Message from the Executive Director

In recent past issues of this Newsletter, we have highlighted Africa’s progress in economic growth and its favorable development prospects. That notwithstanding, the magnitude of poverty remains a critical issue of concern. The evolving consensus on the pathways to address this concern calls for not only a growing economy, but also a transforming one as many development researchers including the African Center for Economic Transformation (ACET) assert. They argue that in addition to growth, the transformation process involves robust economic diversification, enhanced export competitiveness, increased productivity, advancement in technology and the acceleration of human well-being and capacity. From this perspective much more needs to be done in virtually every sector of the African economy. This is particularly true if the overarching goals of reducing extreme poverty and boosting shared prosperity are to be achieved.

In this context, an area of development, which has been outstanding, but is currently receiving increasing attention, is infrastructure. The World Bank Group’s (WBG) engagement in this area places emphasis on transformational infrastructure that includes cross sectoral issues and broader developmental challenges. Energy falls within this and has the potential to impact on virtually every sector and address many of the inherent challenges to the transformation process mentioned above.

Under suitable conditions, energy can play a major role in the transformation of the economy supportive of quality economic growth, poverty reduction and sustainable development. Such conditions include reliable supply, universal access and affordability. Unfortunately and paradoxically, despite its vast natural endowment in energy resources, Sub-Saharan Africa (SSA) has continued to lag behind other regions in meeting these conditions. More importantly, the underdeveloped state of the energy sector constitutes a major impediment to accelerated and sustainable social and economic progress.

Given African Countries’ current priority and commitment to addressing this situation, it is commendable that the Bank has rekindled its interest and intentions to support development of the energy sector in Sub-Saharan Africa. I am hopeful that this would be done at an accelerated pace and substantial scale to stimulate a transformational impact on the socio-economy. In this context, I believe it is critically important that emphasis is placed on ensuring that the conditions of reliable supply, universal access and affordability are met.

In view of its role and renewed emphasis on energy, as a critical driver of economic growth and transformation, the featured article in this edition of the Newsletter provides a brief perspective on the opportunities for and constraints in addressing energy shortfalls in Sub-Saharan Africa. This edition also includes newsworthy items relevant to our Constituency. As usual a snapshot of projects approved by WBG Executive Board is included in the Newsletter.
FEATURE STORY:
Addressing Critical Energy Needs in Africa: The Imperative for Reliable Supply, Universal Access and Affordability

I. Introduction
Achieving the World Bank Group’s (WBG) goals to end extreme poverty and boost shared prosperity requires, among other things, substantive support from national and international stakeholders for transformational initiatives that impact on the multifaceted dimensions of poverty reduction and inequality. One of such initiatives is the development of means to ensure the adequate supply of and accessibility to reliable and affordable energy. ¹ This is critically important as many countries in Africa are facing serious energy shortages, which is a major impediment to accelerated and sustainable development.

There is therefore an urgent need to address the challenges so as to meet the demand for energy. Doing so efficiently, effectively and sustainably would facilitate the production and distribution of goods and services in virtually all social and economic sectors. Meeting the energy demand also has the potential to accelerate and sustain high economic growth, enhance productivity, increase investment, generate employment opportunities and raise income levels. Realizing this potential would, in turn, have positive impacts on multiple attributes of human development.

This featured article provides a perspective on the opportunities for addressing the energy shortages in Sub-Saharan Africa (SSA) as well as constraints to exploiting these opportunities. It also discusses the possible role of the WBG in helping to meet inherent challenges in the process. The article is organized in five sections. Following this introduction, section two provides an overview of the current general state of electricity in Sub-Saharan Africa. Section three discusses the transformative potential of electricity in poverty reduction and development. Section four reviews the prevailing opportunities and the constraints to addressing the energy needs of Africa. Section five concludes with a perspective on the role of the WBG.

II. The State of the Energy Situation in Sub-Saharan Africa
Africa in general and SSA in particular faces endemic energy shortages despite being endowed with substantial resources, which with the application of the right technology could generate abundant supply of energy. Several studies on the energy situation in SSA attest to the lack of adequate supply of energy. ² These studies indicate that power blackouts are a regular occurrence with consequential adverse impact on commercial, industrial and household activities. Ultimately, this situation negatively affects the health, educational and other living conditions of the people as well as development in general.

According to these studies, the energy situation is due to, among other factors, the underdeveloped state of the region’s energy resources, inadequate regulations, other restrictions and low investment in the energy sector, which invariably leads to insufficient generating capacity, poor maintenance, unreliable supply and the lack of adequate access to the electricity grid. The situation is also due to little or no development of modern off-grid sources of electricity and an over-reliance on firewood and other forms of biomass that adversely affect the environment and people’s health.

These studies further indicate that many countries in the region are vulnerable to high oil prices, which increases the cost of electricity far beyond most people’s ability to pay even with subsidies from government. Due to these and other factors, the rate of electrification is virtually declining in SSA since supply usually does not meet increasing demand. Moreover, the studies found that the situation is worse in the rural areas and exacerbated nationally by fragile and conflict situations in some countries. Comparatively, the studies found that the rate of urban and rural electrification in Africa is the lowest in the world and the proportion of people with no access to electricity is higher than in any other continent. ³

III. The Transformative Potential of Electricity
With the vibrant relationship between electricity and accelerated economic growth and development, the dire state of electricity discussed above is adverse to meaningful transformation of the African economy. This relationship is manifested through electricity’s role in facilitating advances in technology, which in turn stimulates the economy through productivity gains that lead to increases in outputs of goods and services. These goods and services, including the potential of the internet, can be beneficial to virtually all social and economic sectors as well as people’s well-being.

The transformative potential of electricity in the context of the Millennium Development Goals (MDGs) is provided in the following box.

As shown in the box, electricity impacts positively on the MDGs from the eradication of extreme poverty to providing better health and education services and ensuring environmental sustainability. The achievement of these MDGs may be considered part of the transformative process. This process would help enable people to take advantage of opportunities for employment and other sources of income generation as well as to live long, healthy and productive lives. All of these attributes could have multiplier effects on other aspects of development.

¹ Energy and electricity are used in this paper interchangeably.
Box—The Energy Sector and MDGs

<table>
<thead>
<tr>
<th>MDG</th>
<th>Potential Impact</th>
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<tbody>
<tr>
<td>Eradicate extreme poverty and hunger</td>
<td>Increased modern energy is essential to generate jobs, industrial activities, transportation, and modernised agriculture in Africa. Most African staple foods need processing, conserved and cooked, and these require modern energy for reasonable quality of life.</td>
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<tr>
<td>Achieve universal primary education</td>
<td>Good educational facilities need electricity for teaching aids and for homes of students and teachers. Many children, especially girls, do not attend school in order to satisfy family subsistence needs.</td>
</tr>
<tr>
<td>Promote gender equality and empower women</td>
<td>Lack of access to modern fuels and electricity affects women and so lead to gender inequality. Household activities mostly done by women could be made easier with modern energy and save time. Time saved could be used for more productive activities.</td>
</tr>
<tr>
<td>Reduce child mortality</td>
<td>Diseases caused by poor quality water, and respiratory illness caused by the effects of indoor air pollution from traditional fuels and stoves, directly contribute to infant and child mortality.</td>
</tr>
<tr>
<td>Improved maternal health</td>
<td>Women are disproportionately affected by indoor air pollution and water- and food-borne illnesses. Lack of electricity in health clinics, poor illumination in night deliveries, and daily household chores all contribute to poor maternal health, especially in rural areas.</td>
</tr>
<tr>
<td>Combat HIV/AIDS, malaria and other diseases</td>
<td>Electricity for communication (radio and television) is needed to spread important public health information to combat deadly diseases. Also, electricity is needed for illumination, refrigeration, sterilization, etc for effective health services.</td>
</tr>
<tr>
<td>Ensure environmental sustainability</td>
<td>Energy production, distribution and consumption in Africa has many adverse effects on the local, regional and global environment including indoor, and air pollution, and land degradation. Cleaner energy systems are needed to address environmental sustainability.</td>
</tr>
<tr>
<td>Develop a global partnership for development</td>
<td>The World Summit for Sustainable Development called for partnerships between public entities, development agencies, civil society and the private sector to support sustainable development, including the delivery of affordable, reliable and environmentally sustainable energy services.</td>
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</table>

Source: FEMA, Energy and the Millennium Development Goals in Africa, 2005

From the MDGs perspective as well as through electricity-driven industrial and commercial activities’ lens, electricity has a significant potential to transform the economy and thereby contribute to the WBG’s goal of poverty reduction and shared prosperity.

IV. Opportunities, Constraints and Challenges

As mentioned earlier, Africa’s current economic performance, in general, is encouraging. World Bank data indicates that six of the world’s 10 fastest growing economies are in Africa. The economic growth momentum, while still overly influenced by the boom in primary commodities prices, is now increasingly being driven by dedicated political leadership, better policies, improved governance and strengthened capacity, amongst other things. Another positive point, already intimated, is that Africa is richly endowed with energy generating resources, including fossil fuels, hydro, solar and geothermal, that can be harnessed to produce an abundant supply of electricity. There is also an increasingly evolving consensus among African Heads of States and governments and other authorities on the need for and their commitment to the development of regional infrastructure among which electricity features prominently. To realize the transformative potential of electricity, concerted efforts should be made to take advantage of these and other opportunities as well as meet the challenges to overcome the inherent constraints in the process.

Briefly stated, a major challenge is the lack of adequate investment and technical capacity required to generate electricity from the energy resource endowments. According to the Africa Infrastructure Country Diagnostic (AICD) recent study, it would require about US$20.9 billion per year in addition to the current investment, estimated at US$700 million per year from the public sector through Official Development Assistance (ODA) and about US$300 million from the private sector to meet Africa’s electricity needs. Other major challenges are inefficiencies in transmission and distribution of electricity in the current system and limited management and regulatory capacity as well as restrictive environment that limit meaningful private sector involvement. The overall situation therefore requires meeting the substantial cost implications, creating conducive operating environment and ensuring massive efficiency gains to unleash the energy sector transformative potential in Africa.

Due to limited fiscal space and related factors, most countries are faced with significant financing constraints. In some countries, the financing constraints are exacerbated by the lack of suitable conditions to competitively attract direct foreign investment or initiate public-private sector participation. Another constraint is the undue delays in the development and implementation of energy projects.

4 Eberhard, Anton, et al. (AICD) op cit.

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Some development practitioners report that energy projects in Africa, on average, take 5–10 years from inception to completion compared to 18–24 months in other parts of the world. The longer timeframe, it is argued, leads to increased expenses and unnecessary and unforeseen setbacks.

It is important to note that resource endowments and other conditions referred to above vary among countries and consequently should be considered in efforts to meet the challenges and address the constraints. This is important because ensuring the adequate supply of and accessibility to reliable and affordable energy in every country in the region can hardly be overemphasized.

V. The Role of the World Bank Group

The World Bank Group has a significant role to play in supporting the energy sector in Africa if its twin goals of ending extreme poverty and boosting shared prosperity are to be achieved. Over the years it has been engaged in helping, through partnership with bilateral and other multilateral organizations, to find solutions to the challenges African countries face. The current impressive economic performance of many African countries also provides an opportune time to intensify efforts to address these challenges.

In this context, it is encouraging that with the commitment and efforts of the African authorities, the World Bank Group established a Special Energy Task Force to help expedite the identification and implementation of energy projects. In addition, under the new leadership of President Jim Yong Kim, the World Bank Group has prepared an Energy Sector Directions Paper.5

The paper provides a principle-based path to guide the Bank’s work in the sector with a focus on increasing access to and ensuring the availability and affordability of sustainable energy to all countries. This is certainly a challenging task as opportunities in each country differ. To respond to each situation, the nature of support would necessarily be different. As stated in the paper, the World Bank Group would exert all means “to minimize the financial and environmental costs of expanding reliable energy supply” taking into consideration that “each country determines its own path for achieving its energy aspirations”.

With the Special Energy Task Force and the Energy Sector Directions Paper, there is cause to be hopeful that the Bank’s support would be instrumental to addressing the challenges of the energy sector in Africa. It can hardly be overemphasized that addressing the challenges is a priority that’s critical for the transformation of the economies in most African countries.

The World Bank Group President Jim Yong Kim and UN Secretary-General Ban Ki-moon Historic Mission to Africa’s Great Lakes Region

The World Bank Group President, Jim Yong Kim and UN Secretary-General, Ban Ki-moon, made a three-day historic joint visit to the Democratic Republic of Congo (DRC), Rwanda, and Uganda, May 22–24, 2013. The visit, which included extensive discussions with leaders of the three countries, followed the February signing of the Peace, Security and Cooperation Framework for the Democratic Republic of the Congo and the Region. This Framework was essentially an accord to end conflict in a region marred by decades of cross-border fighting.

In the DRC, the World Bank President, Jim Yong Kim, stressed the need to take united action for development and peace because they reinforce each other. He observed that a secure and developed Great Lakes Region was vital to Africa’s efforts to dramatically reduce extreme poverty and create prosperity for millions who have had little economic opportunity. He further expressed the hope that Africa’s Great Lakes Region would eventually emerge as a symbol of what is possible when countries work together to lift themselves out of conflict and succeed in boosting economic growth and shared prosperity.

In his remarks, Ban Ki-moon, the UN Secretary General, indicated that the Framework agreement was the first step to achieving peace and security to the region. He noted that it was necessary for each country’s leaders to take full advantage of the opportunity to cement stability and provide the benefits of economic progress to all of their people as a manifestation of the peace dividend.

During the mission President Kim pledged US$1 billion in additional funds to improve health, education, nutrition, job training, The “Peace, Security, and Cooperation Framework for the Democratic Republic of the Congo (DRC) and the region” was signed in February by 11 African nations to end conflict in DRC and bring peace to the Great Lakes region. The signatories are Angola, Burundi, the Central African Republic (CAR), Republic of Congo, the DRC, Rwanda, South Africa, South Sudan, Uganda, Tanzania, and Zambia.

Over the years, conflict in the DRC, which also has spread to neighboring nations, destabilized Africa’s Great Lakes region. The instability destroyed infrastructure, limiting access to electricity, and damaging trade corridors; limited governments’ ability to deliver basic services to their citizens; weakened health and education systems; and led to high unemployment and low economic growth rates.
Country Policy and Institutional Assessment: Africa Group 1 Constituency Performance and Implications

The Country Policy and Institutional Assessment (CPIA) was designed to guide IDA resource allocation and to help improve policies and institutional performance. The CPIA is also used to capture state fragility. It is a diagnostic tool that the World Bank uses to assess the quality of an IDA eligible country’s present policy and institutional framework in fostering sustainable growth and poverty reduction and the effective use of development assistance. This article highlights the 2012 CPIA report indicating the performance ratings of countries in our Constituency in comparative perspective relative to the ratings of 2011.

The Framework

The first step in determining a country’s maximum allocation within the CPIA framework is to calculate the Country Performance Rating (CPR) index. The CPR combines the ratings for the first four CPIA Clusters (A–D) listed in the box above with a measure assessing the performance of the World Bank projects in the respective country. In the second step, the CPR is combined with two country characteristic measures—“country population size” and “per capita income”. In addition, each IDA country receives a fixed minimum allocation, referred to as the base allocation, which was set at SDR1.5 million during IDA 15. Countries are rated on a scale of 1 (low) to 6 (high) based on the 16 criteria grouped into the four Clusters plus one (E) cluster as shown in the box above.

The governance cluster (cluster D) has eight and a half times the weight of each of the other clusters in the formula. This has also made transparent the weak link between the overall CPIA index and IDA resource allocation, with a country’s governance performance relative to its performance in the other clusters being more important in the allocation of resources.

The ratings are compiled annually in all countries by Bank’s country teams and then subjected to a process of internal review. The overall country CPIA rating is then used to determine the maximum share of resources available to any given IDA country. In addition to determining IDA resource allocation, the CPIA also serves other Bank purposes. For example, the CPIA results serve as an input for Country Assistance Strategy (CAS); they also serve as input in the assessment of country portfolio risk and debt sustainability.

The following table shows changes in the overall CPIA rating for countries in Africa Group 1 Constituency between 2011 and 2012. As the table shows the overall CPIA rating in Africa Group 1 Constituency countries between 2011 and 2012 have improved in five countries, shown in green, deteriorated in six, shown in red and five countries remained the same, shown in black.

Implications

As stated above, the CPIA was designed to guide IDA resource allocation and to help improve policies and institutional performance. The CPIA is also used to classify countries into being in fragile or non-fragile situations. In this regard, low income countries
with a CPIA rating of 3.2 or below are classified as fragile states. While the CPIA has been criticized, and granted there is room for improvement, the scores and rankings have been helpful in identifying areas of policy and institutional weaknesses and thus requiring reforms in one country relative to other countries within prescribed historical timelines. Implicitly, this suggests that countries should place more focus on addressing the areas of deficiencies in the management of their public sectors.

### Table: CPIA Rating for Africa Group 1 Constituency*

<table>
<thead>
<tr>
<th>Country</th>
<th>2011</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>3.8</td>
<td>3.9</td>
</tr>
<tr>
<td>Rwanda</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Uganda</td>
<td>3.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Tanzania</td>
<td>3.7</td>
<td>3.8</td>
</tr>
<tr>
<td>Mozambique</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Gambia, The</td>
<td>3.5</td>
<td>3.4</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>3.5</td>
<td>3.4</td>
</tr>
<tr>
<td>Zambia</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Lesotho</td>
<td>3.4</td>
<td>3.5</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Malawi</td>
<td>3.3</td>
<td>3.2</td>
</tr>
<tr>
<td>Burundi</td>
<td>3.1</td>
<td>3.2</td>
</tr>
<tr>
<td>Liberia</td>
<td>3.0</td>
<td>3.1</td>
</tr>
<tr>
<td>Sudan</td>
<td>2.4</td>
<td>2.3</td>
</tr>
<tr>
<td>Eritrea</td>
<td>2.2</td>
<td>2.1</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>2.2</td>
<td>2.2</td>
</tr>
</tbody>
</table>

* exclude South Sudan and Somalia due to lack of data

### Highlights of Selected Meetings

#### WBG Spring Meetings

The World Bank Group/IMF held their joint 2013 Spring Meetings 19–21 April 2013. Highlights of some of the major issues most relevant to the Constituency discussed in the deliberations are presented on the following page in the Development Committee Member Statement by Honorable Alexander B. Chikwanda, the Zambian Minister of Finance on behalf of Africa Group I Constituency and the Development Committee Communiqué.

#### African Development Bank 2013 Annual Meetings: World Bank Group Sub-Saharan African Executive Directors Meet with African Development Bank’s Acting Vice President on Infrastructure

The three Executive Directors for Sub-Saharan Africa (SSA) on the Boards of the World Bank Group (WBG), Messrs. Denny Kalyalya, Agapito Mendes-Dias and Mansur Muhtar and their teams of Advisors met with the Acting Vice President (VP) of the African Development Bank (AfDB) for Infrastructure, Private Sector and Regional Integration, Mr. Alex Rugamba, and members of his staff at the 2013 Annual Meetings of AfDB. The Meetings were held in Marrakech, Morocco 27–31 May 2013.

The three EDs meeting with Mr. Rugamba largely focused on AfDB’s establishment of an Africa Infrastructure Finance Facility to serve as a sustainable financing mechanism for infrastructure development on the continent. This was in consonance with the theme and main message of the AfDB Annual Meetings, which was that the AfDB, in partnership with other stakeholders, would strive to accelerate Africa’s structural transformation by boosting the potential of its youthful population, investing in science, technology and innovation as well as increasing the rate of regional integration, greening the economy and supporting private sector enterprise. In this context the AfDB intends to leverage the potential in areas such as infrastructure, natural resources and the management of financial resources accrued therefrom. It would also support demographic issues, the private sector, urbanization, governance/investment climate and technological innovation.

The WBG’s EDs expressed their interests in the Facility and made commitment to explore possibilities to facilitate collaboration between the World Bank Group and AfDB in supporting infrastructure development in Africa through such modalities, including a Single Project Preparation Facility.

Following the meeting with the VP, the EDs participated in other meetings on African development. In addition, Mr. Kalyalya held bilateral meetings on specific constituency-related issues with the Minister of Finance for Somalia, the Deputy Minister of Finance for Sudan and the WBG Governor for Ethiopia.

#### The 5th Tokyo International Conference on African Development (TICAD V) Meetings

Mr. Louis Rene Peter Larose, Alternate Executive Director, represented Africa Group I Constituency at the Fifth Tokyo International Conference on African Development (TICAD V) in Yokohama, Japan, June 1–3, 2013. The three-day summit was co-organized by the
1. Introduction

The global economy remains on a path of gradual recovery, with emerging and developing countries continuing to lead the way. Global economic output is estimated at 3.2 percent for 2012, while indications are that performance will be stronger in 2013 and 2014. However, sluggish growth in the Euro Zone has persisted with the fiscal crisis not fully resolved, thereby placing downside risks on the faster growing economies through depressed demand for exports.

Growth in Sub-Saharan Africa (SSA) has remained resilient against a background of sustained public spending on basic infrastructure, resilient domestic demand, and rising private consumption, all within a context of improved macroeconomic policies. However, this growth remains insufficient to hasten the decline in poverty in the sub-continent. In addition, volatility in commodity prices continues to pose a major risk to many of our commodity exporting countries. Further, with only two years to the 2015 Millennium Development Goals (MDGs) deadline, the region lags the rest of the world on most of the targets, especially in poverty reduction, maternal and child health, and the provision of basic sanitation facilities. With poverty considerably higher in the rural areas, where the majority of the region’s population resides, rural-urban migration is putting pressure on existing urban facilities resulting in congestion, emergence and swelling of high density communities. All these have implication on the public health outcomes in particular and poverty in general.

In view of the above, our message focuses on topical issues in line with the agenda of the 2013 Spring Development Committee (DC) Meeting. These include: (i) A Common Vision for the World Bank Group (WBG) and the Modernization Agenda, (ii) The Global Monitoring Report (GMR) 2013—Rural-Urban Dynamics and the MDGs, (iii) IDA 17 Replenishment and Financing for Development, and, (iv) Other Pressing Development Issues.


We welcome the common vision of the WBG, to transition from a Knowledge Bank to a Solutions Bank, that is effective and with the main objective of accelerating progress in ending extreme poverty and promoting shared prosperity in a sustainable way. We endorse these two corporate goals and support the five building blocks as a framework for the World Bank Group Strategy. However, recognizing that countries would be pursuing the goals from different bases to reach the target date for ending poverty, the Bank will have to remain sensitive to this and reflect the realities and needs of each country appropriately. We also welcome the World Bank’s Modernization Agenda, which seeks to develop and institutionalize reforms to meet lingering and evolving challenges of its overarching mission. We recognize that the Agenda serves as an inherent part of the foundation for developing a Strategy to translate the Bank’s common vision to dedicated and strategic actions that support an efficient and effective solutions Bank. In this regard, we stress the need for the Bank to keep abreast with and ensure its increasing relevance to the evolving development frontiers. This calls, among other things, for expansion of the Bank’s enhanced engagement with Africa and other low-income countries in a manner that focuses on both country and regional programs with transformational development impact. As we have stated so many times before, this must include large infrastructural projects in the energy, agriculture, transportation, ICT, water and sanitation and other related sectors, which have great potential
for substantive job creation, better living conditions and general human development. We look forward to seeing further progress in these areas.

3. The GMR 2013—Rural-Urban Dynamics and the MDGs

We note the ongoing consultations on the Post-2015 Agenda that focus on, among other issues, Education, where emphasis is on learning outcomes, as quality education is essential for research and development, and is a pre-requisite for good jobs. However, for some of our countries access to education remains critical and therefore, deserves equal attention. We also note the inclusion of Hunger and Malnutrition as critical targets in our Post-2015 Agenda. To Africa, this is an important development challenge and merits further attention at this level. We appreciate that to achieve meaningful poverty reduction and realize shared prosperity, there should be more equity in resource distribution within our regions as a target in the Post-2015 Agenda. In addition, our countries have witnessed rapid urbanization as large numbers of people have migrated from the rural sector to towns in search of jobs and better living conditions. We agree with the Bank that while this poses a new development challenge, particularly as we address urban poverty on a global scale, we would like to point to the more dire conditions in the rural sector and the need to deal with this post-2015.

Generally, as we discuss the Post-2015 Agenda, we should not lose sight of the fact that most of our countries will not meet a good number of the MDGs by 2015. These targets remain important to the continent and, in this regard, we are mindful of our responsibilities and maintain our resolve to do what is necessary to towards that end. At the same time, we would like to emphasize the criticality of the continued, enhanced support of development partners, including the Bank.

4. IDA 17 Replenishment and Financing for Development

We cannot overemphasize the importance of a strong IDA 17 replenishment. Strong IDA is critical in the Bank’s mission of reducing extreme poverty. We welcome the overarching theme on “Maximizing Development Impact” and the continued focus on the special themes—gender, climate change, fragile and conflict-affected states (FCS) and inclusive growth. We consider the regional window in IDA as a premia for transformational investments in SSA. We note with appreciation that the impact of regional programs has already become visible in the energy, ICT and the transport sectors, but a lot more needs to be done.

We would like to recognize IDA’s exceptional financial support to the FCSs. The efforts in this regard are showing positive impact on IDA’s portfolio performance and, we encourage the Bank to keep up the momentum by scaling up its support to these countries.

We note with regret that the World Bank is proposing that no IDA commitment that would be rolled over in to IDA 17. At the same time, we would like to emphasize that to achieve meaningful poverty reduction and realize shared prosperity, there should be more equity in resource distribution within our regions as a target in the Post-2015 Agenda. In addition, our countries have witnessed rapid urbanization as large numbers of people have migrated from the rural sector to towns in search of jobs and better living conditions. We agree with the Bank that while this poses a new development challenge, particularly as we address urban poverty on a global scale, we would like to point to the more dire conditions in the rural sector and the need to deal with this post-2015.

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5. Other Pressing Development Issues

We would like to bring up also some of the recurring development issues, to which we have been repeatedly calling attention of the development community. We do so because they remain relevant and pressing.

The infrastructure deficit in Africa is severe and continues to be a serious development challenge for our countries. In an effort to bridge the infrastructure gap, governments across the continent have taken the lead and have been investing in ambitious projects in energy, transport, water and ICT. This drive has been partially supported through, among other sources, domestic resource mobilization. Our countries will, therefore, continue to need support of development partners. It is in this context, as we have said before, that we welcome the WBG strategy, Transformation through Infrastructure and the new ICT strategy, ICT for Greater Development Impact. We, emphatically, call for an accelerated implementation of these strategies.

Recently, exploitation of natural resources has become an important economic activity among our countries. We are well aware that natural resource wealth has the potential to accelerate development in low-income and lower middle income countries. We therefore look forward to the initiatives for ensuring broadened benefits from natural resource wealth through IDA, and more cooperation with other development partners, to support our extractive industry development, and management of the wealth. Specifically, we urge the WBG to devise and adopt a group-wide approach to assisting our countries in promoting economically productive natural resource management.

The food insecurity in SSA, coupled with food price volatility, continues to threaten progress towards the MDGs. In this regard, we welcome the focus of the WBG Agriculture Action Plan FY2013–15, which focuses on helping countries achieve this progress. Notwithstanding this, we would like to emphasize the need for long-term solutions to deal with droughts that threaten development in the Sahel and Horn of Africa sub-regions. We call for more resources to be directed towards improving water resource
management and the development of more weather-tolerant crop varieties to increase and stabilize food production in these regions.

The Small and Medium Enterprises (SMEs) in our countries constitute the foundation for employment generation and transition to industrialization. We, therefore, reiterate our call for the WBG to enhance its coordinated, targeted support to SMEs development in our countries.

We believe that it is important that the Bank fully recognize the peculiar circumstances of the Middle-income Countries (MICs). These countries, especially the African MICs, have for many years been calling on the Bank to develop lending instruments suitable to their needs, but the MICs agenda has been slow to take off. While we welcome that the World Bank MICs agenda is currently under review, we call on the Bank to hasten the process. Moreover, we call for a coordinated approach by the Bank and the Fund, and other MDBs, in dealing with this issue.

The burden of debt arrears remains a major hindrance to the development efforts in Somalia, Sudan, and Zimbabwe. We therefore call for a timely support from development partners to relieve this heavy burden on their development efforts by enabling them benefit from the debt relief initiatives.

6. Conclusion

To conclude, Africa is clearly making progress. Due to investment in infrastructure, associated with implementation of strong macroeconomic policies by many of the countries, SSA has sustained and strengthened economic recovery, but much more needs to be done to realize significant reduction in unemployment and poverty. As such, achieving the MDGs remains a major challenge. To address the challenges, our commitment remains steadfast and the need to strengthen international cooperation towards this end can hardly be overemphasized. It is imperative that we work together more responsively, timely and effectively to achieve our common vision of ending poverty and promoting shared prosperity. This is also consistent with our call for a strong IDA 17 replenishment.
the ongoing reform initiatives and the five building blocks, the measurable goals, and the incorporation of the science of delivery and evidence-based approaches. The Strategy should help the WBG maximize its impact, be more selective, and ensure its financial sustainability.

5. We believe that we have a historic opportunity to end extreme poverty within a generation and we endorse the WBG goal set out in this regard. The global target of reducing the extreme poverty rate—the percentage of people living on less than $1.25 a day—to 3 percent by 2030, is ambitious. Achieving this goal will require strong growth across the developing world, as well as translation of growth into poverty reduction to an extent not seen before in many low income countries. It will also require overcoming institutional and governance challenges, and investing in infrastructure and in agricultural productivity. We call on the WBG to remain committed to all client countries, paying special attention to countries and regions with the highest incidence of poverty and to Fragile and Conflict-Affected Situations (FCS), as well as to the particular challenges facing small states.

6. We equally endorse the WBG goal to promote shared prosperity, which will entail fostering income growth of the bottom 40 percent of the population in every country. We recognize that sustained economic growth needs a reduction in inequality. Investments that create opportunities for all citizens and promote gender equality are an important end in their own right, as well as being integral to creating prosperity. Shared prosperity also means focusing on those who, although not currently poor, are vulnerable to falling into poverty.

7. The goals of ending extreme poverty and promoting shared prosperity must be achieved in an environmentally, socially and fiscally sustainable manner. Climate change deserves special attention in this context. We welcome the WBG’s commitment to work with the international community to improve the indicators related to environmental sustainability. The welfare of current and future generations requires securing the future of our planet, ensuring social inclusion, and limiting the economic debt inherited by future generations.

8. The International Development Association (IDA) is of critical importance to the WBG’s mission. We welcome IDA17’s overarching theme of maximizing development impact, including by further leveraging synergies with the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA), as well as its focus on inclusive growth, gender equality, FCS, and climate resilience, including disaster risk management. We call for a robust IDA17 replenishment with strong participation from all members.

9. We welcome the contribution of the private sector to growth and job creation. Private investment flows have grown as sources of development finance and are a key factor in achieving our goals. With a proper enabling environment, adequate infrastructure, and policies that promote competition, entrepreneurship and job creation, the private sector can support shared prosperity and offer real opportunities to all citizens, especially women and young adults. We strongly value the mandate of IFC and MIGA in supporting the development of a dynamic private sector and encourage the WBG to adopt a group wide approach to leverage its development impact.

10. The Third Ministerial Dialogue on Sustainable Development provided an opportunity to sharpen our focus on sustainability within the broader perspective of poverty reduction. We encourage the WBG and the International Monetary Fund (IMF) to provide support to countries that want to catalyze low-carbon growth and climate resilience in cities; scale up efforts towards climate-smart agriculture; and rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, with due regard to affordability of energy for the poor.

11. In the last two decades, the number of people living in urban settlements rose from 1.5 billion to 3.6 billion. Many live in areas exposed to disasters and climate risks, which poses an urgent and direct threat to development efforts. We welcome the Global Monitoring Report’s findings and recommendations. Urbanization must be managed effectively so slums do not overwhelm cities, exacerbate urban poverty, and derail MDG achievements. We also support disaster risk management and climate change adaptation as sound investments that should be integrated into the WBG’s work. We look forward to a progress report on the implementation of the recommendations of The Sendai Report: Managing Disaster Risks for a Resilient Future at the next Spring Meetings.

12. We are concerned by the continued deterioration of living conditions in the Sahel and the Horn of Africa, which threatens the stability and the development prospects of these regions. We call on the WBG to assist countries to escape permanent crisis cycles by deepening its commitments on infrastructure, job creation, social reintegration, agricultural production and food security. We also encourage the WBG and the IMF to remain actively involved in MENA countries, especially supporting policy reforms. We welcome the new phase of the partnership with Myanmar and urge the WBG and the IMF to offer strong support in accelerating sustainable growth and shared prosperity. We also call on the WBG to foster regional integration and, where appropriate, to support regional projects.

13. The next meeting of the Development Committee is scheduled for October 12, 2013 in Washington, DC.

The quinquennial TICAD is Japan’s primary forum to promote increased engagement in Africa and enhance Japanese-African cooperation. At the 2013 summit, Japan made a $32 billion pledged to support infrastructure and human development in Africa during the next 5 years. African countries expressed appreciation for the support Japan is currently providing towards Africa’s transformation including the new pledge. They urged Japanese investors to increase their presence in the African continent, especially in the private sector, underscoring the huge potential for mutual benefits.

The President of the World Bank Group, Dr. Jim Yong Kim, commended the TICAD process for its emphasis on ownership and partnership, for championing Asian-African cooperation, and for highlighting the centrality of human security to development. In addressing the African Heads of States and Government, he used the opportunity to make a commitment that Africa will be central to the achievement of the new twin goals of the World Bank Group to end extreme poverty by 2030 and promote shared sustainable prosperity for all people. He encouraged African leaders to be ambassadors for IDA during this 17th Replenishment year, a key instrument for the attainment of the twin goals in Africa.

**Burundi’s 2nd Vice President Visits the Office of the Executive Director**

His Excellency Honorable Gervais Rufyikiri, Second Vice-President of the Republic of Burundi visited the Office of the Executive Director (ED) for Africa Group I Constituency, Mr. Denny Kalyalya, June 5, 2013. Participants in the meeting included the representatives of some of the EDs from Italy, Germany, UK, Philippines, USA, Australia, Nigeria and China, who were part of the World Bank EDs Group Mission to Burundi in February 2013. The primary purpose of the Vice President’s visit was to pay a courtesy call on Executive Director Kalyalya and his colleagues.

In welcoming the Vice President, Mr. Kalyalya expressed appreciation for the visit and reiterated his gratitude, as host ED, on behalf of his colleagues for the kind reception and hospitality of the Burundian authorities to the EDs Group visit. He also indicated that the visit provided the opportunity for him, and other EDs to gain first-hand insight of the progress Burundi had made as a post-conflict country and the lingering poverty reduction and development challenges. In general, representatives of the other EDs indicated that they found the visit informative and useful in helping them, as members of the Executive Board, to explore ways and means on how best the World Bank Group could assist Burundi in its development endeavors.

Vice President Rufyikiri thanked the ED and his colleagues for meeting with him. He also welcomed the support from the World Bank Group and indicated his government’s commitment to strengthen its engagement with the Bank in pursuit of addressing the development challenges of Burundi and Africa in general.

**Voice Secondment Program 9th Cohort Ends**

The Ninth Cohort of the Voice Secondment Program (VSP) ran from January to June 2013. There were two secondees from our constituency. These were Mr. Kokeb Misrak Workeneh, Director, International Financial Institutions Cooperation Directorate, Ministry of Finance and Economic Development of Ethiopia, and Mr. Gerson Megameno Kadhikwa, Senior Economist, International Affairs, Bank of Namibia.

During the six-month Program, the Secondees attended professional and official events including intellectual debates, forums, and the 2013 International Monetary Fund/World Bank Spring Meetings. They also had sessions with the Office of the Executive Director, Africa Group I, which among other things, provided information on the functions of the Office and the Executive Board operations.

Mr. Workeneh was assigned to the Office of the Chief Economist for the Africa Region, where he contributed to the process of organizing and developing in-country CPIA forums and dissemination events to make the CPIA a tool of accountability in African countries. He also worked on ‘CPIA Africa: Assessing Africa’s Policies and Institutions’, an annual publication, which features regional analysis of CPIA indicators. Mr. Kadhikwa was assigned to the Poverty Reduction and Economic Management Vice Presidency (PREM3), which covers countries in West Africa. He worked on Financing Small and Medium Enterprises (SMEs) in Liberia and produced a paper titled, ‘Financing Small and Medium Enterprises (SMEs) in Liberia: Issues and Options’. He participated in the Development Policy Operations (DPO) appraisal mission to Monrovia, Liberia. He also offered an insightful presentation on the topic, “How does Namibia’s Membership in the Common Monetary Area (CMA) and the Southern African Customs Union (SACU) influence its Monetary and Fiscal Policies?” during a course on the overview of the financial sector.

At the exit meeting with the Executive Director’s Office, the Secondees expressed their appreciation for the program. They underscored its usefulness especially for understanding Bank’s operations and interlinks within the organization. They recommended that the program continues for more officials from our countries, to improve engagement with the World Bank Group.
Executive Director’s Outreach Visits to Two Constituency Countries, Malawi and Lesotho

Following his initial outreach visit to a number of countries (Mozambique, Burundi, Sudan, South Sudan and Ethiopia) in the constituency during the first quarter of this year, the Executive Director (ED), Mr. Denny Kalyalya continued his outreach activities to Malawi and Lesotho June 18–26, 2013. He was accompanied by his Advisors, Mr. Wilson Banda to Malawi and Mr. Antonio Fernando to Lesotho. The main purpose of the visits was to reiterate his appreciation to the authorities for supporting his candidature for the position of Executive Director of Africa Group I (AFGI) and to get a first-hand appreciation of their countries’ development achievements and challenges as well as their advice and guidance to better represent their interests at the Executive Board and with management.

The highlights of the visits are provided below and selected photographs are on pages 15 to 22.

Malawi

In Malawi the ED met with the Head of State, Her Excellency President Joyce Banda, the Governor for Malawi on the Boards of the WBG, Hon. Ralph Jooma, who is also Malawi’s Minister of Economic Planning and Development, and other Ministers. During the discussions with the Ministers, issues covered included the energy, water, irrigation and agriculture sectors. Ministers briefed the ED on the energy deficit in the country and its negative impact on development. They expressed their appreciation for the Bank’s support and particularly welcomed the Shire Valley Development Project, the Fertilizer Subsidy Program and the Malawi Social Action Fund (MASAF). They also informed the ED on the possibility of food shortages in the country following a drought in the Northern and Central regions of the country during the last growing season.

The ED visited some Bank-supported development projects in Bunda, Lilongwe and Mponela in Dowa. At Bunda, he saw how people in the local community used resources from their Community Savings and Investment Program to invest in different lines of small-scale businesses that included tailoring, fish mongering, seedlings for trees, amongst others. At Mponela, the ED saw how potable piped water was supplied to the rural growth center and surrounding villages. In general, he was informed that despite progress made in various areas of development, Malawi remains vulnerable to external shocks. He was also reminded that the need for increased agricultural productivity is critical as it is still the mainstay of the economy accounting for about 60 percent of total exports through a seasonal production pattern.

The ED indicated that he was pleased with progress made by Malawi in various development endeavors. In his meeting with the Head of State, he encouraged Government to stay the course on reforms, particularly in the context of the Fund-Supported Economic Recovery Program.

Lesotho

The ED held meetings with Dr. Thomas Motsoahae Thabane, the Right Honorable Prime Minister, Dr. Moeketsi Majoro, World Bank Governor for Lesotho and Minister of Development Planning, other Cabinet Ministers, senior government officials and the World Bank Country Representative. The mission also comprised field visits to project supported by the Bank in Thuaathe and Mahobong.

The authorities, including the Prime Minister, recognized the Bank’s support to Lesotho in the implementation of its development programs/projects. They apprised the ED of their efforts towards poverty reduction, which included the promotion of good governance, democracy and an enabling business environment. They also indicated the profitable implementation of economic projects taking advantage of the country’s natural endowments. One of such projects is the development of dams to supply water and electricity nationwide as well as for export to South Africa. They further informed the ED that the country has been elevated to a lower-middle income status, which opens windows of opportunities in addressing its development needs including increased opportunities for job creation and the export of fruits like apples and pears due to the excellent growing conditions of the high mountain climate.

On major challenges, they informed the ED about a number of issues. One of which included information that Lesotho is far from attaining the Millennium Development Goals (MDGs) citing, in particular, those goals related to public health due to lack of appropriate infrastructure and a shortage of trained health staff. They also mentioned the lack of adequate capacity in general and particularly for building Public Private Partnership (PPP), including the preparation of relevant legislation. They requested the Bank’s assistance in several areas and appealed for the more rapid disbursement of resources for approved projects, amongst other issues.

In responding, the ED expressed his appreciation for the views and concerns expressed by the authorities and pledged to follow up by engaging with the Board and Management on the issues of concerns that were raised.

Highlights of the World Bank’s First Fragility Forum, 2013

On May 1, 2013 the World Bank Group (WBG) held the first of a series of fora on the challenges of development in countries in fragile and conflict-afflicted situations (FCS). The WBG President, Dr. Jim Yong Kim, who hosted this forum under the theme “Stop Conflict, Reduce Fragility and End Poverty”, shared the platform with other high-level dignitaries including, Minister of Finance for the Republic of Liberia, Honorable Amara Konneh; former Assistant Secretary General for UNDP and National Dialogue Member during the process of peace consolidation in Afghanistan; former UN Special Coordinator for Somalia and former UN Special Envoy for Sudan; former Judge of the International Criminal Court and current UN Special Prosecutor for the ICC; former UN Special Envoy to Yemen; former United Nations Special Coordinator for Healing and Reconstruction in Iraq; former United Nations Special Envoy to Haiti; and former World Bank Group President.

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in the Republic of Yemen, Mrs. Amat Alim Alsoswa; World Bank Vice President for Africa Region, Mr. Makhtar Diop; as well as former President of the Republic of Mozambique, H.E. Joaquim Chissano, who joined the conversation by teleconference. The focus of this maiden forum on fragility and development was to seek answers to some of the pressing questions on the matter, such as, how countries in FCS can exit fragility and how the WBG can work with other institutions to end extreme poverty and support long-term development in these countries. Some highlights of the Forum are provided below.

Sources of Conflict and Lessons from the Experiences of Countries in FCS

There was broad agreement that a common source of fragility is the breakdown in social contracts between the authorities and citizens. In most cases this breakdown was caused by the absence of institutions that would promote justice, accountability and equitable distribution of resources and opportunities. Discontent often emerges when portions of the populations are excluded from the states system of social delivery, which then spreads a sense of discrimination and disenchantment that prompts political or social instability.

Experience has also shown that the transition from fragility to stability requires a deliberate and collective effort to build institutions that support inclusiveness. In Mozambique this transition was managed through a deliberate effort to build citizens’ ownership in the process of development. In 1992, after a damaging 16-year war, the Chissano Administration embarked on a citizen-owned national reconstruction exercise that saw the establishment of institutions of justice, statistics and law and order.

While the path towards transition is often thought of in terms of the ‘hardware’ that needs to be built such as infrastructure, it is important that investment is also made in the ‘software’ of development. This particularly refers to the development of human capital. It is often the case that countries emerge from civil and political conflicts with large sections of the labor force that do not have right skills set to support a productivity-driven recovery, largely due to the years of lost investment in education, health and skills development.

This imbalance can itself be a cause of discontent for its implication on employment levels and income distribution. Therefore, while these countries register impressive rates of investment in physical capital, it is important to support the development of indigenous capacity. This could be through a combination of approaches that seek to bridge the skills gap by attracting the talent from the diaspora while making long-term investments in building local capacity.

How Does the WBG Intend to Assist Countries in FCS?

The WBG acknowledges the developmental challenges in countries in FCS and that many of them are unlikely to attain the Millennium Development Goals. Notwithstanding, it is the view of the WBG that these countries can move to viability through, among other things, placing a special focus on fragility. The WBG looks at countries in FCS as part of the solution to the development of Africa as whole, given that these countries host abundant wealth of natural resources that could lift millions out of poverty. In this regard, the Bank is developing regional initiatives for Great Lakes Region and the Sahel to unlock the potential of these regions.

The WBG is also modifying its approach to engaging in these countries. Previously, the Bank would engage in a country only after there are indications of political stability. The Bank is now looking to have some presence even before a political solution to the conflict is found. This is based on the realization that the root of conflict is often of an economic nature and that it is development that ultimately keeps the peace. In staying engaged, the WBG is looking to collaborate with other international organizations, as was demonstrated by a joint visit to the Great Lakes Region in June 2013 by the WBG President and the Secretary General of the United Nations, Mr. Ban Ki-Moon. The WBG further acknowledges that Official Development Assistance (ODA) alone will not be sufficient to finance the infrastructure needs and required investments in human capital in the post-2015 era. Therefore there is need for innovative ways of bringing public and private funds together—an area where the WBG has a unique comparative advantage and can use its convening power in the process. The WBG will continue to listen to the priorities of these countries and assist in domestic revenue mobilization and improvement of financial management systems where necessary. In addition, the WBG will continue in its efforts to understand the underlying causes of conflict, support the exchange of ideas and experiences, while seeking ways to attract talent within the WBG towards these countries.

What Is Required of the International Community?

In the past, some countries in FCS have been written off as ‘basket cases’ by the international community. The impact of such an approach on regional security and impact of poverty levels has warranted a change on the part of development partners. The emergence of terrorist elements that find comfort in governance vacuums created by conflict poses a threat to the national security for countries far beyond the region of conflict. Further as 2015 approaches, it is becoming increasingly clear that fragility has been a major factor that has kept millions in poverty, pointing to the fact that embarking on the eradication of poverty in the absence of a lasting solution for fragility would be an exercise in futility. In this regard, the international community would need to remain engaged while at the same time ramp up its support to these countries. Ensuring a continuous flow of resources to these countries will be critical for their emergence from instability. The WBG, on its part, advocates for coordinated effort among development partners to avoid the duplication of the overheads of delivering assistance to the poor. This would involve: (i) establishing strong alliances and

‘. . . the moral commitment that we have to make as the World Bank Group is that we will never forget the states which are facing the most difficulty.’
Dr. Jim Kim, WBG President
partnerships among development partners; (ii) assisting governments on improving delivery services to the most vulnerable; (iii) working on regional solutions to the countries in fragility; and (iv) providing sustained support to countries that are on the path to recovery in order to avoid a regression into fragility.

**World Bank Africa Region Hosts Knowledge Event on Changing How We Think about Africa: Growing the Next Big Ideas for African Development**

During the period April 1–2, 2013, the World Bank Africa Region hosted a Knowledge Event dubbed Big Ideas: Changing How We Think About Africa “Growing the Next Big Ideas for African Development” to highlight the array of exciting, relevant, and innovative analytical work that is changing how the Africa Region Vice Presidency (AFVP) approaches development in the region. The presentations consisted of regional studies and analytical work being carried out in the region. A synopsis of the presentations is provided below.

The event comprised opening remarks and presentations of ideas and research findings on several issues including agriculture, agribusiness, finance, information technology, skills and employment, social safety nets, and women empowerment. Below is a summary of the remarks and findings from some of the research presented.

In his opening remarks, the VP Mr. Makhtar Diop underscored the importance of knowledge to the vision of development in Africa. He noted that knowledge, evidence and analysis, would provide the long-term solutions to the challenges and needs of Africa, by helping practitioners to understand development challenges, guide choices and design of operations. He emphasized that research also informs policy recommendations, project implementation processes, and evaluates efficacy of projects. In this regard, the AFVP plans to strengthen its research capacity.

Africa Can Help Feed Africa (Paul Brenton—Trade Practice Leader, Africa Region, World Bank)

While Africa has enormous potential to increase production to meet the growing demand for food, increasingly, this is met by imports from outside Africa. Regional trade is crucial, but trade barriers and lack of competition along the value chain for staples were undermining it. Besides, in many countries, yields are low and large tracts of agricultural land remain fallow. Trade barriers affect access to agricultural inputs; preclude smooth supply of food to deficit areas; and ultimately raise costs. Most countries lack appropriate trade policies, quality standards and rules, and distribution services. The Report recommends de-fragmentation of the regional food and inputs markets, reform of rules and regulations to ensure competition, and institution of frameworks for appropriate government intervention and for accountability.

Growing Africa: Unlocking the Potential of Agribusiness (Tugba Gurcanlar—Trade Specialist, Africa Region, World Bank)

Improved macro policy environment, increased global and domestic demand, and increased attention on agriculture from governments, investors and other stakeholders, provide an impetus for the focus on agribusiness in Africa. This is in addition to population growth, urbanization and income growth, and the untapped potential of agriculture in Africa. Global experience suggests that with growing incomes and urbanization driving the commercialization of agriculture, the shares of both downstream and upstream agribusiness activities are poised for rapid growth. Moreover, forecasts for Africa’s major agriculture export and markets are good.

To realize the potential from agribusiness, SSA governments with the development partners have to build capacity, invest in infrastructure such as for irrigation, improve the business environment, and promote sustained public and private investments in agribusiness. Public-private partnerships backed by open, transparent procedures and processes will be essential for the development of agribusiness in Africa.

Youth Employment in Sub-Saharan Africa (Deon Filmer—Lead Economist, Africa Region, World Bank)

The SSA has a youth bulge, which is unemployed. In many economies, value added has shifted away from agriculture to sectors such as mining, which are capital intensive, and do not create wage jobs as fast as would be desirable. In particular, this affects the youth who are in a time of transition, especially from school (or idleness) to work. Research indicates that in SSA transition takes a long time, in part because school takes longer; many enter school late and combine school with work; while others do not know how to find a vocation or sustainable employment. High quality education is a key determinant for economic opportunities. Besides, governments must consider two broad categories of factors responsible for productivity; human capital and the business environment.

Empowering Adolescent Girls in Liberia and Uganda (Markus Goldstein—Practice Leader, Africa Region, World Bank)

In SSA, girls form a big proportion of the youth, and they are less likely to be working because they are disadvantaged in the labor market due to smaller networks, domestic work burden and fertility
decisions. They are more likely to have a fair number of children at an early age, limiting their future earnings and leading to dependence. Moreover, they face higher risks of infection from HIV. Therefore, programs that target girls should facilitate the school to work transition, taking into account female unique constraints as well as multi-dimensional interventions including job training and soft skills for their daily life. The Research highlighted two programs that led to increased employment, earnings, and savings, declining fertility rates, and behavioral change in Liberia and Uganda.

Improving Skills Development in the Informal Sector: Strategies for Sub-Saharan Africa (Setareh Razmara—Lead Social Sector Specialist)

In SSA, the non-farm informal sector is predominant, and it comprises small and medium enterprises, usually based on households, and is a major source of earnings, and employment albeit with low productivity. Therefore, improving productivity in the firms of the sector is essential to poverty reduction. In this regard, the agenda for the informal sector should include providing quality basic and secondary education, promoting private investment in skills, improving quality of training in traditional apprenticeships, and promoting results-based policymaking. It should also involve all stakeholders including governments, public and private providers of skills, industrial associations and international and financial organizations.


Safety nets are becoming more and more important and viable tools for reducing long-term poverty in Africa. An assessment of 21 countries reveals that the most common kinds of programs are school feeding programs, public work programs, in-kind emergency and non-emergency programs, categorical transfer programs, and general subsidies. The study cites several countries including Ethiopia, Kenya, Rwanda, Tanzania, which are on a path towards developing more effective safety net systems.

It is evident from these programs that a small number of complementary and well-coordinated programs are often sufficient for meeting the needs of the poor. In addition, programs should provide regular support to chronically poor families or individuals, be flexible enough to scale up and down to provide shorter-term or repeated support to vulnerable groups in response to shocks, and be well targeted, focusing on the poorest and most vulnerable to ensure maximum impact and affordability. Therefore, African safety nets should use African approaches, including community-based targeting, and emphasizing the productive aspects of safety nets such as helping households engage in income-generating activities and invest in the health and education of their families.

The event closed with a panel discussion at which representatives from the WBG entities gave their perspectives of Africa’s challenges and the application of research.

Pictorial Presentation of the ED’s Visit to Malawi and Lesotho

Malawi’s Visit

Meeting with Her Excellency Dr. Joyce Banda, President of the Republic of Malawi
Meeting with Governor for Malawi and Minister of Economic Planning and Development, Hon. Ralph Jooma, and Minister of Finance, Hon. Ken Lipenga

Round Table discussion with Minister of Finance, Hon. Ken Lipenga, Minister of Agriculture, Hon. Peter Mwanza, Minister of Energy, Hon. Ibrahim Matola, Minister of Water Development and Irrigation, Hon R. Muheya, and Deputy Minister of Finance, Hon. Cornelius Mwalwanda
Site visit to a Community Savings and Investment Program (COMSIP) at Bunda, Lilongwe, Malawi

Site visit to a National Water Development Project at Mponela, Dowa, Malawi
Lesotho’s Visit

Welcome reception by the Hon. Dr. Moeketsi Majoro, Minister of Development Planning and Governor of Lesotho for the World Bank Group, and his Assistant

Meeting with the Hon. Dr. Leketekete Victor Ketso, Minister of Finance, Lesotho
Meeting with the Hon. Dr. Pinkie Rosemary Manamolela, Minister of Health, Lesotho

Meeting with the Hon. Makabelo Priscilla Mosothoane, Minister of Education and Training, Lesotho
Lesotho Highlands Water Project—Mohale Dam

Visit to the Mohale Dam Power Station, Lesotho
Visit to fruit production project in Thauate, Lesotho

Visit to fruit production project in Mahabong, Lesotho
Meeting with the World Bank Country Team in Lesotho
## Snapshot of Approved Projects

**April 1–June 30, 2013**

<table>
<thead>
<tr>
<th>Country</th>
<th>Approval Date</th>
<th>Project Title</th>
<th>Source of Funding</th>
<th>Amount (Equivalent in US$ Million)</th>
<th>Project Development Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burundi</td>
<td>Apr 30, 2013</td>
<td>Burundi Sustainable Coffee Landscape Project</td>
<td>IDA</td>
<td>4.2*</td>
<td>To pilot sustainable land and water management practices in the coffee landscape of Burundi</td>
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<tr>
<td>Ethiopia</td>
<td>Jun 25, 2013</td>
<td>IFC investment in africaJuice</td>
<td>IFC</td>
<td>6</td>
<td>To support the expansion of Africa Juice Tibila Share Company, an Ethiopian-based juice concentrate producer</td>
</tr>
<tr>
<td></td>
<td>Jun 27, 2013</td>
<td>IFC investment in Velocity</td>
<td>IFC</td>
<td>13.8</td>
<td>To improve the productivity of the dairy industry through the establishment of a new state-of-the-art dairy processing plant and related facilities in the Sellale Area, one of the main milk producing areas in Ethiopia</td>
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<tr>
<td>Kenya</td>
<td>Jun 18, 2013</td>
<td>Kenya—Kenya Water Security and Climate Resilience Project</td>
<td>IDA</td>
<td>155</td>
<td>(i) To increase availability and productivity of irrigation water for project beneficiaries; and (ii) To enhance the institutional framework and strengthen capacity for water security and climate resilience for the country</td>
</tr>
<tr>
<td>Kenya</td>
<td>Jun 21, 2013</td>
<td>IFC Investment in Actis Properties East Africa Limited for the Garden City Project</td>
<td>IFC</td>
<td>8.2</td>
<td>To support the real estate sector growth through the development by Actis Properties East Africa Limited of the first and largest greenfield mixed-use development in Kenya and East Africa (the Project or Garden City)</td>
</tr>
<tr>
<td>Lesotho</td>
<td>Apr 11, 2013</td>
<td>Maternal and newborn Health performance-based financing project</td>
<td>IDA</td>
<td>12</td>
<td>To improve the utilization and quality of maternal and newborn health (MNH) services in selected districts in Lesotho</td>
</tr>
<tr>
<td></td>
<td>Jun 3, 2013</td>
<td>First Growth and Competitiveness Development Policy Grant</td>
<td>IDA</td>
<td>20*</td>
<td>To assist the Government in implementing a reform program aimed at promoting growth, competitiveness and public sector efficiency</td>
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<tr>
<td>Liberia</td>
<td>May 30, 2013</td>
<td>Accelerated Electricity Expansion Project</td>
<td>IDA</td>
<td>35</td>
<td>To increase access to electricity and strengthen institutional capacity in the electricity sector</td>
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<tr>
<td></td>
<td></td>
<td>Health Systems Strengthening Project (HSSP)</td>
<td>IDA</td>
<td>10</td>
<td>To improve the quality of maternal health, child health and infectious disease services in selected secondary level health facilities in Liberia</td>
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<tr>
<td></td>
<td>Jun 26, 2013</td>
<td>Poverty Reduction Support Credit (PRSC1)</td>
<td>IDA</td>
<td>10</td>
<td>To sustain and deepen government-owned efforts to reform governance and civil service, and to support the broadening of reforms to include economic transformation and human development in the context of the implementation of the Government’s second Poverty Reduction Strategy—the Agenda for Transformation</td>
</tr>
</tbody>
</table>
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</tr>
</thead>
<tbody>
<tr>
<td>Malawi</td>
<td>May 28, 2013</td>
<td>Economic Recovery Development Policy Operation</td>
<td>IDA</td>
<td>50*</td>
<td>To strengthen macroeconomic and public finance management and lay the foundation for stronger growth and protection of the poor</td>
</tr>
<tr>
<td>Mozambique</td>
<td>Apr 25, 2013</td>
<td>First Agriculture Development Policy Operation (AGDPO-1)</td>
<td>IDA</td>
<td>50</td>
<td>To promote private sector-led agricultural growth in order to improve food and nutrition security</td>
</tr>
<tr>
<td></td>
<td>Apr 25, 2013</td>
<td>Integrated Growth Poles Project</td>
<td>IDA</td>
<td>100</td>
<td>To improve the performance of enterprises and smallholders in the Zambezi Valley and Nacala Corridor, focusing on identified high growth potential zones (growth poles)</td>
</tr>
<tr>
<td></td>
<td>Apr 25, 2013</td>
<td>Climate Resilience: Transforming Hydro-Meteorological Services Project</td>
<td>IDA</td>
<td>15*</td>
<td>To strengthen hydrological and meteorological information services to deliver reliable and timely climate information to local communities and to support economic development</td>
</tr>
<tr>
<td>Jun 13, 2013</td>
<td>IFC Investment in Midal Cables International Limitada</td>
<td>IFC</td>
<td>35</td>
<td>To support the development of electricity transmission and distribution infrastructure through local manufacture of aluminum conductors</td>
<td></td>
</tr>
<tr>
<td>Jun 25, 2013</td>
<td>IFC Investment in P&amp;O Maputo</td>
<td>IFC</td>
<td>11.5</td>
<td>To provide the Port of Maputo with (i) new tug boats and other vessels, which will increase operational efficiency &amp; safety and (ii) improved local marine services skills</td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td>May 14, 2013</td>
<td>Rwanda - Quality of Decentralized Service Delivery</td>
<td>IDA</td>
<td>50*</td>
<td>To support the Government to clarify institutional roles and responsibilities for decentralized service delivery and to enhance public transparency, fiduciary accountability, and local government capacity for improved access to quality services</td>
</tr>
<tr>
<td>South Sudan</td>
<td>Jun 21, 2013</td>
<td>Safety Net and Skills Development Project</td>
<td>IDA</td>
<td>21</td>
<td>To provide access to income opportunities and temporary employment to the poor and vulnerable and put in place building blocks for a social protection system</td>
</tr>
<tr>
<td>Tanzania</td>
<td>May 21, 2013</td>
<td>Tanzania and Dar Es Salaam Corridor Committee Southern Africa Trade and Transport Facilitation Program—Phase 1 (APL-1) Project</td>
<td>IDA</td>
<td>210</td>
<td>To facilitate the movement of goods and people along the Dar Corridor in Tanzania, whilst supporting improvements in the services for HIV/AIDS and road safety</td>
</tr>
<tr>
<td>Country</td>
<td>Approval Date</td>
<td>Project Title</td>
<td>Source of Funding</td>
<td>Amount (Equivalent in US$ Million)</td>
<td>Project Development Objective</td>
</tr>
<tr>
<td>-------------------------</td>
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<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Uganda</td>
<td>May 9, 2013</td>
<td>Uganda - Competitive and Enterprise Development Project (CEDP)</td>
<td>IDA</td>
<td>100</td>
<td>To improve the competitiveness of enterprises in Uganda by providing support for: (i) the implementation of business environment reforms, including land administration reform; and (ii) the development of priority productive and service sectors</td>
</tr>
<tr>
<td></td>
<td>May 22, 2013</td>
<td>Energy for Rural Transformation Project APL-II Additional Financing</td>
<td>IDA</td>
<td>12</td>
<td>To increase access to energy and information and communication technologies (ICT) in rural Uganda</td>
</tr>
<tr>
<td>Zambia</td>
<td>Apr 25, 2013</td>
<td>Water Resources Development Project</td>
<td>IDA</td>
<td>50</td>
<td>To support the implementation of an integrated framework for development and management of water resources in Zambia</td>
</tr>
<tr>
<td></td>
<td>May 30, 2013</td>
<td>Lusaka Transmission and Distribution Rehabilitation Project</td>
<td>IDA</td>
<td>105</td>
<td>To increase the capacity and improve the reliability of the electricity transmission and distribution system in the Lusaka area</td>
</tr>
<tr>
<td></td>
<td>May 9, 2013</td>
<td>Zambia Strengthening Climate Resilience (PPCR Phase II) Project</td>
<td>Strategic Climate Fund Grant</td>
<td>5</td>
<td>To strengthen Zambia’s institutional framework for climate resilience and improve the adaptive capacity of vulnerable communities in the Barotse sub-basin</td>
</tr>
<tr>
<td></td>
<td>Jun 25, 2013</td>
<td>MIGA Guarantee for an Investment in Chobe Agrivision Company Limited</td>
<td>MIGA</td>
<td>48.3</td>
<td>(i) To improve the development of Zambian land resources, through introduction of further irrigation capacity and more efficient processes and technology; (ii) To supplement food supply in turn supporting local and regional food security; and (iii) To offer positive demonstration effects for other local producers and potential outside investors</td>
</tr>
<tr>
<td>Regional projects</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Kenya and Uganda</td>
<td>May 16, 2013</td>
<td>Investments in Kenya Commercial Bank Limited and KCB Bank Uganda Limited</td>
<td>IFC</td>
<td>160</td>
<td>To strengthen the banking sector in Kenya and Uganda</td>
</tr>
<tr>
<td>Rwanda and Burundi</td>
<td>Jun 21, 2013</td>
<td>IFC investment in Mikoani Traders Limited (Republic of Rwanda) and in Mikoani Edible Oils and Detergents (Republic of Burundi)</td>
<td>IFC</td>
<td>12</td>
<td>To support to support the expansion of Mikoani into Rwanda and Burundi, contributing to improve the food supply chain in those countries</td>
</tr>
<tr>
<td>Kenya, Uganda and Tanzania</td>
<td>Jun 25, 2013</td>
<td>IFC investment in AAR Healthcare</td>
<td>IFC</td>
<td>4</td>
<td>To support the provision of high quality health care services in East Africa</td>
</tr>
</tbody>
</table>
### Snapshot of Approved Projects

<table>
<thead>
<tr>
<th>Country</th>
<th>Approval Date</th>
<th>Project Title</th>
<th>Source of Funding</th>
<th>Amount (Equivalent in US$ Million)</th>
<th>Project Development Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burundi, Gambia, Malawi, Namibia, Rwanda, Sierra Leone, Uganda, Zambia</td>
<td>Jun 18, 2013</td>
<td>IFC investment in Afrimax Limited</td>
<td>IFC</td>
<td>25</td>
<td>To support the development of a broadband infrastructure and promote regional integration in SSA through improved communications</td>
</tr>
</tbody>
</table>

*Grant*
Upcoming Meetings

Meeting of the African Caucus August 21-22, 2013 hosted by the Government of Sudan in Khartoum, Sudan with Africa Group 1 Constituency serving as Secretariat

WBG/IMF Annual Meetings, October 11–13, 2013

During the WBG/IMF Annual Meetings, the Africa Group I Constituency Meeting will be held October 10, 2013.