%	-4%	-5%	-11%	-2%	0%	-1%	-1%	-1%	-1%	-3%	-4%	-5%	-3%	-2%	-2%	27%	15%	4%			
Revenue excl grants (%GDP)	23%	23%	23%	26%	26%	26%	17%	18%	18%	29%	29%	29%	34%	34%	29%	19%	18%	19%	25%	24%	25%	26%	25%	25%						

²³ The budget support financial data provided is provisional. Other data is taken from the IMF World Economic Outlook and World Bank World Development Indicator databases of April 2015 and October 2014 respectively. Other data sources include the IBP's Open Budget Index, the Worldwide Governance Indicators, and the PEFA secretariat. PEFA results are averaged by dimension. Regional PEFA ratings are unweighted averages and consider all final PEFA's. The country table only shows published PEFA's. Poverty and inequality regional averages are population weighted (excl. India). Macroeconomic regional averages are GDP weighted and the 2014 and 2015 data are projections.

Country table	ESA																																									
	Botswana			Ethiopia			Lesotho			Madagascar			Malawi			Mauritius			Mozambique			Namibia			Seychelles			Tanzania			South Africa			Uganda			Zambia					
Financial Implementation	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015						
NrBS programmes	1	1		/	1		3	3		/	1		2	2		3	3		3	3		/	2		1	2		2	2		7	8		0	1		3	3				
GGDC/SBC							GGDC			SBC			GGDC			GGDC																										
Commitments (total)	12	12		/	46		82	82		/	78		156	156		208	210		361	378		/	76		3	5		342	342		599	619		175	175		421	421				
Of which, new commitments	0			0	253		0	50		65			0			0			0			0	24		0			0	90		20			0			0					
Disbursements Forecast (1st trim)	12	29	19	/	0	16	16	17	0	/	0	13	12	0	41	41	22	27	56	68	16	/	16	20	2	2	1	48	53	72	114	114	174	0	0	22	0	0	33			
Disbursements	12	26		/	30		22	0		/	65		0	0		27	3		41	53		/	8		2	1		48	0		109	10		0	22		0	0				
Planned variable tranche share (AVR)	41%	32%		0%	100%		42%	40%		0%	38%		44%	44%		65%	9%		8%	52%		43%	41%		34%	0%		40%	20%		57%	51%		48%	27%		34%	21%				
Fixed tranche disbursed (%planned; AVR)	100%			100%			0%			100%			0%			3%			86%			48%			0%			0%			0%			100%			0%					
Variable tranche disbursed (%planned; AVR)	48%			/			0%			/			0%			9%			0%			27%			100%			0%			5%			39%			0%					
Disbursements outstanding (year end)	28			16			13			13			103			27			30			20			1			53			220			0			70					
BS Disbursements as % of total ODA	85%			19%			0%			60%			0%			48%			69%			36%			82%			0%			24%			23%			0%					
Poverty reduction & inclusive growth	2003	/	2009	2000	2005	2011	2003	/	2010	2001	2005	2010	/	2004	2010				2003	/	2009	/	2004	2010	2000	2007	/	2000	2007	2012	2000	2006	2011	2002	2006	2013	2003	2006	2010			
Poverty headcount ratio (\$125)	/	/	/	55%	39%	37%	55%	/	56%	76%	82%	88%	/	75%	72%	/	/	/	75%	/	61%	/	32%	24%	/	0%	/	84%	68%	43%	26%	17%	9%	57%	52%	38%	65%	69%	74%			
Poverty headcount ratio (\$2)	/	/	/	86%	78%	72%	/	/	/	89%	93%	95%	/	91%	88%	/	/	/	90%	/	82%	/	/	/	/	2%	/	95%	88%	73%	43%	35%	26%	79%	76%	63%	85%	83%	87%			
Gini coefficient	/	/	/	30	30	34	52	/	54	47	39	41	/	40	46	/	/	/	47	/	46	/	64	61	43	66	/	35	38	38	58	67	65	46	43	45	42	55	57			
Income share lowest 20%	/	/	/	9.2%	9.3%	8.0%	/	/	/	4.9%	7.0%	6.5%	/	6.9%	5.4%	/	/	/	5.4%	/	5.2%	/	/	/	5.7%	3.7%	/	7.3%	6.8%	7.4%	3.1%	2.5%	2.5%	5.7%	6.1%	5.8%	6.2%	3.6%	3.6%			
Real GDP growth (%)	5.9%	4.9%	4.2%	9.8%	10.3%	8.6%	3.5%	2.2%	4.0%	2.4%	3.0%	5.0%	5.2%	5.7%	5.5%	3.2%	3.2%	3.5%	7.4%	7.4%	6.5%	5.1%	5.3%	5.6%	6.6%	2.9%	3.5%	7.3%	7.2%	7.2%	2.2%	1.5%	2.0%	3.9%	4.9%	5.4%	6.7%	5.4%	6.7%			
PFM, Transparency (PEFA)	2009		2013	2007	2010		2007	2012		2006	2008		2008	2011		2007	2011		2006	2008	2011				2009	2011		2006	2010	2013	2008			2008	2009	2012	2005					
Credibility of the budget	C+	/	C+	B	B	/	C+	B	/	B	C+	/	B	/	C	A	B	/	B	C+	B	/	/	/	C+	C+	/	B+	C+	C	A	/	/	C+	C+	C	C	/	/			
Compr. & Transparency	B	/	C+	C+	B	/	C	C	/	C+	C+	/	B	/	B	B	B	/	C+	C+	B	/	/	/	C+	B	/	C+	C+	C+	A	/	/	B	C+	C+	C	/	/			
Policy-based budgeting	B	/	C	B	B	/	B+	B+	/	B	B+	/	B	/	B	C+	B	/	B	B	B	/	/	/	C+	B	/	B	C+	B	B	/	/	B+	C+	C+	B	/	/			
Pred. & control Budget ex;	C+	/	B	C+	B	/	C	C	/	C+	C+	/	C+	/	C	B+	B+	/	C	B	B	/	/	/	C+	B	/	C+	C+	C+	B+	/	/	C	C+	C	C	/	/			
Accounting, Recording & Rep.	B	/	B	B	B	/	D	D	/	D+	D+	/	C+	/	C	A	A	/	C	C+	C+	/	/	/	B	C+	/	B	C+	C+	B+	/	/	C+	B	B	C+	/	/			
External scrutiny and audit	C+	/	B+	C	C	/	D+	C	/	D+	D+	/	C	/	D+	B	C+	/	C+	C+	C+	/	/	/	C	C	/	C	C+	C+	B+	/	/	C+	C	C+	B	/	/			
Open budget index	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012
Control of corruption	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013
WGI Control of corruption	0.91	0.96	0.92	-0.67	-0.66	-0.50	-0.16	0.09	0.23	-0.03	-0.27	-0.69	-0.67	-0.44	-0.64	0.45	0.55	0.30	-0.53	-0.48	-0.65	0.18	0.33	0.30	0.26	0.27	0.39	-0.69	-0.53	-0.82	0.47	0.08	-0.12	-0.82	-0.88	-1.05	-0.79	-0.49	-0.39			
Macroeconomic management, DRM	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015			
Gen. gov. gross debt (%GDP)	18%	14%	13%	22%	22%	22%	42%	46%	49%	34%	35%	35%	73%	62%	54%	54%	53%	54%	47%	55%	61%	24%	25%	26%	64%	65%	64%	31%	33%	35%	43%	46%	48%	27%	30%	35%	29%	31%	32%			
Reserve coverage (m. imports)	9.8	/	/	0.5	/	/	5.0	/	/	2.1	/	/	2.1	/	/	4.7	/	/	2.5	/	/	2.5	/	/	3.7	/	/	3.8	/	/	4.5	/	/	4.8	/	/	3.1	/	/			
Gen. gov. net lend/borr (%GDP)	5.4%	0.4%	0.7%	-1.9%	-2.6%	-2.9%	-2.5%	-2.4%	-1.5%	-4.0%	-2.4%	-4.0%	-9.1%	-5.8%	-4.3%	-3.5%	-3.4%	-3.4%	-2.7%	-8.4%	-6.5%	-4.4%	-5.2%	-4.8%	0.3%	3.3%	1.2%	-4.0%	-3.9%	-4.2%	-4.1%	-4.1%	-4.2%	-4.1%	-3.9%	-2.7%	-6.7%	-5.6%	-5.1%			
Gen. gov. expenditure (%GDP)	32%	35%	34%	18%	18%	19%	63%	64%	61%	15%	14%	17%	49%	42%	41%	25%	24%	24%	35%	40%	36%	35%	38%	38%	36%	32%	33%	20%	20%	20%	32%	32%	32%	17%	17%	17%	25%	25%	23%			
Current Account bal. (%GDP)	10%	17%	19%	-6%	-9%	-7%	-4%	-7%	-5%	-6%	-2%	-3%	-2%	-5%	-3%	-10%	-7%	-6%	-40%	-35%	-41%	-4%	-7%	-10%	-15%	-22%	-19%	-10%	-10%	-10%	-6%	-5%	-5%	-6%	-8%	-9%	0%	0%	0%			
Revenue excl grants (%GDP)	35%	35%	34%	15%	14%	14%	54%	56%	54%	10%	11%	12%	31%	32%	32%	21%	21%	20%	27%	27%	25%	33%	36%	37%	32%	31%	31%	18%	19%	19%	29%	29%	29%	13%	13%	14%	17%	18%	18%			

WCA																																							
Country table	Benin			Burkina Faso			Burundi			Cabo Verde			Central African Republic			Cote d'Ivoire			Ghana			Guinea-Bissau			Liberia			Mali			Mauritania			Niger			Rwanda		
Financial Implementation	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015			
Nr BS programmes	3	2		3	3		1	1		1	1		0	1		/	1		4	4		/	1		3	2		1	1		/	1		3	3		6	5	
GGDC/SBC	GGDC			SBC			GGDC			SBC			SBC			SBC			SBC			SBC			SBC			SBC			GGDC								
Commitments (total)	114	90		448	448		42	42		27	27		0	30		/	142		354	354		/	18		84	84		220	220		/	40		165	235		292	127	
Of which, new commitments	0			0			7	33		3			30			0			48			18			0			0			0			0	17		0	4	
Disbursements Forecast (1st trim)	16	25	6	57	79	16	10	11	7	5	4	4	6	0	0	/	17	0	58	90	86	/	0	0	10	10	0	50	75	0	/	8	0	40	37	22	0	30	18
Disbursements	30	22		76	79		18	16		9	11		0	30		/	17		0	0		/	10		10	30		120	95		/	0		35	54		54	40	
Planned variable tranche share (AVR)	44%	55%		9%	30%		37%	57%		35%	47%		0%	/		70%	/		15%	20%		/	15%		35%	/		53%	/		38%	38%		39%	42%		28%	67%	
Fixed tranche disbursed (%planned; AVR)	100%			90%			100%			100%			100%			100%			0%			/			21%			100%			0%			100%			144%		
Variable tranche disbursed (%planned; AVR)	66%			92%			50%			86%			/			47%			0%			/			40%			9%			0%			87%			76%		
Disbursements outstanding (year end)	11			27			12			9			0			0			209			8			0			0			16			24			37		
BS Disbursements as % of total ODA	42%			61%			23%			68%			32%			19%			0%			49%			5%			52%			0%			39%			6%		
Poverty reduction & inclusive growth	2003	/	2012	2003	/	2009				2002	2008	/	2003	2008	/	2002	2008	/	/	2006	2012	2002	/	2010				2001	2006	2010	2000	2008	/	/	2008	2011	2000	2006	2011
Poverty headcount ratio (\$125)	47%	/	52%	49%	/	44%	/	/	/	21%	14%	/	62%	63%	/	30%	35%	/	/	/	/	/	/	/	/	/	/	61%	51%	51%	21%	23%	/	/	42%	41%	79%	72%	63%
Poverty headcount ratio (\$2)	/	/	/	73%	/	72%	/	/	/	/	/	/	82%	80%	/	57%	59%	/	/	/	/	/	/	/	/	/	/	82%	77%	79%	44%	48%	/	/	74%	76%	92%	87%	82%
Gini coefficient	39	/	44	43	/	40	/	/	/	51	44	/	44	56	/	41	43	/	/	/	/	/	/	/	/	/	/	40	39	33	39	40	/	/	35	31	52	53	51
Income share lowest 20%	/	/	/	5.8%	/	6.7%	/	/	/	/	/	/	5.2%	3.4%	/	6.2%	5.2%	/	/	/	/	/	/	/	/	/	/	6.1%	6.5%	8.0%	6.2%	6.0%	/	/	8.1%	9.0%	4.8%	4.6%	5.2%
Real GDP growth (%)	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
	5.6%	5.5%	5.5%	6.6%	4.0%	5.0%	4.5%	4.7%	4.8%	0.5%	10%	3.0%	-36.0%	10%	5.7%	8.7%	7.5%	7.7%	7.3%	4.2%	3.5%	0.3%	2.5%	4.5%	8.7%	0.5%	-14%	1.7%	6.8%	5.6%	5.7%	6.4%	5.5%	4.6%	6.9%	4.6%	4.7%	7.0%	7.0%
PFM, Transparency (PEFA)	2007			2007	2010			2009	2012			2008			2010	2008			2006	2010	2013	2006	2009			2009	2012	2008	2011	2008			2008	2013	2008	2010			
Credibility of the budget	C+	/	/	B	C+	/	B	C+	/	B+	/	/	/	D+	/	C+	/	/	B	C+	D+	D+	D	/	C+	/	D+	B	B+	/	B	/	/	C	/	D+	C+	B	/
Compr. & Transparency	C	/	/	B+	B+	/	C	C+	/	B	/	/	/	C	/	C	/	/	C+	C+	C	D+	D+	/	D+	/	C	C	B	/	C	/	/	C	/	C	C	B+	/
Policy-based budgeting	B	/	/	B+	B+	/	C	C+	/	B	/	/	/	C	/	D	/	/	C+	B+	B	C	D+	/	C+	/	B	B	B+	/	B+	/	/	C+	/	B	B	B	/
Pred. & control Budget ex;	C	/	/	C	B	/	D+	C+	/	B	/	/	/	C	/	C	/	/	C+	C	C	D+	D+	/	C	/	C+	C+	B	/	C	/	/	C	/	C	C+	B	/
Accounting, Recording & Rep.	D+	/	/	C+	B	/	D+	B	/	C+	/	/	/	D+	/	C	/	/	C	C+	C	D	D	/	D+	/	D+	C	C	/	C	/	/	D+	/	C	C	C	/
External scrutiny and audit	D+	/	/	C+	C	/	D+	D+	/	C	/	/	/	D	/	D	/	/	C+	C	C	D+	D	/	C	/	D+	C	C	/	C	/	/	C	/	C	C	C	/
Open budget index	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012
	/	/	1	14	5	23	/	/	/	/	/	/	/	/	/	/	/	/	50	54	50	/	/	/	3	40	43	/	35	43	/	/	/	26	3	4	1	11	8
Control of corruption	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013
WGI Control of corruption	-0.66	-0.66	-0.83	-0.13	-0.39	-0.58	-0.99	-1.15	-1.39	0.34	0.80	0.77	-1.18	-0.91	-1.04	-1.02	-1.05	-0.79	-0.20	0.01	-0.07	-1.02	-1.11	-1.33	-1.09	-0.55	-0.68	-0.51	-0.57	-0.73	-0.20	-0.58	-0.68	-0.91	-0.68	-0.57	-0.52	0.31	0.65
Macroeconomic management, DRM	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Gen. gov. gross debt (%GDP)	30%	31%	32%	29%	28%	31%	33%	31%	27%	100%	12%	12%	51%	42%	42%	40%	36%	35%	55%	68%	70%	58%	61%	64%	27%	33%	40%	32%	31%	38%	72%	59%	62%	27%	36%	47%	29%	28%	29%
Reserve coverage (m. imports)	3.1	/	/	1.7	/	/	3.4	/	/	4.7	/	/	3.6	/	/	3.8	/	/	3.2	/	/	8.1	/	/	2.7	/	/	2.6	/	/	3.1	2.9	3.2	3.4	/	/	4.6	/	/
Gen. gov. net lend/borr (%GDP)	-2.1%	-1.9%	-2.5%	-3.9%	-1.9%	-2.6%	-1.7%	-3.4%	-2.3%	-9.0%	-8.3%	-7.8%	-6.3%	1.9%	-4.8%	-2.3%	-2.3%	-3.2%	-10.9%	-9.8%	-6.3%	-14%	-1.8%	0.1%	-4.7%	-4.5%	-9.5%	-2.9%	-4.0%	-4.6%	-0.9%	-3.6%	-1.3%	-2.6%	-5.6%	-8.0%	-2.6%	-3.6%	-2.0%
Gen. gov. expenditure (%GDP)	22%	22%	24%	28%	23%	25%	31%	30%	29%	33%	33%	33%	16%	16%	21%	22%	23%	23%	27%	28%	26%	14%	25%	24%	33%	31%	36%	24%	27%	27%	29%	31%	30%	28%	29%	33%	28%	27%	25%
Current Account bal. (%GDP)	-16%	-8%	-12%	-7%	-6%	-8%	-13%	-13%	-13%	-4%	-9%	-10%	-3%	-6%	-11%	-5%	-3%	-2%	-12%	-9%	-7%	-14%	-10%	-11%	-28%	-32%	-40%	-5%	-8%	-6%	-25%	-28%	-15%	-15%	-13%	-27%	-7%	-12%	-11%
Revenue excl grants (%GDP)	19%	19%	19%	19%	19%	19%	13%	14%	14%	22%	22%	21%	6%	5%	6%	18%	19%	17%	16%	18%	18%	8%	10%	11%	25%	22%	22%	18%	18%	19%	33%	34%	34%	17%	19%	19%	16%	17%	18%

Country table	WCA									ENP-S												ENP-E																	
	Senegal			Sierra Leone			Togo			Algeria			Jordan			Morocco			Tunisia			Armenia			Azerbaijan			Georgia			Moldova			Ukraine					
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015			
Financial Implementation																																							
Nr BS programmes	1	1		1	1		1	1		2	2		8	9		24	21		8	7		7	5		5	3		9	7		9	8		11	6				
GGDC/SBC				SBC			SBC						GGDC			SBC												SBC											
Commitments (total)	29	49		34	34		30	30		44	44		318	329		1083	1196		254	399		143	98		60	47		158	160		223	332		544	613				
Of which, new commitments		20	60		0			2		0			126	83		155	160		100	100		26	25		0			67	44		111	56		355					
Disbursements Forecast (1st trim)	17	7	0	14	10	0	7	0	0	6	7	11	60	46	31	69	115	100	91	157	33	10	17	22	7	13	16	25	9	39	56	38	47	56	41	140			
Disbursements	16	33		12	23		14	0		4	0		52	29		77	65		45	149		12	8		0	0		25	12		40	60		88	265				
Planned variable tranche share (AVR)	54%	/		36%	/		28%	35%		100%	100%		79%	67%		87%	88%		54%	89%		100%	77%		74%	72%		69%	62%		58%	87%		100%	96%				
Fixed tranche disbursed (%planned; AVR)	433%			240%			0%			/			45%			0%			97%			/			0%			100%			100%			100%					
Variable tranche disbursed (%planned; AVR)	100%			20%			0%			0%			58%			35%			7%			59%			0%			86%			10%			28%					
Disbursements outstanding (year end)	0			0			19			34			200			690			124			75			31			135			184			233					
BS Disbursements as % of total ODA	59%			39%			0%			0%			45%			80%			83%			23%			0%			26%			6%			80%					
Poverty reduction & inclusive growth																																							
Poverty headcount ratio (\$125)	44%	34%	34%	59%	/	57%	/	53%	52%	/	/	/	1%	0%	0%	6%	3%	/	3%	1%	1%	11%	1%	2%	0%	0%	/	16%	14%	14%	6%	1%	0%	0%	0%	0%	0%		
Poverty headcount ratio (\$2)	7%	60%	60%	82%	/	83%	/	75%	73%	/	/	/	1%	2%	1%	24%	14%	/	13%	8%	4%	43%	11%	16%	1%	2%	/	36%	32%	31%	25%	7%	3%	1%	0%	0%			
Gini coefficient	41	39	40	39	/	35	/	42	46	/	/	/	39	33	34	41	41	/	41	38	36	33	31	30	19	33	/	40	41	41	35	35	31	29	27	25			
Income share to west 20%	6.6%	6.2%	6.0%	6.8%	/	7.8%	/	6.1%	4.8%	/	/	/	6.7%	8.5%	8.2%	6.5%	6.5%	/	6.0%	6.5%	6.8%	8.7%	8.9%	8.8%	12.2%	8.1%	/	5.7%	5.5%	5.3%	7.6%	7.3%	8.5%	9.1%	9.6%	10.2%			
Real GDP growth (%)	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015			
	3.5%	4.5%	4.6%	20.1%	6.0%	-12.8%	5.4%	5.2%	6.0%	2.8%	4.1%	2.6%	2.8%	3.1%	3.8%	4.4%	2.9%	4.4%	2.3%	2.3%	3.0%	3.5%	3.4%	-10%	5.8%	2.8%	0.6%	3.3%	4.7%	2.0%	9.4%	4.6%	-10%	0.0%	-6.8%	-5.5%			
PFM , Transparency (PEFA)																																							
Credibility of the budget	/	B	/	C+	C	/	D	C	/	/	/	/	C+	B	/	B	/	/	/	B+	/	B+	/	A	/	/	/	C+	/	B+	A	B+	B+	B+	B	B	/		
Compr. & Transparency	/	C	/	B	B	/	D+	D+	/	/	/	/	B+	B	/	B	/	/	/	B+	/	B+	/	B+	/	/	/	B	/	A	B+	B+	A	B	B	/			
Policy-based budgeting	/	B+	/	C	C	/	C+	C	/	/	/	/	B+	B+	/	B+	/	/	/	B	/	B+	/	B+	/	/	/	B+	/	A	B+	B+	B+	B	B	/			
Pred. & control Budget ex;	/	C+	/	C	C+	/	D+	C	/	/	/	/	B	B	/	B	/	/	/	B+	/	B	/	B	/	/	/	C+	/	B	C+	B	B	C	C+	/			
Accounting, Recording & Rep.	/	C	/	C+	B+	/	D	D+	/	/	/	/	C	C	/	B	/	/	/	B	/	C+	/	B+	/	/	/	C+	/	B+	B	B	B+	B	B+	/			
External scrutiny and audit	/	D+	/	C	C	/	D+	D+	/	/	/	/	C+	C+	/	C	/	/	/	C+	/	C+	/	C	/	/	/	C+	/	B	C+	C+	B	C	C	/			
Open budget index	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012			
	3	3	10	/	/	39	/	/	/	2	1	13	53	50	57	28	28	38	/	/	11	/	/	/	37	43	42	53	55	55	/	/	/	55	62	54			
Control of corruption																																							
WGI Control of corruption	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013			
	-0.08	-0.52	-0.28	-0.93	-0.89	-0.90	-0.85	-0.98	-1.04	-0.68	-0.52	-0.48	0.20	0.19	0.09	-0.20	-0.34	-0.36	0.15	-0.15	-0.15	-0.61	-0.60	-0.47	-1.03	-1.09	-0.90	-0.61	-0.10	0.36	-0.75	-0.62	-0.74	-0.87	-0.92	-1.09			
Macroeconomic management, DRM																																							
Gen. gov. gross debt (%GDP)	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015			
	47%	51%	52%	34%	39%	46%	49%	55%	55%	8%	9%	14%	87%	89%	91%	63%	64%	66%	45%	47%	54%	40%	44%	53%	14%	16%	22%	32%	35%	42%	24%	31%	48%	41%	71%	94%			
Reserve coverage (m. imports)	3.4	/	/	2.4	/	/	19	/	/	34.2	33.5	31.6	6.7	6.7	6.6	4.3	4.5	4.6	3.3	4.0	4.2	5.4	4.8	4.5	9.0	9.7	8.5	3.3	3.0	3.1	5.2	4.9	/	5.2	4.9	/			
Gen. gov. net lend/borr (%GDP)	-5.5%	-5.1%	-4.6%	-2.4%	-3.1%	-4.7%	-4.6%	-5.8%	-4.7%	-0.8%	-6.2%	-12.5%	-11.5%	-10.0%	-2.9%	-5.2%	-4.9%	-4.3%	-6.0%	-3.5%	-3.5%	-17%	-2.1%	-4.5%	14%	0.4%	-5.7%	-12%	-18%	-3.1%	-18%	-1.7%	-5.3%	-4.8%	-4.5%	-4.2%			
Gen. gov. expenditure (%GDP)	28%	29%	28%	16%	16%	18%	26%	26%	25%	37%	39%	43%	36%	38%	29%	34%	33%	31%	30%	28%	27%	25%	26%	29%	38%	38%	35%	29%	30%	31%	38%	40%	43%	48%	45%	47%			
Current Account bal. (%GDP)	-11%	-10%	-8%	-10%	-8%	-13%	-7%	-6%	-5%	0%	-4%	-16%	-10%	-7%	-8%	-8%	-6%	-3%	-8%	-9%	-6%	-8%	-9%	-9%	17%	15%	5%	-6%	-10%	-11%	-5%	-5%	-5%	-9%	-4%	-1%			
Revenue excl grants (%GDP)	20%	20%	21%	11%	10%	10%	18%	19%	19%	35%	34%	32%	21%	23%	24%	28%	27%	27%	30%	31%	30%	23%	23%	23%	39%	40%	38%	27%	26%	26%	35%	36%	/	44%	43%	/			

Country table	ASIA																																			
	Bangladesh			Bhutan			Cambodia			India			Indonesia			Kyrgyz Republic			Lao PDR			Nepal			Pakistan			Philippines			Tajikistan			Vietnam		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015			
Financial Implementation																																				
Nr BS programmes	1	1		4	2		3	3		3	3		2	2		2	3		2	2		4	3		4	4		2	2		3	3		2	2	
GGDC/SBC																																				
Commitments (total)	51	51		13	10		59	59		323	323		261	261		29	55		26	26		100	76		174	174		56	56		18	47		139	139	
Of which, new commitments		0	35		0			37	12		0			0			26	10		0			0	60		0			0			0			0	
Disbursements Forecast (1st trim)	7	10	11	4	4	2	8	9	5	90	1	44	29	0	11	6	6	6	7	0	4	25	25	17	22	10	19	-	4	17	3	2	6	11	5	30
Disbursements	6	0		4	3		-	7		54	37		21	0		10	11		3	0		14	13		11	10		-	8		3	5		13	14	
Planned variable tranche share (AVR)	58%	48%		20%	4%		38%	2%		8%	43%		100%	100%		100%	100%		/	0%		34%	57%		32%	53%		5%	10%		100%	0%		35%	33%	
Fixed tranche disbursed (%planned; AVR)	0%			72%			5%			100%			/			/			/			59%			53%			33%			/			100%		
Variable tranche disbursed (%planned; AVR)	0%			100%			3%			100%			0%			100%			/			16%			0%			100%			103%			75%		
Disbursements outstanding (year end)	41			3			34			113			60			32			10			27			125			31			24			100		
BS Disbursements as % of total ODA	0%			80%			20%			0%			0%			50%			0%			52%			16%			28%			36%			54%		
Poverty reduction & inclusive growth																																				
Poverty headcount ratio (\$ 125)	59%	50%	43%	24%	10%	2%	/	2%	10%	/	42%	24%	29%	23%	16%	25%	6%	5%	4%	35%	30%	53%	/	24%	36%	17%	13%	23%	23%	19%	35%	12%	6%	40%	17%	2%
Poverty headcount ratio (\$ 2)	84%	80%	77%	47%	30%	15%	/	5%	4%	/	76%	59%	67%	55%	43%	6%	19%	2%	75%	68%	62%	77%	/	56%	74%	56%	5%	45%	45%	42%	68%	37%	27%	69%	43%	12%
Gini coefficient	33	33	32	47	38	39	/	35	32	/	33	34	30	34	38	29	36	33	32	35	36	44	/	33	30	30	30	44	44	43	33	32	31	38	36	36
Income share lo west 20%	8.7%	8.8%	8.9%	5.4%	6.6%	6.8%	/	7.9%	9.0%	/	8.6%	8.5%	9.5%	8.1%	7.6%	9.3%	6.7%	7.7%	8.6%	8.0%	7.6%	6.5%	/	8.3%	9.4%	9.6%	9.6%	5.4%	5.6%	5.9%	7.9%	7.4%	8.4%	7.5%	7.4%	7.0%
Real GDP growth (%)	6.1%	6.1%	6.3%	5.0%	6.4%	7.6%	7.4%	7.0%	7.2%	6.9%	7.2%	7.5%	5.6%	5.0%	5.2%	10.5%	3.6%	17%	8.0%	7.4%	7.3%	3.9%	5.5%	5.0%	3.7%	4.1%	4.3%	7.2%	6.1%	6.7%	7.4%	6.7%	3.0%	5.4%	6.0%	6.0%
P F M , Transparency (PEFA)																																				
Credibility of the budget	C	C+	/	B+	/	/	/	C+	/	/	C+	/	C+	/	C+	C+	C+	/	/	B	/	C+	/	/	/	C+	B	/	B	/	B	/	B	/	D+	/
Compr. & Transparency	C	C+	/	B+	/	/	/	C+	/	/	B+	/	B	/	B+	C	C+	/	/	C	/	C+	/	/	/	B	B+	/	C+	/	C+	/	B	/	C+	/
Policy-based budgeting	C+	B	/	A	/	/	/	B+	/	/	C	/	B	/	B+	C+	B	/	/	C	/	C+	/	/	/	B	A	/	C+	/	C+	/	C+	/	C+	/
Pred. & control Budget ex;	C	C	/	B	/	/	/	C	/	/	C+	/	C	/	C+	C	D+	/	/	C	/	C	/	/	/	C	C+	/	C	/	C	/	C	/	C+	/
Accounting, Recording & Rep.	C	C	/	B	/	/	/	C	/	/	B	/	C+	/	C+	D+	C+	/	/	C	/	C+	/	/	/	B	C	/	D	/	C+	/	C+	/	C+	/
External scrutiny and audit	D+	D+	/	B	/	/	/	D+	/	/	C+	/	C+	/	B	D	C	/	/	C	/	D+	/	/	/	C	C+	/	D+	/	D+	/	C	/	B	/
Open budget index	42	48	58	/	/	/	11	15	15	60	67	68	54	51	62	8	15	20	/	/	/	43	45	44	38	38	58	48	55	48	/	/	17	10	14	19
Control of corruption																																				
WGI Control of corruption	-1.30	-1.00	-0.89	0.62	0.78	0.82	-1.03	-1.16	-1.01	-0.40	-0.49	-0.56	-0.92	-0.67	-0.62	-0.99	-1.16	-1.12	-1.14	-1.20	-0.90	-0.54	-0.72	-0.68	-0.89	-0.96	-0.93	-0.57	-0.72	-0.40	-1.05	-1.11	-1.19	-0.66	-0.62	-0.53
Macroeconomic management, DRM																																				
Gen. gov. gross debt (%GDP)	35%	34%	33%	89%	108%	116%	29%	30%	30%	66%	65%	64%	25%	25%	26%	46%	53%	59%	60%	63%	63%	3%	26%	24%	64%	64%	64%	39%	37%	35%	29%	28%	30%	52%	59%	62%
Reserve coverage (m. imports)	4.6	5.2	5.2	/	/	/	3.4	3.5	3.6	6.2	6.5	6.7	5.8	6.2	6.3	4.2	3.7	3.7	10	13	17	/	/	/	15	2.1	3.0	119	112	111	11	10	11	2.0	2.6	3.1
Gen. gov. net lend/borr (%GDP)	-3.4%	-3.0%	-3.2%	-4.0%	-3.8%	-2.4%	-2.1%	-0.8%	-3.1%	-7.2%	-7.2%	-7.2%	-2.0%	-2.2%	-2.3%	-3.7%	0.2%	-4.3%	-5.6%	-3.8%	-4.7%	2.1%	2.2%	1.1%	-8.1%	-4.7%	-4.7%	-0.1%	0.5%	-0.9%	-0.8%	0.1%	-1.8%	-5.9%	-5.4%	-6.5%
Gen. gov. expenditure (%GDP)	15%	14%	14%	33%	31%	25%	21%	20%	21%	27%	27%	27%	19%	19%	17%	38%	36%	39%	30%	28%	27%	17%	19%	20%	21%	20%	20%	19%	18%	20%	28%	28%	28%	29%	27%	27%
Current Account bal. (%GDP)	1%	0%	-1%	-22%	-22%	-26%	-12%	-12%	-10%	-2%	-1%	-1%	-3%	-3%	-3%	-15%	-14%	-17%	-29%	-25%	-20%	3%	5%	4%	-1%	-1%	-1%	4%	4%	6%	-3%	-9%	-7%	6%	5%	5%
Revenue excl grants (%GDP)	10%	10%	10%	/	/	/	14%	15%	15%	20%	19%	19%	18%	18%	17%	31%	28%	28%	17%	18%	18%	17%	19%	19%	13%	14%	15%	18%	19%	19%	25%	25%	25%	23%	20%	20%

Country table	LA																					CAR																	
	El Salvador			Ecuador			Honduras			Bolivia			Colombia			Costa Rica			Guatemala			Paraguay			Peru			Uruguay			Barbados			Dominica			Grenada		
Financial Implementation	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015			
Nr BS programmes	2	2		3	3		/	3		8	11		3	3		8	1		/	2		3	2		3	3		1	1		4	4		1	1		1	1	
GGDC/SBC																																							
Commitments (total)	53	52		95	93		/	128		126	218		66	66		126	13		/	54		93	89		93	93		11	11		46	46		8	8		8	7	
Of which, new commitments	0			0			0	30		77	20		0	42		0			0			0			23	40		0			0			0			0		
Disbursements Forecast (1st trim)	12	11	23	31	18	10	/	0	23	21	29	42	0	22	20	21	8	4	/	0	13	17	13	14	14	12	13	4	3	3	9	24	16	5	2	0	0	5	0
Disbursements	9	1		12	9		/	7		21	13		0	0		21	4		/	3		7	7		20	10		4	3		3	8		5	1		0	6	
Planned variable tranche share (AVR)		100%	100%		100%	100%		85%	83%		59%	34%		100%	100%		52%	100%		100%	39%		100%	100%		47%	39%		100%	100%		56%	27%		100%	/		48%	/
Fixed tranche disbursed (%planned; AVR)		/			/			0%			83%			/			100%			/			/			80%			/			80%			/			59%	
Variable tranche disbursed (%planned; AVR)		8%			44%			34%			16%			0%			0%			39%			46%			27%			100%			0%			45%			19%	
Disbursements outstanding (year end)		24			30			68			114			62			9			24			18			20			3			27			1			1	
BS Disbursements as % of total ODA		10%			59%			37%			51%			0%			67%			23%			66%			42%			50%			93%			29%			99%	
Poverty reduction & inclusive growth	2003	2008	2012	2003	2008	2012	2003	2008	2011	2002	2008	2012	2003	2008	2012	2003	2008	2012	2003	2006	2011	2003	2008	2012	2003	2008	2012												
Poverty headcount ratio (\$125)	13%	5%	3%	12%	6%	4%	26%	15%	16%	22%	10%	8%	10%	9%	6%	5%	2%	1%	18%	13%	14%	8%	4%	3%	9%	5%	3%	/	/	/	/	/	/	/	/	/	/	/	/
Poverty headcount ratio (\$2)	22%	13%	9%	23%	13%	8%	40%	27%	29%	33%	18%	13%	20%	18%	12%	9%	5%	3%	/	/	/	17%	12%	8%	21%	12%	8%	/	/	/	/	/	/	/	/	/	/	/	/
Gini coefficient	51	47	42	55	51	47	59	56	57	60	51	47	54	56	54	50	49	49	54	55	52	56	51	48	54	47	45	/	/	/	/	/	/	/	/	/	/	/	/
Income share lowest 20%	2.7%	4.7%	5.7%	3.0%	3.7%	4.3%	2.2%	2.8%	2.6%	1.5%	3.0%	3.3%	3.3%	2.9%	3.3%	3.4%	4.2%	4.2%	/	/	/	3.2%	4.0%	4.1%	3.5%	4.2%	4.2%	/	/	/	/	/	/	/	/	/	/	/	/
Real GDP growth (%)	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015						
Real GDP growth (%)	17%	2.0%	2.5%	4.6%	3.6%	19%	2.8%	3.1%	3.3%	6.8%	5.4%	4.3%	4.9%	4.6%	3.4%	3.4%	3.5%	3.8%	3.7%	4.0%	4.0%	14.2%	4.4%	4.0%	5.8%	2.4%	3.8%	4.4%	3.3%	2.8%	0.0%	-0.3%	0.8%	-0.9%	1.1%	2.4%	2.4%	15%	15%
P F M , Transparency (PEFA)	2009	2013	2010	2005	2009	2011	2013	2009	2011	2013	2009	2010	2013	2009	2010	2013	2008	2011	2009	2012	2012	2012																	
Credibility of the budget	B	/	A	/	/	/	B+	B+	B+	B	/	/	B	/	/	/	B+	/	/	B	B	B	B	/	B	/	/	/	D+	/	/	/	/	/	C	/			
Compr. & T transparency	B	/	C+	/	/	/	C	B	B+	B	/	/	B+	/	/	/	A	/	/	B	B	C+	C+	/	A	/	/	/	B	/	/	/	/	/	B	/			
Policy-based budgeting	B	/	B	/	/	/	B+	C+	C+	C	/	/	B+	/	/	/	B+	/	/	B	B	B	C+	/	B+	/	/	/	B	/	/	/	/	/	C+	/			
Pred. & control Budget ex.	B+	/	B	/	/	/	C+	C+	C+	B	/	/	B	/	/	/	B	/	/	C+	C+	C	C+	/	B	/	/	/	B	/	/	/	/	/	C+	/			
Accounting, Recording & Rep.	B+	/	B+	/	/	/	B	B	B	C	/	/	B	/	/	/	B+	/	/	C	C+	C+	C+	/	B	/	/	/	C+	/	/	/	/	/	C+	/			
External scrutiny and audit	C	/	C	/	/	/	C	D+	C+	D+	/	/	C+	/	/	/	B	/	/	C	C	C+	C	/	B	/	/	/	D+	/	/	/	/	/	C	/			
Open budget index	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012	2008	2010	2012									
Open budget index	37	37	43	39	31	31	12	11	53	7	13	12	61	61	58	45	47	50	46	50	51	/	/	/	67	65	57	/	/	/	/	/	/	/	/	/			
Control of corruption	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013	00-06	07-12	2013									
WGI Control of corruption	-0.44	-0.27	-0.35	-0.84	-0.81	-0.61	-0.83	-0.83	-0.95	-0.67	-0.53	-0.59	-0.19	-0.31	-0.44	0.51	0.56	0.59	-0.63	-0.56	-0.58	-1.35	-0.90	-1.04	-0.30	-0.28	-0.44	0.88	1.22	1.34									
Macroeconomic management, DRM	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015												
Gen. gov. gross debt (%GDP)	55%	56%	59%	24%	30%	34%	45%	46%	48%	33%	32%	36%	36%	38%	41%	36%	40%	42%	25%	24%	25%	17%	21%	23%	20%	21%	21%	62%	63%	64%	96%	100%	103%	74%	77%	78%	108%	107%	107%
Reserve coverage (m. imports)	3.0	2.8	2.8	1.8	1.7	1.7	3.6	3.3	3.2	15.9	16.8	18.5	7.5	7.6	7.5	5.8	5.5	5.2	4.6	4.4	4.1	5.4	6.6	6.4	15.8	16.0	15.7	13.1	13.6	13.4	3.8	3.6	3.5	3.9	3.8	3.8	3.4	3.6	3.7
Gen. gov. net lend/borr (%GDP)	-3.7%	-3.5%	-4.4%	-4.6%	-5.2%	-5.4%	-7.6%	-4.3%	-2.7%	0.7%	-3.2%	-4.5%	-0.9%	-1.4%	-3.2%	-5.6%	-6.0%	-5.8%	-2.1%	-1.9%	-2.3%	-1.5%	-0.5%	-1.1%	0.7%	-0.1%	-1.7%	-2.4%	-3.4%	-2.8%	-12.9%	-9.0%	-7.2%	-2.7%	-3.4%	-3.5%	-7.3%	-6.4%	-3.0%
Gen. gov. expenditure (%GDP)	22%	21%	22%	44%	44%	39%	31%	29%	28%	39%	42%	39%	29%	30%	30%	19%	20%	20%	14%	13%	13%	24%	24%	25%	22%	23%	23%	33%	34%	33%	46%	43%	41%	32%	33%	33%	28%	31%	28%
Current Account bal. (%GDP)	-6%	-5%	-4%	-1%	-1%	-3%	-10%	-7%	-7%	3%	1%	-3%	-3%	-5%	-6%	-5%	-4%	-4%	-3%	-2%	-2%	2%	0%	-2%	-4%	-4%	-5%	-5%	-5%	-4%	-9%	-9%	-5%	-13%	-13%	-13%	-27%	-24%	-17%
Revenue excl grants (%GDP)	18%	18%	18%	40%	39%	39%	22%	24%	24%	39%	39%	38%	28%	28%	28%	14%	13%	14%	12%	11%	11%	21%	21%	23%	22%	21%	22%	30%	30%	30%	33%	34%	35%	28%	28%	28%	20%	20%	22%

Annex 2 – Budget Support/Non-Budget Support Country Group Lists

As used in part III calculation of group averages:

<u>EU Budget support country list</u>				<u>Non- budget support EU aid recipients</u>			
LIC	LMIC	UMIC	HIC	LIC	LMIC	UMIC	HIC
Bangladesh	Armenia	Algeria	Barbados	Afghanistan	Cameroon	Angola	Antigua & Barbuda
Benin	Bhutan	Azerbaijan	St. Kitts and Nevis	Chad	Djibouti	Argentina	Chile
Burkina Faso	Bolivia	Botswana	Trinidad & Tobago	Comoros	Egypt	Belarus	
Burundi	Cabo Verde	Colombia	Uruguay	Congo, Dem. Rep. of	Kiribati	Belize	
Cambodia	Cote d'Ivoire	Cook Isl		Eritrea	Micronesia	Brazil	
C.A.R.	El Salvador	Costa Rica		Gambia, The	Mongolia	Fiji	
Ethiopia	Georgia	Dominica		Guinea	Nicaragua	Gabon	
Guinea-Bissau	Ghana	Dominican Republic		Kenya	Nigeria	Kazakhstan	
Haiti	Guatemala	Ecuador		Myanmar	Papua New Guinea	Lebanon	
Liberia	Guyana	Grenada		Somalia	Rep.of Congo	Malaysia	
Madagascar	Honduras	Jamaica		Zimbabwe	Sao Tome & Principe	Maldives	
Malawi	Kyrgyz Rep.	Jordan			South Sudan	Marshall Isl	
Mali	Indonesia	Mauritius			Sri Lanka	Mexico	
Mozambique	Lao PDR	Namibia			Sudan	Palau	
Nepal	Lesotho	Peru			Swaziland	Panama	
Niger	Mauritania	Seychelles			Syria	St. Lucia	
Rwanda	Moldova	South Africa			Uzbekistan	St. Vincent & the Grenadines	
Sierra Leone	Morocco	Tonga			Yemen, Rep.	Suriname	
Tajikistan	Pakistan	Tunisia				Thailand	
Tanzania	Paraguay					Turkmenistan	
Togo	Philippines					Tuvalu	
Uganda	Samoa					Venezuela	
	Senegal						
	Solomon Islands						
	Timor-Leste						
	Ukraine						
	Vanuatu						
	Vietnam						
	Zambia						

Footnote: Budget support countries have at least one ongoing budget support operation. Egypt was exceptionally excluded because no disbursements have taken place over the last 2 years and no disbursement is forecasted to take place in 2015. Guinea and Sao Tome & Principe were considered Non-BS countries despite BS commitments are forecasted for 2015. India (BS) and China (non-BS) were excluded from the part III analysis due to their size.