

FOCUS ISSUE 12: DOMESTIC PUBLIC RESOURCES FOR DEVELOPMENT

I. Overview of commitments

Africa:

NEPAD Document, October 2001

- ◆ NEPAD's founding statement in 2001 identified domestic savings and improvements in public revenue collection as key resources to be supplemented by official development assistance, debt relief and private capital flows. The statement further underlined that improved governance is a prerequisite for increased capital flows.

AU Heads of State Declaration, July 2005

- ◆ African leaders resolved to mobilize additional domestic resources for financing of MDGs and called on the private sector to contribute more substantially to development on the continent and *to efforts to meet the MDGs.*

CAMEFII Declaration, November 2006

- ◆ At the Conference of African Ministers of the Economy and Finance (CAMEF II) Ministers made a commitment to put in place mechanisms for mobilization of domestic resources in order to ensure sustainability in the implementation of their socio-economic development agenda.

Development Partners:

Monterrey Consensus, 2002

- ◆ Development partners undertook to support efforts by developing countries to create the necessary internal conditions for mobilizing domestic savings, both public and private, sustaining adequate levels of productive investment and increasing human capacity, increasing productivity, reducing capital flight, encouraging the private sector, and attracting and making effective use of international investment and assistance. It was further emphasized that good governance is essential to effective resource mobilization and allocation.

G8 Summit Declarations, 2002-2007

- ◆ Leaders of G8 countries committed to support initiatives aimed at fostering efficient and sustainable regional financial markets and domestic savings and financing structures. In Potsdam in 2007, the G8 Finance Ministers committed to support the G8 Action Plan for Good Financial Governance in Africa and more specifically to support African countries in reforming their tax policies and tax administrations and to encourage African nations as well as donor countries to join the UN Convention against Corruption (UNCAC) which could contribute to the recovery of corruptly acquired assets.

World Summit Outcome, 2005

- ◆ Leaders resolved to support efforts of developing countries to create a domestic enabling environment for mobilizing domestic resources.

II. What has been done to deliver on these commitments?

Africa:

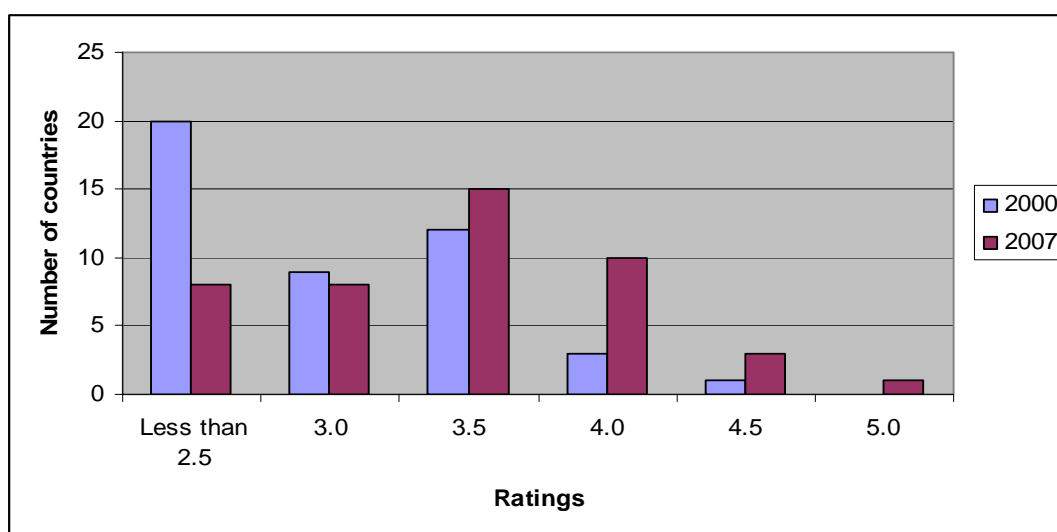
1. While external resource flows have an important supporting role to play in financing for development, long-term development processes can only be sustained through domestic resources. Unlike the other financing flows where there is a common understanding as to their coverage, the discussion of domestic resources is made complicated by the fact that sometimes this term refers to domestic savings, which consists of savings both by the private and public sectors, and sometimes the term refers only to public sector savings. Given the complexity of the determinants of domestic savings (only some of which can be affected by public policy), this report, which focuses on monitoring commitments, concentrates on the more narrow definition of domestic resources (i.e. public sector savings), which is referred to in the rest of this section as “government revenue”. Besides tax policy and tax administration which is the core of this section, the report also touches upon other relevant considerations such as the efficiency of government spending, the management of natural resources, and capital flight -- which denies African economies a considerable amount of resources.

2. *Revenue Mobilisation Efficiency* The majority of African countries have experienced an increase in government revenue -- despite i) a fall in the share of trade taxes due to trade liberalization and ii) declining corporate tax rates in an effort to attract foreign direct investment. Virtually all countries in Africa have broadened their tax base through both the adoption of a value-added tax (VAT), although VAT coverage remains relatively limited) and a higher reliance on direct taxes such as personal and corporate income taxes.

3. Assessment by the World Bank shows a gradual improvement in revenue mobilisation efficiency in many African countries.¹ As shown in Figure 1, in 2000 the performance of almost half of sub-Saharan African countries was rated less than 2.5 – or strongly unsatisfactory – with tax systems characterized by a narrow tax base, many exemptions and an overreliance on taxes on foreign trade. Tax administration was generally weak due to complex laws, poor information systems, corruption, weak capacity and political interference. In contrast, by 2007 the number of sub-Saharan countries rated 3.0 or lower -- strongly to marginally unsatisfactory -- had declined from 29 to 16. The rating for the majority of countries was generally satisfactory – at 3.5 or higher -- indicating a broader tax base with a significant amount of revenue generated by low-distortion taxes such as VAT and company and personal income taxes and much improved tax administration.

¹ The Country Policy and Institutional Assessments (CPIA) by the World Bank rate how the quality of a country’s present policy and institutional framework fosters poverty reduction and sustainable growth. The African Development Bank has a similar system of ratings and, for most countries, the ratings by the two institutions show a very high correlation for most indicators. The 16 CPIA criteria are grouped into four clusters: Economic Management, Structural Policies, Policies for Social Inclusion and Equity, and Public Sector Management and Institutions. For each criterion, countries are rated on a scale of 1 (low) to 6 (high).

Figure 1: Rating of Revenue Mobilization Efficiency in sub-Saharan Africa



Source: World Bank estimates.

4. In a number of countries where revenues relative to GDP are extremely low and where tax administration is weak, governments have established autonomous revenue agencies² to make tax administration more efficient and effective. While evidence is inconclusive whether the establishment of revenue authorities offers a quick fix to a country's revenue and tax administration problems, it has the great merit of facilitating the degree of managerial autonomy needed to improve efficiency in the absence of the lengthy process of reforming the civil service.

5. *Other Financial Management Reforms.* With the support by its development partners, Africa has redoubled efforts to address weaknesses in public financial management (PFM) systems. An assessment of the changes in PFM system performance for a pool of fifteen highly-indebted poor countries (HIPC) for the period 2004-06 show a moderate improvement compared to 2001-04.

6. *Management of Natural Resources.* Given the importance of natural resources in Africa, the quality of their management plays a critical role on government revenue mobilization. As of late 2007, sixteen African countries have either been accepted as candidate countries or are being considered for candidacy to the Extractive Industries Transparency Initiative (EITI), which was launched in 2003 to support improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining. Several among these countries have issued EITI reports and undergone a validation process. More recently, Nigeria has taken the additional step and moved to EITI "Plus" which, in addition to capacity building, public information and the reconciliation of the accounts of the government and participating companies, is proceeding to undertake the financial audits of these accounts.

7. *Capital Flight.* Notwithstanding the different conceptual approaches to capital flight,³ what emerges from all the studies is that capital flight is currently diverting a large amount of resources from African and other countries that are in urgent need of financing for development. Nigeria, along with Peru and the Philippines, are three countries that have succeeded in recovering part of looted

² In Africa, fourteen countries have set up autonomous revenue authorities, most of them in English-speaking countries (Ghana, Uganda, Zambia, Kenya, Malawi, Tanzania, South Africa, Rwanda, Zimbabwe, Ethiopia, Sierra Leone, Lesotho, The Gambia and Mauritius in the chronology the agencies were created). Fjeldstad (2008).

³ There is the need to differentiate between an outflow of funds from criminal sources and corruption and more "normal" outflows that are caused instead by the lack of financial market depth in developing countries, which influences the risk-adjusted return to assets and encourages capital outflows in search of higher returns.

resources. It took Nigeria five years to obtain a repatriation decision from one country holding its corruptly acquired assets. Repatriation finally took place in 2005 and 2006, for a total of US\$505.5 million.

8. *Mobilisation of Other Sources of Fund.* The Pan-African Infrastructure Development Fund was established in 2007 with the purpose to generate funding from state pension funds (South Africa Government Employees Pension Fund and Ghana's Social Security and National Insurance Trust and Metropolitan Holdings) and other financial entities. The Fund has already mobilized US\$625 million and identified 20 projects for financing.

9. *Tax Governance and Accountability.* Realising that taxation is a fundamental part of state building, 29 African countries recently established the African Tax Forum to take the lead on tax matters related to Africa and support policy development and capacity building for national tax agencies (see Box 1 below).

Box 1: African tax reform

A major Africa-wide conference on tax, governance and capacity development was held in South Africa in August 2008. This brought together Tax Commissioners and high level officials from 30 African countries, as well as donor countries and international organizations. The meeting's key outcome, announced in the Pretoria Communiqué, was the creation of a Steering Group of African Commissioners to launch an African Tax Administration Forum. The Forum will act as a focal point for exchanging experiences on good practices, benchmarking performance, improving co-operation between and **building capacity** for African Tax Administrations. (View the Pretoria Communiqué at: <http://www.oecd.org/dataoecd/1/33/41227692.pdf>)

The OECD's Centre for Tax Policy Administration (CTPA) worked with the South African authorities in support of this **African led** initiative, and has had a dialogue with tax authorities in Southern and Eastern Africa over a number of years, sharing experience on tax policy and capacity building in tax administration. Policy dialogue focuses on issues of particular relevance to Africa, including transfer pricing regimes, tax treaties, capital flight, auditing multinationals and tax reforms.

Development Partners:

10. *From a Focus on Revenue Targets to Broader Support.* During most of the 1990s and the early part of the present decade, the emphasis on macroeconomic stability to correct severe imbalances in the fiscal position of many African countries has led to: i) the setting of ambitious overall revenue targets (measured as the tax-to-GDP ratio) and coercive tax enforcement; ii) a more narrow focus on technical considerations at the expense of broader governance and accountability considerations; and iii) poorly designed taxes that may have exacerbated the negative effects of the tax system on the economy. Despite efforts by African governments to increase tax revenue mobilisation, there is the concern that very limited resources have been devoted by development partners to tax-related assistance. The "Pretoria Communiqué" issued at the end of the International Conference on Taxation, State Building and Capacity Development in Africa held in South Africa (August 2008) suggests that in 2005 only 1.7% of the US\$7.1 billion spent on bilateral aid for government administration, economic policy and public sector financial management went to tax-related assistance.

11. The much-improved macroeconomic frameworks in most African countries as evidenced by low inflation and significantly improved fiscal positions⁴ have made room for a more comprehensive

⁴ The sharp rise in food and fuel prices, which started in late 2007 and only began to recede more recently, has led to a significant deterioration of both inflation rates and fiscal positions of many African countries.

reform of both tax policy and tax administration as discussed above. Development partners have, for instance, fully endorsed the creation of the African Tax Administration Forum. The G8 Action Plan for Good Financial Governance in Africa launched by the G8 Finance Ministers in 2007 encouraged African countries to make use of regional networks and international knowledge on tax policy and tax administration in order to bolster domestic expertise and to participate in bilateral and international initiatives, such as the International Tax Dialogue (ITD)⁵.

12. *Initiatives on Governance and Resource Management.* There is now broad commitment by both countries and their development partners to use the Public Expenditure and Financial Accountability (PEFA) “public financial management performance measurement framework” to measure and monitor the strength of country PFM systems and for donors to commit to using those systems in the context of the Paris Declaration.

13. The Stolen Asset Recovery (StAR) initiative was recently launched jointly by the UN Office on Drugs and Crime (UNODC) and the World Bank to i) use both institutions’ convening power to enhance cooperation between developed and developing countries on StAR and persuade all countries to ratify and implement the UN Convention Against Corruption (UNCAC); ii) build partnerships aimed at enhancing legislative, investigative, judicial, and enforcement capacity in developing countries to enable them to successfully recover the stock of corruptly acquired assets kept either in the home country or secreted abroad, while deterring new outflows; and iii) help concerned developing countries to monitor the use of recovered assets, as was done in Nigeria.

14. The fight against tax fraud and evasion was recently given renewed political impetus when finance ministers from 17 OECD countries agreed to step up pressure on offshore financial centres and called on the OECD to assess offshore territories for full compliance with exchange of information requirements.

III. What are the results?

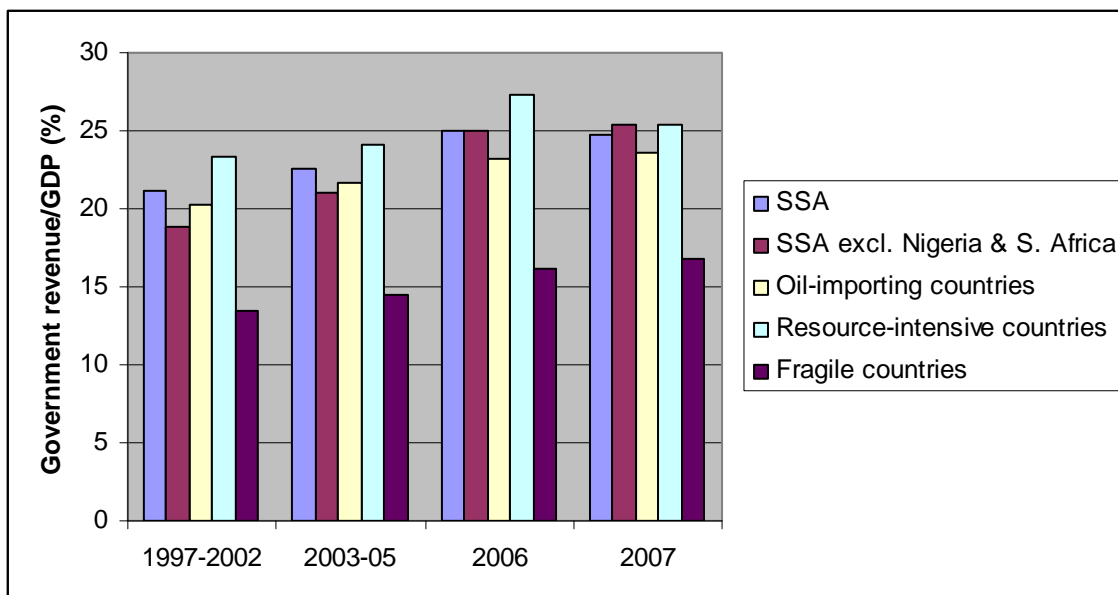
15. After remaining basically unchanged between the early 1990s and early 2000s, total government revenue as a share of GDP has been steadily improving in most African countries. As shown in Figure 2, domestic revenue — defined as tax and non-tax revenues excluding grants — increased by almost 4 percentage points of GDP between the pre-Monterrey period and 2007, reaching an average of over 25% in 2007 for sub-Saharan Africa as a whole. Excluding Nigeria and South Africa, the increase in government revenue expressed as a share of GDP rose even more sharply for the rest of sub-Saharan Africa, increasing from 18.8% as an average for 1997-2002 to 25.4% in 2007, equivalent to over 6 percentage points of GDP.

16. The increase has been uniform across all groupings of countries (see Annex Table 1 in the Data Appendix for more detail). While several *oil-exporting countries* such as Angola, The Republic of Congo and Equatorial Guinea generate over 40% of GDP as public revenue from natural resource taxes such as income from production sharing, royalties and corporate income tax on oil and mining companies, revenue mobilization in oil-exporting countries as a group is only slightly higher than for other countries on account of a more moderate performance by Nigeria. Thus, while the boom in oil and commodity exports and higher commodity prices have undoubtedly contributed to the strong revenue mobilisation performance of resource-intensive countries, improvement in other African countries can be attributed to more effective tax administration. It is worth noting that as a group,

⁵ The International Tax Dialogue (ITD) is a collaborative arrangement involving the Inter-American Development Bank, IMF, OECD, European Commission and World Bank Group to encourage and facilitate discussion of tax matters among national tax officials, international organisations, and a range of other key stakeholders. Twenty-one African countries are now ITD participant countries.

fragile countries (most of which are either post-conflict countries or countries under severe social and political tensions) also managed to increase their government revenue mobilisation over recent years with an increase equivalent to over 3 percentage points of GDP. The improvement would have been sharper if one rapidly deteriorating Africa country, whose public revenue plummeted from over 24% of GDP in the pre-Monterrey period to an estimated 6% in 2007, had been included.

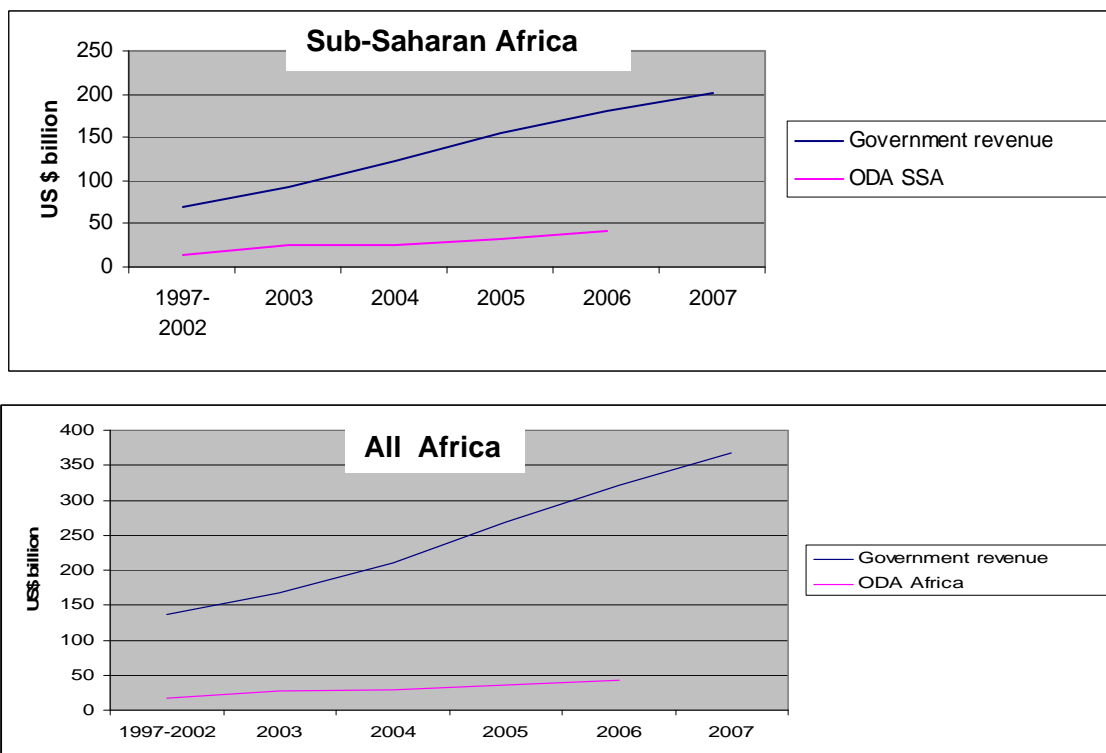
Figure 2: Government Revenue excluding Grants (% of GDP)



Source: IMF Regional Economic Outlook: Sub-Saharan Africa, various issues.

17. In recent years, the discussion on financing development and MDG-based targets has tended to focus on external resources – while neglecting the vital role of domestic revenue. Mobilising domestic revenue has usually been referred to as either i) a means of covering recurrent expenditures or ii) a long-term option allowing developing countries to eventually become less dependent on aid. Low or stagnant growth in the 1980s and part of the 1990s, declining import taxes following trade liberalisation and efforts to downsize governments in many African countries have contributed to the limited focus on the role of domestic revenue. Yet Africa’s improved performance in this area has enabled it to double its revenue collection to US\$202 billion in 2007 -- six times the volume of net ODA in the same year (Figure 3). North Africa, where domestic revenue exceeds 20% of GDP in all countries, generated approximately US\$140 billion of government resources in 2006, further increasing the gap between government revenue and ODA across Africa as a whole. Table 1 completes the picture, showing overall trends in aggregate domestic public revenue over the past decade.

Figure 3: Trends in Government Revenue and ODA Disbursements (US\$ billion)



Source: IMF, Regional Economic Outlook: Sub-Saharan Africa, October 2008 and OECD-DAC database

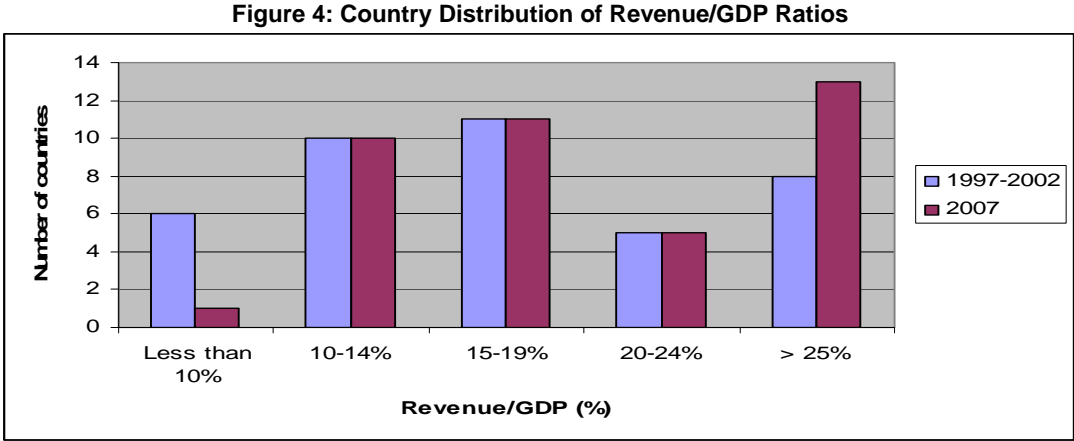
Figure 4: Recent Domestic Public Revenue Mobilisation in Africa (US\$ billion)

	1997-2002	2003	2004	2005	2006	2007
Sub-Saharan Africa	70.5	92.2	122.5	154.4	181.5	201.8
North Africa	67.2	75.8	87.3	113.2	140.1	165.1
All Africa	137.6	168.0	209.8	267.6	321.6	366.9

Source: World Bank, World Economic Indicators 2008: IMF Regional Economic Outlook Series: Sub-Saharan Africa (October 2008) and Middle East and Central Asia (May 2008)

18. The tax base in most sub-Saharan African countries continues to shift away from trade taxes as their principal revenue source, although the pace of this shift has slowed in recent years. The declining reliance on trade tax revenues has been the product of trade liberalization policies, most of which were initiated in the 1990s. Further trade liberalization, for instance in the context of the Economic Partnership Arrangements being negotiated by the European Union and ACP countries, will thus intensify the need to enhance domestic taxes and improve the management of trade tax exemptions. This will often involve strengthening the indirect tax system, including the Value Added Tax (VAT). Presently, 34 SSA countries and all North African countries except Libya have adopted the VAT at an unweighted average rate of 16%.

19. In spite of broad-based improvement in revenue collection, one-fourth of SSA governments still collect public revenues totalling less than 15% of GDP, a level considered as a minimum needed to cover the state’s basic functions. 40% of African countries, including the oil-rich nations, North Africa, Southern Cone countries and a few others, are collecting revenues of more than 20% of their GDP (Figure 4), with the North African economies averaging above 30%. It is also worth noting that in 2007 no African country (with one exception) collected less than 10% of GDP in public revenue in 2007, in stark contrast to the pre-Monterrey period when six SSA countries, most of them emerging from conflict, collected less than 10% of GDP in public revenue.



Source: IMF Regional Economic Outlook: Sub-Saharan Africa, various issues.

20. A more detailed classification of countries (Figure 5) shows that among the group of countries that generate less than 15% of GDP in public revenue figure several high-performing countries such as Burkina Faso, Ethiopia, Madagascar, Mozambique, Rwanda, Tanzania and Uganda, raising the issue whether larger aid flows may undermine recipient countries ability and incentives to raise domestic revenue. An analysis by UNECA that plots data on average aid/GDP ratio and the ratio of government revenue to GDP across African countries over the period 1984 to 2006 shows that there is no systematic relationship between the two variables (Figure 6)⁶. The fact that the highly-performing countries mentioned above (as a group) only experienced an increase in public revenue mobilization of less than 2 percentage points of GDP -- or half the increase of sub-Saharan Africa -- warrants further analysis, in particular as regards the more recent period which saw a sharp increase in ODA, particularly to strong performers⁷.

⁶ The analysis showed a low correlation coefficient of -0.10 which is also statistically insignificant at conventional levels.

⁷ The analysis would also need to take into account the determinants of tax revenue that depend on the structure of production and exports. For instance, a larger agricultural sector or low exports negatively impact tax mobilization while larger imports or a more important manufacturing sector tend to boost tax revenue.

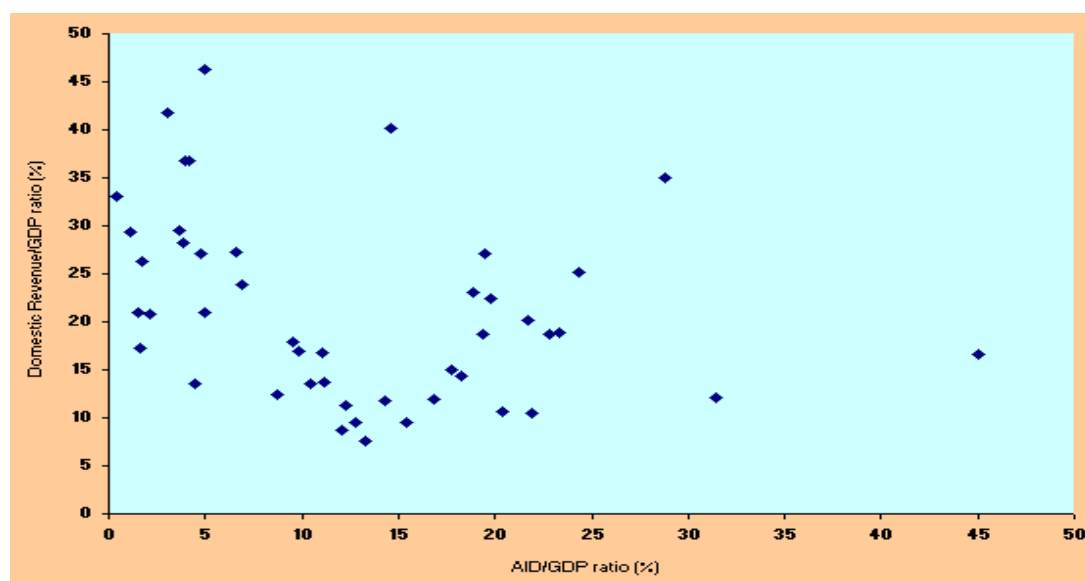
**Figure 5: Government Revenue as a Share of GDP
(Average 2006-07, percent)**

14 countries	14 countries	23 countries	
<ul style="list-style-type: none"> - Burkina Faso - Central Africa Rep. - Comoros - Congo, Dem. Rep. of - Ethiopia - Guinea - Madagascar - Mozambique - Niger - Rwanda - Sierra Leone - Tanzania - Uganda - Zimbabwe <p style="text-align: center;">Less than 10%</p>	<ul style="list-style-type: none"> - Benin - Burundi - Cameroon - Chad - Cote d'Ivoire - Guinea Bissau - Liberia - Mali - Malawi - Mauritius - Nigeria - Sudan - Togo - Zambia 	<ul style="list-style-type: none"> - Algeria - Angola - Botswana - Cape Verde - Congo, Rep. of - Egypt - Equatorial Guinea - Eritrea - Gabon - Gambia, The - Ghana - Kenya 	<ul style="list-style-type: none"> - Lesotho - Libya - Mauritania - Morocco - Namibia - Sao Tomé & Príncipe - Senegal - Seychelles - South Africa - Swaziland - Tunisia
10 to 15% of GDP	15 to 20% of GDP	More than 20% of GDP	

Note: Zimbabwe, which traditionally mobilised over 25% of GDP, experienced a sharp drop in 2007 because of the political crisis.

Source: IMF World Economic Outlook – Sub-Saharan Africa (October 2008).

Figure 6: Aid and Government Revenue in Africa



Source: Computed using data in African Development Indicators

Domestic savings

21. The previous section discussed Africa's positive performance in domestic public revenue collection. But with the exception of resource-rich countries and a few other countries, overall savings remain very low. As shown in Table 2, most of the increase in the domestic savings rates in recent years reflects the performance of resource-rich countries, thanks to buoyant prices of crude oil and other primary commodities. For non-resource-intensive countries, the overall domestic savings rate has hardly moved in spite of important progress in public revenue mobilisation. As a group, savings

rates in fragile states have declined sharply in recent years compared to the pre-Monterrey period. Eight countries, seven of which are classified as fragile countries, have negative savings ratios. Sub-Saharan Africa's low savings rates contrast sharply with the significantly higher savings rates of other developing regions including North Africa.

**Table 2: Gross Domestic Savings
(% of GDP)**

	1997-2002	2005-07
Sub-Saharan Africa	18.1	23.8
- Resource intensive countries	26.6	37.5
- Non-resource intensive countries	15.0	15.6
SSA Low-income countries	<i>(7.1)</i>	<i>(10.0)</i>
Middle-income countries	<i>(19.3)</i>	<i>(19.3)</i>

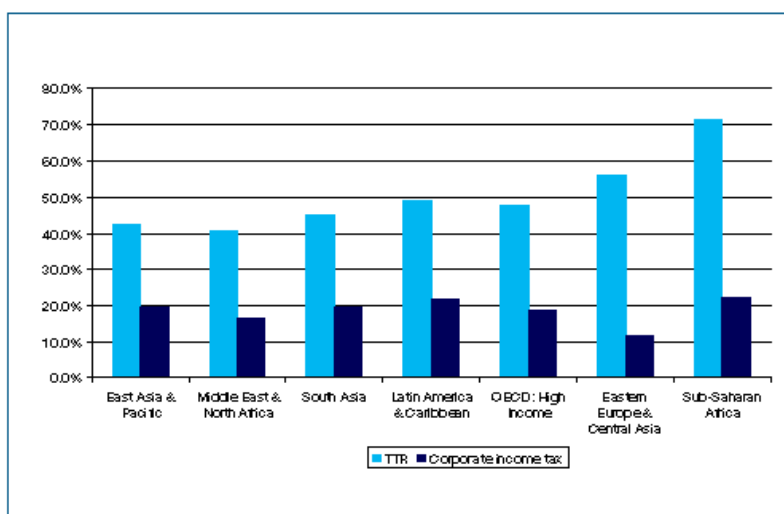
Source: IMF, Regional Economic Outlook – Sub-Saharan Africa (October 2008)

22. The success of several countries in Africa in raising domestic revenue, boosted in part by strong commodity prices, underscores the importance of and progress made in strengthening tax policy and tax administration. Sustaining and extending this effort should be an area of greater policy focus by African states and development partners. First, expanding domestic revenue mobilisation would contribute to create the fiscal space for Africa's enormous development needs such as covering overhead and maintenance requirements of additional aid-financed projects or mitigating the volatility and uncertainty of aid flows. In addition to sustaining overall revenue mobilisation efforts, African countries will also need to increase non-trade tax revenue -- which currently accounts for about one-third of total tax revenue – and rationalise tax exemptions. Further trade liberalisation with the European Union and the continued efforts by other trading blocs to compete for foreign direct investment via lower corporate income taxes will put continued downward pressure on total tax revenue mobilisation. Lastly, the sharp increase in food and fuel prices in the last year have forced several countries to reduce import duties and consumption taxes on these strategic products and, as a result, overall public resource mobilisation has slackened somewhat in 2008.

23. In their effort to raise government revenue, African countries will need to address a number of challenges including high (effective) taxes on corporate income, tax incentives and tax exemptions. A survey by Price Waterhouse Coopers undertaken in developing the World Bank's annual "Doing Business Survey" found that a typical firm in sub-Saharan Africa pays the equivalent of 71% of its profits in taxes, which is 15% higher than the second-highest rate, paid in Europe and Central Asia.⁸ In a small number of countries, the amount of taxes paid by firms is much higher than their net profits (see Figure 7).

⁸ Among the most prominent examples of such other business taxes are employment taxes (levied on the employee), and indirect (or consumption) taxes such as value added tax (VAT), goods and services tax (GST) and environmental taxes. Price Waterhouse Coopers (2007).

Figure 7: Total Tax Rate versus Corporate Income Tax



Source: Doing Business 2007, Background paper

24. African countries are also confronted with increasing tax competition on corporate income tax (CIT), as countries compete more aggressively to attract foreign investment. Although statutory CIT rates in the region fell markedly in the 1990s, CIT revenue as a share of GDP has remained broadly unchanged, suggesting that the impact of rate reductions on revenue has been mitigated by other factors. Nevertheless, the trend worldwide is toward lower statutory CIT rates, and rates in sub-Saharan African countries are still relatively high. This implies that these countries remain under pressure to further reduce CIT rates, which in turn means that the tax base should be broadened in order to minimize the impact on tax revenue.

25. Recent analytical work has shown the importance of tax exemptions and evasion and that in some countries larger businesses benefit from tax exemptions to a disproportionate degree and tax evasion is more common among smaller businesses. This creates a situation in which medium-sized firms shoulder a disproportionate tax burden, with possible adverse consequences for private investment and economic growth.

IV. What are the key priorities?

Actions by African countries:

- ◆ Boost public revenue by addressing tax evasion and avoidance, broadening the tax base and improving the efficiency of tax administration. Continue efforts to increase domestic resource mobilisation, in particular in countries where the ratio of revenue to GDP remains below 15%.
- ◆ Strengthen efforts to improve management of natural resources as well as revenue from these resources.

Actions by Development Partners:

- ◆ Provide more technical assistance to African countries to enable them to reform their tax systems and improve the efficiency of tax administration.
- ◆ Take more effective international action to tackle harmful tax practices, and tax fraud and evasion, including through improved transparency, better information exchange and more effective control mechanisms to help to increase domestic resources available for development.

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DATA APPENDIX

Annex Table 1: Government Revenue, Excluding Grants (% of GDP)

	Pre- Monterrey 1997-2002	Average 2003-05	2006	2007	2008
SUB-SAHARAN AFRICA					
Oil-exporting countries	23.3	24.2	27.9	25.5	25.7
Oil-exporting countries, excluding					
Nigeria	26.6	28.1	37.2	37.0	34.6
Angola	42.4	38.4	46.4	45.1	39.4
Cameroon	14.6	16.3	19.3	18.8	19.6
Chad	7.8	8.6	16.9	22.9	20.0
Congo, Rep of	26.9	32.8	44.3	42.7	46.3
Equatorial Guinea	22.6	30.7	40.8	38.3	33.3
Gabon	32.5	30.5	31.7	29.5	29.3
Nigeria	20.9	21.6	21.7	17.2	18.4
Middle-income countries	24.4	25.1	27.4	27.9	27.8
MICs, excluding South Africa	31.3	32.0	35.3	34.1	33.0
Botswana	39.2	38.2	39.9	36.8	35.0
Cape Verde	20.9	22.7	23.6	25.2	23.7
Lesotho	43.1	45.9	58.4	60.7	64.5
Mauritius	19.4	19.9	19.8	19.9	19.2
Namibia	32.1	30.3	33.9	35.5	34.5
Seychelles	42.1	49.1	52.5	49.7	40.8
South Africa	23.5	24.3	26.5	27.2	27.2
Swaziland	26.7	30.9	43.5	40.6	39.6
Low-income countries	13.7	16.1	17.1	17.7	18.1
Benin	15.2	16.6	16.8	20.6	19.3
Burkina Faso	12.1	12.6	13.0	13.6	13.5
Ethiopia	15.1	15.6	14.8	12.8	12.8
Ghana	17.6	22.1	21.9	22.5	23.0
Kenya	20.2	20.8	21.1	22.5	22.4
Madagascar	10.2	10.7	10.7	11.1	12.3
Malawi	17.0	24.1	16.8	20.1	19.0
Mali	13.9	17.2	17.7	17.7	17.2
Mauritania	22.3	28.3	29.4	25.1	26.0
Mozambique	11.1	13.5	15.0	16.0	15.8
Niger	9.7	10.8	13.2	15.5	18.4
Rwanda	11.1	13.1	12.9	11.6	13.8
Senegal	16.5	18.5	19.9	20.9	20.2
Sudan	9.5	19.3	19.5	19.0	19.7
Tanzania	10.0	10.5	11.8	13.1	14.9
Uganda	11.2	11.5	12.5	12.7	13.3
Zambia	18.8	18.0	16.9	19.3	20.3
Fragile countries	13.5	14.5	16.1	16.8	17.2
Including Zimbabwe	15.7	17.2	20.2	24.8	..
Burundi	17.7	20.4	18.9	18.7	18.3
Central African Republic	9.2	8.2	9.5	10.2	10.4
Comoros	12.9	15.8	13.6	12.7	12.4
Congo, Dem. Rep of	5.8	9.5	12.8	14.1	16.7
Côte d'Ivoire	17.7	17.1	18.4	19.6	18.6
Eritrea	28.9	27.3	23.0	22.8	23.5
Gambia, The	17.6	18.7	21.2	21.6	21.1
Guinea	11.3	12.3	14.8	14.3	15.6
Guinea-Bissau	15.0	16.7	19.6	15.6	20.4
Liberia	..	13.2	14.6	18.6	23.8

Sao Tome and Principe	16.7	32.2	21.1	40.2	34.6
Sierra Leone	9.4	12.2	11.8	10.8	11.8
Togo	13.6	16.5	16.9	17.0	16.6
Zimbabwe	24.0	27.4	14.3	6.0	..
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Sub-Saharan Africa	21.2	22.6	25.0	24.7	24.3
Excluding Nigeria and South Africa	18.8	21.0	25.0	25.4	25.2
Oil-importing Countries	20.3	21.7	23.2	23.6	23.3
Excluding South Africa	16.8	18.3	19.2	19.6	19.5
Resource-intensive countries	23.3	24.1	27.3	25.4	25.4
Oil	23.3	24.2	27.9	25.5	25.7
Non-oil	22.9	23.5	24.5	24.8	23.8
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NORTH AFRICA					
Algeria	33.1	38.0	43.0	42.4	44.4
Egypt	27.4	24.8	28.2	27.8	27.1
Libya	40.9	60.3	72.1	74.2	79.9
Morocco	23.0	22.6	25.2	27.9	27.1
Tunisia	24.1	23.7	23.8	24.0	23.3

Note: The figures for Sub-Saharan Africa have been adjusted to take into account Mauritania and Sudan which are classified as MECA countries in IMF reports.

Source: IMF Regional Economic Outlook Series: Sub-Saharan Africa, (October 2008) and Middle East and Central Asia (May 2008).