



ikatu
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PHASE 2 RESEARCH

Country Selection Matrix:

A Tool to Prioritize Geographic Focus



IKATU is GUARANI FOR "YES I CAN"

Ikatu International is attempting to create employment opportunities for the world's youth population. We are identifying gaps within current youth employment efforts, strategically modeling and implementing solutions that leverage our blended value experience (economic, social, and environmental), and creating significant impact measurements that drive dialogue on transparency and accountability. Ikatu International aspires to enable self sufficiency, teach life and social skills, and create building blocks for future generations by connecting youth to economic opportunity.

Ikatu is Guarani for "Yes I Can", a translation that speaks to both our organization and the belief systems we hope to cultivate. We would like to inspire personal dignity, realized opportunity, and leadership within young adults who have been underexposed by circumstance. Giving back to the community through smart business can stimulate positive change regardless of economic, political, religious and social context.

At Ikatu International, we believe in endless possibilities and the power of "Yes I Can".

Country Selection Matrix:

A Tool to Prioritize Geographic Focus

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Ikatu International

The original report was authored by Meghan Corroon and Elizabeth Stewart from Causemopolis in January, 2009.



INTRODUCTION

The Country Matrix analysis is a reference document that was used to support Ikatu International's (Ikatu) decision-making process in selecting a pilot country for its first youth employment program in Sub-Saharan Africa. It draws on a diverse selection of academic, governmental, and non-governmental publications and sources to create a Matrix Tool, which calculates a composite index that assesses and compares a variety of economic, social and governance indicators. The composite rankings led Ikatu to consider 3 countries for a pilot program: Botswana, Ghana and Namibia.

For the Matrix Tool, Ikatu compiled a list of 23 strategic indicators grouped in 8 key categories that were deemed relevant to its organizational programming goals. The data across these indicators was extracted from existing quantitative data sources and the composite scores were compared across all eligible Sub-Saharan African countries.

The indicators were then evaluated according to Ikatu's organizational priorities. Using the weighting feature in the Matrix Tool, two different scenarios were developed and their results compared. The first one prioritized categories and indicators related to the potential for private sector growth, and the second prioritized social indicators assessing the readiness of the workforce.

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METHODOLOGY AND USE OF THE MATRIX TOOL

The Matrix Tool is designed to be flexible when selecting the categories and indicators, input data, and geographic area of focus. While the make-up of the indicators and the raw data may change, the proposed composite score methodology remains the same. First, the Matrix Tool utilizes a percentile scoring system that assesses the relative ranking of the countries for each indicator. Second, a weighted average system assigns relative importance to both the categories themselves and the indicators within each category based on the scenario priorities. Composite scores are available for each category, as well as for the overall country rankings. The balance between adaptability and a systematized, evidence-based approach to decision-making constitutes the real value of the Matrix.

Country Selection

Ikatu started with a list of all 47 Sub-Saharan African countries. All countries that had been categorized by the World Bank Fragile States publication as experiencing “Core” or “Severe” levels of instability in any of the years between 2003 and 2006, a total of 20 countries, were eliminated.¹ The removal of these 20 countries enabled Ikatu to focus on nations that are politically and socially stable enough to increase the likelihood of success in their pilot program.

A second filter was applied for the remaining 27 Sub-Saharan African countries. This filter removed small-island nations located at a considerable distance from the continent, eliminating Cape Verde, Mauritius and Seychelles. Their relative geographic isolation, small population and heavy reliance on the service economy made them unique and could have created an environment too different to replicate when scaling up a pilot to the rest of the continent.

The remaining 24 countries analyzed in the Matrix Tool are presented in the table to the right.

GEOGRAPHICAL FOCUS

The Matrix looks at the following 24 countries found in Sub-Saharan Africa:

| | |
|---------------------|---------------------|
| Benin | Mali |
| Botswana | Mauritania |
| Burkina Faso | Mozambique |
| Cameroon | Namibia |
| Ethiopia | Niger |
| Gabon | Rwanda |
| The Gambia | Senegal |
| Ghana | South Africa |
| Kenya | Swaziland |
| Lesotho | Tanzania |
| Madagascar | Uganda |
| Malawi | Zambia |

¹ World Bank Independent Evaluation Group, 2007.

Indicators

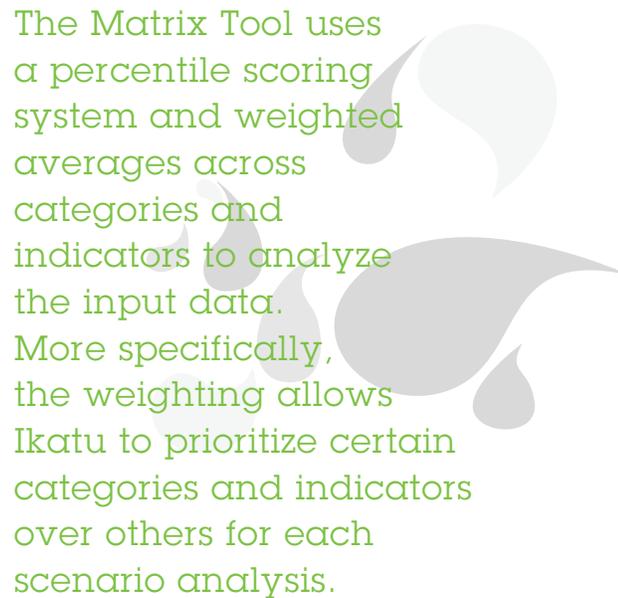
The 23 indicators included in the Matrix represent 8 key categories: Economy, Business Climate, Education, Infrastructure & Technology, Health, Gender, Governance and Civil Society. The indicators were selected to create a multi-sectoral approach to development with a specific focus on economic and business growth. Data sources ranged from the World Bank online databank of indicators to various publications by the United Nations and World Bank Group agencies, as well as Transparency International and the World Resource Institute. The majority of raw indicator data is from 2007, but where data was not available, earlier years were used.²

Scoring Methodology

The Matrix Tool used a percentile scoring system to rank countries according to their relative performance on each of the indicators. Individual percentiles were then transformed into composite category and overall country scores in order to evaluate the relative performance of countries across all categories and indicators. The composite scores utilized category and indicator weights which are discussed at length in Appendix A. The composite ranking assisted Ikatu in drawing comparisons between the relative performance of countries and ultimately select the top three countries to consider at length for a youth employment pilot program.

Matrix Results and Ranking

The results of the Matrix are provided at two different levels: the category level and the overall composite country level. At the category level, the percentile rankings allow the user to view results within a given category such as Health, the Economy, or Business Climate. The composite country scores provide the overall country rankings for both the Private Sector Growth and the Workforce Readiness scenarios.



The Matrix Tool uses a percentile scoring system and weighted averages across categories and indicators to analyze the input data. More specifically, the weighting allows Ikatu to prioritize certain categories and indicators over others for each scenario analysis.

² Data reflects data availability at the time the first version of the report was released in January 2009.

INDICATOR DEFINITIONS

Economy Indicators

Gross National Income (GNI) per capita PPP (USD): total value produced within a country (i.e. its gross domestic product), together with its income received from other countries (notably interest and dividends) less similar payments made to other countries divided by per person. GNI per capita PPP is based on purchasing power parity, which takes into account the relative costs of goods and services across countries.³

Percent of the population living below the poverty line (%): percent of population living in households with consumption or income per person below the poverty line (defined as less than US\$1.25/day at 2005 purchasing power parity). A lower percentage indicates a better ranking.⁴

Growth of output in industry, manufacturing and services (%): average of the growth of output in industry, manufacturing and services as a percentage of overall gross domestic product.⁵

Foreign direct investment, net inflows (% of gross fixed capital formation): foreign direct investment is defined as a company from one country making a physical investment in another country. The direct investment in buildings, machinery and equipment is in contrast with making a portfolio investment, which is considered an indirect investment.⁶

Business Climate Indicators

Ease of Doing Business Index (numeric score): economies are ranked on their ease of doing business on a scale from 1 to 181, with first place being the best in the World Bank's Doing Business Indicators. A high ranking on the Ease of Doing Business Index means that the regulatory environment within a country is conducive to the operation of business. This index averages a country's percentile rankings on 10 topics: starting a business, dealing with

construction permits, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business. A lower value indicates better ranking.⁷

Access to Credit Rankings (numeric score): economies are ranked on a scale from 1 to 181, based on the World Bank's criteria for ease of getting credit. This ranking is one of the ten topics that comprise the Ease of Doing Business Index listed above. A lower score indicates a better ranking.⁸

Exports of goods and services (as % of GDP): trade of goods and services occurring outside the boundaries of the country in question as a percent of gross domestic product.⁹

Education Indicators

Adult literacy rate (15 years of age and older) (%): a person is defined as literate if he/she can, with understanding, both read and write a short, simple statement related to their everyday life.¹⁰

School Life Expectancy, Primary to Tertiary Education, (average of females and males, in years): number of years a person of a given age is expected to spend within the specified educational levels, including years spent on repetition. The indicators on primary to tertiary education refer to children aged 4 years and up. This indicator shows the overall level of development of an educational system in terms of the number of years of education that a child is expected to complete.¹¹

Public expenditure on education (as % of GDP): public expenditure on education as a percentage of overall GDP.¹²

Infrastructure & Technology Indicators

Internet Users (per 100 people): number of Internet users for every 100 people in the population. This indicator is an indirect measure for the number of people with access to the internet.¹³

3 World Bank Online Database, 2007.

4 World Bank. PovcalNet, n.d.

5 The World Bank. World Development Indicators, 2007.

6 UNCTAD, n.d.

7 World Bank. Doing Business, 2009.

8 World Bank. Doing Business, 2009.

9 UNDP, 2009.

10 UNESCO, 2009.

11 UNStats, n.d.

12 World Bank Online Database, 2007.

13 World Bank Online Database, 2007.

Electricity (% population with access): percent of the total population with access to electricity.¹⁴

Roads, Paved (as % of total networks): roads that have been sealed with asphalt or similar road-building materials as a percent of the total road network.¹⁵

Mobile Phone Subscribers (per 100 people): number of subscriptions to mobile phones for every 100 people in the population.¹⁶

Health Indicators

Health-Adjusted Life Expectancy (HALE) (years): a composite summary measure of population health status that summarizes the expected number of years to be lived in what is termed as the equivalent of “full health”. In contrast to conventional life expectancy measures, which weights equally all years lived, HALE years are weighted by health status.¹⁷

Infant Mortality Rate (as % per 1,000 live births): infant mortality rate is the probability of a child born in a specific year or period dying before reaching the age of one, if subject to age-specific mortality rates of that period. A lower number indicates a better ranking.¹⁸

Total expenditure on health (as % of GDP): the sum of outlays for health maintenance, restoration, or enhancement paid for in cash or supplied in kind by government entities, para-statal organizations, or social security agencies. This variable provides a measure of the public expenditure on health as a percentage of overall GDP.¹⁹

Gender Indicator

Gender-Related Development Index (numeric score): a composite index that measures the inequalities between men and women in the same dimensions as the Human Development Index (HDI)—life expectancy, education and estimated earned income. Higher values indicate a better ranking.²⁰

Governance Indicators

Corruption Perception Index (numeric score): a composite index that measures perceived levels of public sector corruption in a given country drawing on different expert testimonials and business surveys. The 2008 CPI ranks 180 countries. Higher values indicate a better CPI ranking.²¹

Government Effectiveness (numeric score): measures the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies. Higher values indicate a better governance ranking.²²

Regulatory Quality (numeric score): measures the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. Higher values indicate a better governance ranking.²³

Political Stability (numeric score): measures the perception of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including domestic violence and terrorism. Higher values indicate a better governance ranking.²⁴

Civil Society Indicator

Voice and Accountability (numeric score): measures the extent to which a country’s citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media. Higher values indicate a better governance ranking.²⁵

14 World Resources Institute, n.d.

15 World Bank Online Database, 2007.

16 World Bank Online Database, 2007.

17 WHO, 2007.

18 WHOSIS, 2007.

19 World Bank Online Database, 2007.

20 UNDP, 2009.

21 Transparency International, 2008.

22 World Bank, Governance Matters, 2009.

23 World Bank, Governance Matters, 2009.

24 World Bank, Governance Matters, 2009.

25 World Bank, Governance Matters, 2009.

MATRIX RESULTS BASED ON ORGANIZATIONAL PRIORITIES

The indicators in the Matrix Tool were evaluated according to Ikatu’s organizational priorities. Using the weighting feature in the Matrix Tool, two different scenarios were developed and their results compared. The first one prioritized categories and indicators related to the potential for private sector growth, and the second prioritized social indicators assessing the readiness of the workforce.

Ikatu created a country cluster analysis which visually represents each country’s relative position in relation to the rest of the countries on the Private Sector Growth and Workforce Readiness scenarios. As can be seen in Figure One, Botswana, Ghana, Namibia and South Africa clearly emerge as the top-ranked countries, separated by a high margin to the second best performing cluster of Gabon, Lesotho and Kenya. For consistency, the following analysis will focus on the top four-ranked countries for each category.

Scenario #1: Private Sector Growth Opportunities

In the Private Sector Growth scenario, Ikatu prioritized the categories and indicators that it decided had the greatest impact on private sector growth and job creation. The primary categories were given a greater weight and are shaded in yellow in Table One. The top-ranked indicators within each category were weighted heavier than the rest and are bolded in the table. Category and indicator weights depicted in Table One were applied in order to incorporate Ikatu’s priority rankings into this scenario.

Figure One Cluster Map of Country Performance for Private Sector Growth and Workforce Readiness

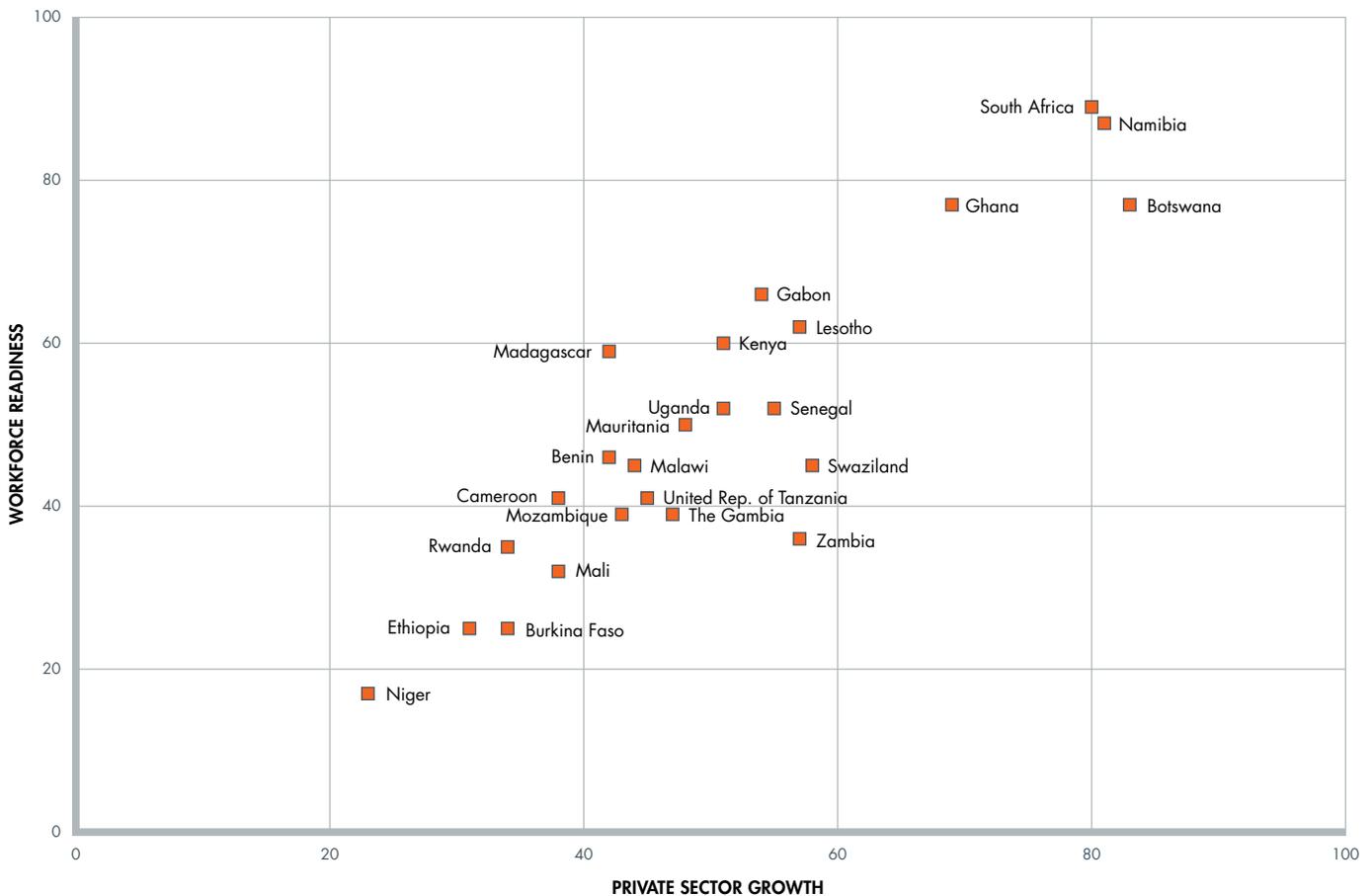


Table One **Private Sector Growth Priorities**

| CATEGORY | INDICATOR RANK | INDICATOR WEIGHT | CATEGORY WEIGHT |
|--|----------------|------------------|-----------------|
| ECONOMY | | | 20% |
| GNI | 2 | 30% | |
| Population Living Below Poverty Line | 4 | 10% | |
| Growth of Industry | 1 | 40% | |
| Foreign Direct Investment | 3 | 20% | |
| BUSINESS CLIMATE | | | 20% |
| Ease of Doing Business | 1 | 43% | |
| Access to Credit | 1 | 43% | |
| Exports of goods and services | 3 | 14% | |
| INFRASTRUCTURE & TECHNOLOGY | | | 20% |
| Internet Users | 3 | 14% | |
| Electricity | 2 | 29% | |
| Paved Roads | 1 | 43% | |
| Mobile Phone Subscribers | 3 | 14% | |
| GOVERNANCE | | | 20% |
| Corruption Perception Index | 1 | 34% | |
| Government Effectiveness | 3 | 11% | |
| Regulatory Quality | 2 | 22% | |
| Political Stability | 1 | 33% | |
| EDUCATION | | | 5% |
| Adult Literacy | 2 | 25% | |
| School Life Expectancy | 1 | 50% | |
| Public Expenditure on Education | 2 | 25% | |
| HEALTH | | | 5% |
| Health Adjusted Life Expectancy | 1 | 50% | |
| Infant Mortality | 2 | 33% | |
| Total Expenditure on health | 3 | 17% | |
| GENDER | | | 5% |
| Gender-Related Development Index | 1 | 100% | |
| CIVIL SOCIETY | | | 5% |
| Voice and Accountability | 1 | 100% | |

Based on the weighting system presented in Table One, the countries that received the highest composite scores for Private Sector Growth are:

| COMPOSITE RESULTS | |
|-------------------|------------------|
| Country | Percentile Score |
| Botswana | 83% |
| Namibia | 81% |
| South Africa | 80% |
| Ghana | 69% |

In addition to calculating an overall country composite score for Private Sector Growth, the Matrix Tool also provided percentile scores at the category level. The results by category, based on Ikatu's indicator rankings from Table One, are examined below.

ECONOMY

The top four African countries in terms of macroeconomic indicators were selected based on rankings on four different indicators: GNI per capita PPP, percent of the population living below the poverty line, growth of output in the industrial, manufacturing and service industries, and foreign direct investment (FDI). Namibia was ranked first since it scored between the 83rd and the 87th percentiles in three out of the four indicators. Zambia scored second due to its very strong performance in growth of output and FDI, which compensated for its modest performance on the other two indicators. The Gambia took third place. Even though it ranked first on FDI, it had poor performance on growth of output and GNI per capita. Botswana has the second highest per capita GNI score, but it ranked fourth due to its median scores in growth of output and FDI.

| ECONOMY RESULTS | |
|-----------------|------------------|
| Country | Percentile Score |
| Namibia | 82% |
| Zambia | 67% |
| Gambia | 66% |
| Botswana | 65% |

BUSINESS CLIMATE

The Business Climate indicators examined were: ease of doing business, access to credit, and export of goods and services. South Africa was the top performer on both ease of doing business and access to credit. Due to the heavy weighting on the first two indicators and despite its median performance on exports, South Africa took first place. Botswana had consistently high ranking across all three indicators and took second place. Namibia had a stronger performance on ease of doing business and access to credit than on exports. Kenya was ranked second on access to credit, but that did not compensate for its lower scores on exports, and it took fourth place.

| BUSINESS CLIMATE RESULTS | |
|--------------------------|------------------|
| Country | Percentile Score |
| South Africa | 94% |
| Botswana | 90% |
| Namibia | 88% |
| Kenya | 85% |

EDUCATION

The Education category reviewed indicators for adult literacy rates, school life expectancy, and public expenditure on education. Consistent percentile rankings between the 87th and the 96th percentiles gave Botswana first place. South Africa was the top performer on school life expectancy and second on adult literacy, but had a score in the 65th percentile on expenditure on education bringing it to second place. Namibia trailed slightly behind. Lesotho was the leader on public expenditure on education, but also had scores in the lower 80s for the other two indicators and came out fourth.

| EDUCATION RESULTS | |
|-------------------|------------------|
| Country | Percentile Score |
| Botswana | 91% |
| South Africa | 90% |
| Namibia | 89% |
| Lesotho | 85% |

INFRASTRUCTURE & TECHNOLOGY

Infrastructure & Technology was measured by looking at access to the internet, electricity, and mobile phones, as well as percentage of paved roads out of the total road network. Botswana had scores in the 96th and 91st

percentiles for roads and mobile phone subscribers respectively, which secured its first place. South Africa ranked first for three out of the four indicators, but ranked in the 65th percentile for percentage of paved roads giving it second place. Senegal showed a strong performance on the number of internet users while coming in third place. As a comparison, Swaziland had a stronger performance on the percentage of paved roads.

| INFRASTRUCTURE & TECHNOLOGY RESULTS | |
|-------------------------------------|------------------|
| Country | Percentile Score |
| Botswana | 88% |
| South Africa | 85% |
| Senegal | 79% |
| Swaziland | 77% |

HEALTH

The Health category ranked country-level data on the following indicators: health-adjusted life years (HALEs), infant mortality, and total government expenditure on health. To receive the top rank, Ghana scored between the 87th and the 91st percentiles on all indicators. Gabon had the top rank on HALE, but also a very low rank on public expenditure on health, which warranted its second place. South Africa performed in the 90s on infant mortality and health expenditure, but had a relatively low score on HALE, potentially due to its HIV/AIDS epidemic, and came out third. Similar was the case of Namibia, with high performance on the other two indicators and a score in the 61st percentile for HALE.

| HEALTH RESULTS | |
|----------------|------------------|
| Country | Percentile Score |
| Ghana | 89% |
| Gabon | 83% |
| South Africa | 80% |
| Namibia | 78% |

GENDER

The Gender category used a composite index, the Gender-related Development Index (based on the HDI) to assess country rankings. This category does not present a composite category index since it was composed of only one indicator. Thus the rankings presented below correspond to the indicator percentile scores of the top five countries on the GDI.

| GENDER RESULTS | |
|----------------|------------------|
| Country | Percentile Score |
| Gabon | 100% |
| South Africa | 96% |
| Namibia | 91% |
| Botswana | 87% |

GOVERNANCE

The Governance category was measured by the following indicators: the Corruption Perception Index, government effectiveness, regulatory quality, and political stability. Botswana was by far the leader in this group, scoring as the top performer in three out of the four categories. Namibia had a strong performance between the 91st and the 96th percentiles across all indicators, thus taking second place. Ghana held a strong position in the 80s across all indicators, coming up third. South Africa performed in the upper 90s on three out of the four indicators, but had a score in the 61st percentile on political stability, which brought it to fourth place.

| GOVERNANCE RESULTS | |
|--------------------|------------------|
| Country | Percentile Score |
| Botswana | 100% |
| Namibia | 93% |
| Ghana | 85% |
| South Africa | 84% |

CIVIL SOCIETY

The Civil Society category measured the level of voice and accountability in a country. Just like the Gender category, Civil Society is composed of only one indicator, so the scores presented below are the percentile rankings of the countries based on the voice and accountability indicator.

| CIVIL SOCIETY RESULTS | |
|-----------------------|------------------|
| Country | Percentile Score |
| South Africa | 100% |
| Namibia | 96% |
| Ghana | 91% |
| Botswana | 87% |

Table Two: **Workforce Readiness Priorities**

| CATEGORY | INDICATOR RANK | INDICATOR WEIGHT | CATEGORY WEIGHT |
|---|----------------|------------------|-----------------|
| ECONOMY | | | 5% |
| GNI | 3 | 20% | |
| <i>Population Living Below Poverty Line</i> | 1 | 40% | |
| Growth of Industry | 2 | 30% | |
| Foreign Direct Investment | 4 | 10% | |
| BUSINESS CLIMATE | | | 5% |
| <i>Ease of Doing Business</i> | 1 | 43% | |
| <i>Access to Credit</i> | 1 | 43% | |
| Exports of goods and services | 3 | 14% | |
| INFRASTRUCTURE & TECHNOLOGY | | | 5% |
| Internet Users | 3 | 14% | |
| <i>Electricity</i> | 1 | 43% | |
| Paved Roads | 2 | 29% | |
| Mobile Phone Subscribers | 3 | 14% | |
| GOVERNANCE | | | 5% |
| Corruption Perception Index | 2 | 22% | |
| <i>Government Effectiveness</i> | 1 | 34% | |
| Regulatory Quality | 3 | 11% | |
| <i>Political Stability</i> | 1 | 33% | |
| EDUCATION | | | 20% |
| Adult Literacy | 3 | 17% | |
| <i>School Life Expectancy</i> | 1 | 50% | |
| Public Expenditure on Education | 2 | 33% | |
| HEALTH | | | 20% |
| <i>Health Adjusted Life Expectancy</i> | 1 | 43% | |
| <i>Infant Mortality</i> | 1 | 43% | |
| Total Expenditure on health | 3 | 14% | |
| GENDER | | | 20% |
| Gender-Related Development Index | NA | 100% | |
| CIVIL SOCIETY | | | 20% |
| Voice and Accountability | NA | 100% | |



In the first scenario, Ikatu prioritized the categories and indicators that it decided had the greatest impact on private sector growth and job creation...

SCENARIO #2: Social Indicators for Workforce Readiness

In the second scenario, Ikatu prioritized the social indicators that it decided had the greatest impact on the readiness of the workforce. The primary categories were given a greater weight and are shaded in yellow in Table Two. The top-ranked indicators within each category were weighted heavier than the rest and are bolded in the table. Category and indicator weights depicted in Table Two were applied in order to incorporate Ikatu’s priority rankings into this scenario.

Based on the weighting system presented in Table Two, the top four countries that received the highest composite scores for Workforce Readiness are:

| COMPOSITE RESULTS | |
|-------------------|------------------|
| Country | Percentile Score |
| South Africa | 89% |
| Namibia | 87% |
| Ghana | 77% |
| Botswana | 77% |

In addition to calculating an overall country composite score for the social development scenario, the Matrix also provided percentile scores at the category level. The category results, based on Ikatu’s social development priorities presented in Table Two, are examined below.

THE ECONOMY

The percentage of the population living below the poverty line was the indicator that received the highest indicator weight under the workforce scenario. Namibia kept its lead from the Private Sector scenario. Even though its poverty score was in the 52nd percentile, the rest of its indicators were ranked in the high 80s. Botswana, with its strong GNI and poverty indicators, came out second. Cameroon, despite its economic indicators being between the 65th and the 78th percentiles, made it into the top four due to its strong performance on the poverty indicator. The Gambia made it into the top four due to its top ranking on FDI and its relatively good performance on the poverty indicator. Gabon, the top performer on the poverty indicator (with 4.84 percent of its population living below the poverty line), did not even make it to the top four because it is the worst performer on growth of output.

| ECONOMY RESULTS | |
|-----------------|------------------|
| Country | Percentile Score |
| Namibia | 72% |
| Botswana | 71% |
| Cameroon | 69% |
| Gambia | 66% |

BUSINESS CLIMATE

For the Workforce Readiness scenario, the Business Climate indicators were ranked the same way as in the Private Sector scenario and the results are the same. South Africa was the top performer on both ease of doing business and access to credit. Due to the heavy weighting on the first two indicators and despite its median performance on exports, South Africa took first place. Botswana had a consistently high ranking across all three indicators and took second place. Namibia had a stronger performance on ease of doing business and access to credit than on exports. Kenya was ranked second on access to credit, but that did not compensate for its lower scores on exports, and it took fourth place.

BUSINESS CLIMATE RESULTS

| Country | Percentile Score |
|--------------|------------------|
| South Africa | 94% |
| Botswana | 90% |
| Namibia | 88% |
| Kenya | 85% |

EDUCATION

In the Education category, school life expectancy was ranked the highest in this scenario. Both Botswana and Namibia had consistently high scores between the 87th and the 96th percentiles across all three indicators, which secured them their top rankings. Even though South Africa was the top performer on school life expectancy, its 65th percentile score on public expenditure on education determined its third place. Lesotho, on the other hand, had the highest rank on the education expenditure indicator, but lagged in the other indicators.

EDUCATION RESULTS

| Country | Percentile Score |
|--------------|------------------|
| Botswana | 92% |
| Namibia | 88% |
| South Africa | 88% |
| Lesotho | 86% |

INFRASTRUCTURE & TECHNOLOGY SECTORS

The key Infrastructure & Technology indicator in this scenario was access to electricity. The same top three countries ended up in the list of top four, with Mauritania as a new addition in fourth place. Botswana had scores in the 96th and 91st percentiles for roads and mobile phone subscribers respectively, which secured it first place. South Africa ranked first for three out of the four indicators, but ranked in the 65th percentile for percentage of paved roads giving it second place. Senegal showed a strong performance on the number of internet users indicator which secured its third place. Mauritania made to fourth place due to its strong performance on paved roads and access to electricity.

INFRASTRUCTURE & TECHNOLOGY RESULTS

| Country | Percentile Score |
|--------------|------------------|
| South Africa | 90% |
| Botswana | 85% |
| Senegal | 77% |
| Mauritania | 76% |

HEALTH

For the Health category, the results for the two scenarios did not differ in composition or order. This is due to the relatively small difference in the distribution of weights between the two scenarios. To receive the top rank, Ghana scored between the 87th and the 91st percentiles on all indicators. Gabon had the top rank on HALE, but also a very low rank on public expenditure on health, which warranted its second place. South Africa performed in the 90s on infant mortality and health expenditure, but had a relatively low score on HALE, potentially due to its HIV/AIDS epidemic, and came out third. Similar was the case of Namibia, with high performance on the other two indicators and a score in the 61st percentile for HALE.

HEALTH RESULTS

| Country | Percentile Score |
|--------------|------------------|
| Ghana | 89% |
| Gabon | 84% |
| South Africa | 82% |
| Namibia | 81% |

GENDER

The results for this category are the same for the two scenarios since no weights were applied. This category does not present a composite category index since it was composed of only one indicator. Thus the rankings presented below correspond to the indicator percentile scores of the top five countries on the GDI. .

| GENDER RESULTS | |
|----------------|------------------|
| Country | Percentile Score |
| Gabon | 100% |
| South Africa | 96% |
| Namibia | 91% |
| Botswana | 87% |

GOVERNANCE

For the Governance category, results for the two scenarios are almost identical even though different weights were applied to different indicators. Botswana was by far the leader in this group, scoring as the top performer in three out of the four categories. Namibia had a strong performance between the 91st and the 96th percentiles across all indicators, thus taking second place. Ghana held a strong position in the 80s across all indicators, coming up third. South Africa performed in the upper 90s on three out of the four indicators, but had a score in the 61st percentile on political stability, which brought it to fourth place.

| GOVERNANCE RESULTS | |
|--------------------|------------------|
| Country | Percentile Score |
| Botswana | 99% |
| Namibia | 93% |
| Ghana | 85% |
| South Africa | 85% |

CIVIL SOCIETY

The results for this category are the same for the two scenarios since no weights were applied. Just like the Gender category, Civil Society is composed of only one indicator, so the scores presented below are the percentile rankings of the countries based on the voice and accountability indicator.

| CIVIL SOCIETY RESULTS | |
|-----------------------|------------------|
| Country | Percentile Score |
| South Africa | 100% |
| Namibia | 96% |
| Ghana | 91% |
| Botswana | 87% |

In the Workforce Readiness scenario, Ikatu prioritized the categories and indicators that it decided had the greatest impact on the capacity and readiness of the labor force...

As a result of assessing the overall composite scores and country ranking for the Private Sector Growth and Workforce Readiness scenarios, Ikatu has decided to select the following three countries for further in-depth analysis: **Namibia**, **Botswana**, and **Ghana**. Even though South Africa emerged as the top-ranked country in Workforce Readiness scenario and took third place in the Private Sector Growth scenario, it was eliminated for further consideration due to the strength of its existing national youth employment programs and its legacy of apartheid.

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APPENDIX: Matrix Tool Methodology

PERCENTILE SCORING SYSTEM

A percentile scoring system was applied to each indicator to allow for a tiered ranking of countries. For example, the country with the highest GNI per capita value received a percentile score of a 100, the second best GNI per capita value received a 96, the next one 91 and so on all the way to 0 for the country with the lowest GNI per capita value.

These scores were then averaged within each category to create composite category percentile scores and then averaged across all categories to create an overall score for each country. Both at the category and at the composite level, the higher the percentile score, the better the country's rank against Ikatu's priorities. The highest percentile score in the Matrix corresponds to a country rank of one, which indicates the best fit between Ikatu's priorities and a country's characteristics.

INDICATOR WEIGHTS WITHIN CATEGORIES

Once a percentile score was calculated for each country and indicator, Ikatu used an arithmetic weighted average system to assign a level of relative importance to the different indicators comprising the composite categories. The weighting methodology is only applied to categories with more than one indicator, excluding the Gender and Civil Society categories.

To create the indicator weights, Ikatu ranked the relative importance of each indicator within a category based on the two scenarios. For example, if a category had 3 indicators, the top-ranked indicator received 3 points, the second-ranked indicator received 2 points and the bottom-ranked indicator received 1 point. The weights were calculated as the percentage of the individual indicator points over the total points assigned to the category. In this example, the total number of points was 6 (3+2+1), so the top-ranked indicator received a weight of 50 percent (3/6), the second-ranked indicator received a weight of 33 percent (2/6) and the bottom-ranked indicator received a weight of 17 percent (1/6). Finally, to arrive at the composite category percentile score, a weighted average was taken of the three indicators by applying the assigned weights. A similar ranking and weighting exercise was performed for all categories for the Private Sector Growth and Workforce Readiness scenarios.

CATEGORY WEIGHTS

To calculate the overall country percentile score, a category weighting system was applied to the categories themselves. First, Ikatu identified the categories that best

describe each scenario and assigned weights to capture the categories' relative importance. There were four categories of primary importance and four categories of secondary importance in each scenario. The primary importance categories were assigned a weight of 20 percent and the secondary importance categories were assigned a weight of 5 percent. The table below presents the primary and secondary categories for the Private Sector Growth and Workforce Readiness scenarios. The primary categories are highlighted.

| PRIVATE SECTOR GROWTH SCENARIO* | READINESS OF THE WORKFORCE SCENARIO* |
|--|--------------------------------------|
| Economy | Economy |
| Business Climate | Business Climate |
| Infrastructure & Technology | Infrastructure & Technology |
| Governance | Governance |
| Education | Education |
| Health | Health |
| Gender | Gender |
| Civil Society | Civil Society |

**Indicators in Bold are prioritized for the respective scenario*

The country composite scores presented in the Results section were calculated by utilizing both the indicator and category weights.

SENSITIVITY ANALYSIS

A sensitivity analysis tested the validity of the selected category and indicator weights. Ikatu applied several different scenarios ranging from no weights to various degrees of category and indicator weights. For the indicator weights, the results showed that regardless of the magnitude of the weights, the top four countries in the country rankings remained the same in both composition and order. Still, there were shifts in country rankings in the mid-range of the distribution. This revealed that the indicator weights alone were a weaker tool to reward countries for their top performance on specific indicators of interest. By introducing the category weights, Ikatu rewarded the countries that had outstanding performance on some categories but not on others. Assigning 20 percent weights to the primary categories within a scenario compared to 5 percent for the secondary categories, enabled Ikatu to make country selection decisions based on its organizational priorities.