

seeks to improve procurement and financial management, and to reduce structural constraints to poverty reduction. The International Development Association (IDA), the Bank's concessional lending arm, provides long-term loans at no interest to eligible borrowers from developing countries. There are 37 countries in SSA that are eligible for World Bank loans.¹ The World Bank reports that aid flows to Africa declined by 40 percent per capita in the past decade. The Bank is, however, attempting to reverse this trend.² In 2003, SSA received \$3.7 billion in interest-free loans, or 33 percent of the Bank's total lending to developing countries (\$11.2 billion).

Whereas the World Bank raises funds through selling securities globally, the IDA is funded through donations from member countries. The IDA is an integral part of the Bank's poverty reduction mission, lending to and assisting those countries with limited access to capital.³ To be eligible for an IDA loan, a country must be a member of the Bank and have an annual per capita income of less than \$865. Eligible countries are ranked on the basis of their policy performance and effective use of financial aid. The IDA allocates more funds to the poorest eligible countries, with consideration for a country's level of policy performance and institutional capacity. The IDA provides less developed countries zero-interest rate loans with a 10-year grace period and maturities of 35 to 40 years.⁴ SSA countries eligible to borrow from the IDA are listed in table 4-2.

Table 4-2
World Bank/IDA: Eligible borrowers in sub-Saharan Africa (37)

Angola	Ethiopia	Niger
Benin	The Gambia	Rwanda
Burkina Faso	Ghana	São Tomé and Príncipe
Burundi	Guinea	Senegal
Cameroon	Guinea-Bissau	Sierra Leone
Central African Republic	Kenya	Somalia
Chad	Lesotho	Sudan
Comoros	Liberia	Tanzania
Congo (DROC)	Madagascar	Togo
Congo (ROC)	Malawi	Uganda
Côte d'Ivoire	Mali	Zambia
Djibouti	Mauritania	
Eritrea	Mozambique	

Source: World Bank, *World Bank Annual Report 2003*, p. 132.

In 1999, the Poverty Reduction Strategy Program (PRSP) was launched by the World Bank. This program was designed to increase government participation in projects that use foreign aid. The Bank and IMF perform joint staff assessments on these plans to ensure that they are designed to move the country toward international development goals such as applying sound macroeconomic and sectoral policies, protecting the

¹ World Bank, "Countries of the Sub-Saharan Africa," found at Internet address <http://www.worldbank.org/afr/countries.htm>, retrieved Aug. 2, 2004.

² World Bank, *The World Bank Annual Report 2003*, p. 88.

³ World Bank, *The World Bank Annual Report 2003*, p. 19.

⁴ IDA, "International Development Association," found at Internet address <http://www.worldbank.org/ida/eligible.htm>, retrieved Aug. 9, 2004.