

Summary of Development Priorities

As of 10/15/2003

| Network Area | Country Performance | Major Issue | Country Priority | Bank Priority | Reconciliation of Country and Bank Priorities |
|---|---------------------|---|------------------|---------------|---|
| Poverty Reduction & Economic Management | | | | | |
| Poverty reduction | Poor | High regional and rural/urban disparities; slow progress since mid-1970s | High | High | |
| Economic policy | Good | Overall prudent macroeconomic policies | High | High | |
| Public sector | Fair | Weak institutional capacity; notable recent progress with MTEF/budget management | High | High | |
| Gender | Fair | Notable progress in recent years; variation across ethnic & caste groups | Moderate | Moderate | |
| Human Development Department | | | | | |
| Education | Fair | Progress in handing over schools to communities; quality remains an issue | High | High | |
| Health, nutrition & population | Fair | Comprehensive strategy/implementation plan developed; financing and quality remain issues | High | High | |
| Social protection | Poor | Ineffective and poorly targeted programs; lack of safety nets | Moderate | Moderate | |
| Environmentally & Socially Sustainable Development | | | | | |
| Rural development | Fair | Low agricultural productivity; high rural poverty | High | High | |
| Environment | Fair | Efforts to address environmental management; weak institutional capacity | Moderate | Moderate | |
| Social development | Poor | Repercussions of the insurgency & its root causes | High | High | |
| Finance, Private Sector & Infrastructure | | | | | |
| Financial sector | Good | Management teams in place in major banks; weak Central Bank | High | High | |
| Private sector | Poor | Failure to privatize/liquidate identified SOEs; difficulties attracting investment in uncertain environment | High | Moderate | On-going dialogue/other donors |
| Energy & mining | Fair | Attracting private investment | High | Moderate | On-going dialogue/other donors |
| Infrastructure | Fair | Operationalization of Road Fund (funding of maintenance) | High | High | |