AFRICA GROUP I CONSTITUENCY
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Executive Director

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The negative impact of youth unemployment on social, economic and political development is generating renewed interest in both developed and developing countries. The issue was tabled for discussion during the 2011 World Bank Group/International Monetary Fund Annual Meetings in Washington DC. Africa Group I representative at the DC Committee Meeting, Honorable Tendai Biti, Zimbabwean Minister of Finance correctly noted in his statement that socio-political unrest recently seen in MENA and other regions has largely been attributed to the lack of employment and related income generating activities. He stressed that in many countries in Sub-Saharan Africa there is an urgent demand for job creation and job security, especially among the youths and women. He also noted the acute challenges in meeting the demand, particularly in conflict and post-conflict countries.

The World Bank Group (WBG) and other regional and international organizations’ efforts to more thoroughly understand the nature and causes of unemployment with a focus on the situation facing the youths are therefore encouraging. It is also hoped that these efforts will identify policy options that would promote and accelerate job-centered growth along with the development and refinement of job-related skills. Such policies, it is hoped, would better enable the youths to take advantage of job opportunities and thereby minimize the gaps and mismatch in the labor market.

In this regard, these efforts should complement African countries’ national initiatives. Their ongoing programs to minimize structural bottlenecks and policy impediments to job creation should be strengthened. Efforts intended to create an overarching enabling environment to promote private sector development, attract direct foreign investment, engage and retain qualified human resources from the Diaspora should be integrated and coordinated within a consolidated multi-sectoral framework.

The feature story of this edition of our newsletter provides more insights into the youth unemployment situation in sub-Saharan Africa. Also included in this edition are the following: (i) information about recent changes in the World Bank Group senior management; (ii) the consultative process initiated on the formulation of a Social Protection and Labor Strategy 2012-2022; (iii) highlights of the African Governors Memorandum to the WBG/IMF during the 2011 Annual Meetings and President Zoellick’s response; and (iv) unabridged versions of the Africa Group I DC Member Statement and the DC Communiqué issued during this year’s Annual Meetings.

Finally, this edition covers the continuation of my consultative visits to our constituency countries, including those that were not covered in our last edition. A snapshot of projects that were approved during September-December is also included along with a pictorial presentation of activities during the year.
FEATURE STORY
The Challenge of Youth Unemployment in Sub-Saharan Africa

INTRODUCTION

Rising unemployment is one of the major development issues facing Africa. Among the youths, the situation is overwhelmingly challenging. This observation has become particularly more glaring in the midst of the current positive economic growth and yet there virtually had been no discernible impact on the level of unemployment. The situation is also becoming increasingly threatening to social, economic and political stability as evidenced by the recent uprising in Tunisia and Egypt that culminated in the dramatic change of the governments in these countries.

While the socio-economic dynamics and political economy contexts of the specific situation that triggered the upheavals in these countries may vary from those elsewhere in Sub-Saharan Africa, there are, in general, major similarities. Demographic and economic factors largely explain these similarities. Demographically, they both have populations characterized predominantly by the youth and high fertility rates. Economically, the nature of growth has particularly been deficient in terms of the magnitude and pace of job creation. Related to these factors is the labor market dimension regarding gaps and mismatches in the quality of labour supply and demand from the markets. The combination of these factors, coupled with gender-related issues that limit the opportunities for the female youths to participate effectively in the labor market, such as access to education, contribute to the high rate of unemployment and underemployment. Thus, lack of productive employment opportunities tends to engender a tenuous situation for the youths not only regarding their own well-being, but also for progress towards inclusive economic growth and sustainable development in Africa.

From this perspective, the need to address the unemployment challenges, in general and youth unemployment in particular, cannot be overemphasized. This feature article briefly discusses these challenges with a focus on youth unemployment in the context of Sub-Saharan Africa.

THE SUB-SAHARAN AFRICA CONTEXT

The youths in Sub-Saharan Africa constitute the vast majority of the region’s population most of whom are considered poor. One of the many factors underlying the poverty situation is that the majority of the youths are either unemployed or underemployed with virtually no other legal sources of secured income. This situation may be ascribed to the lack of adequate skills training opportunities, exacerbated by the proliferation of former child soldiers in post-conflict countries whose orientation is predominantly the illegal use of the gun as a means of survival. Moreover, as stated earlier, economic growth has not commensurately created jobs to meet the needs of those who are educated, skilled and conscientiously looking for jobs as a legal source of income. Addressing this situation with a view to providing increased employment opportunities and enabling the youths to take advantage of these opportunities would contribute to improving their welfare, reducing poverty and facilitating the means through which they could contribute meaningfully to, and benefit from the development process. An improved situation could also minimize the risks of the youths resorting to vagrancy and their vulnerability to engag-
Feature story cont...

ing in illegal activities and armed conflicts.

In the process of addressing the problems, the need for accelerated rates of economic growth is critical, but it is by no means a panacea to youth unemployment. This view is supported by the consensus that economic growth, as indicated by gross domestic product (GDP), does not necessarily translate into increased employment. According to several development practitioners, it depends on the employment intensity of the growth process which entails the rates and quality of the growth. Among other things, the quality of the growth includes its composition, dispersion and sustainability.

The lack of job creation in the midst of increasing economic growth is exemplified by the prevailing situation in the region. According to the World Bank Statistical indicators, the economies of the Sub-Saharan Africa Region (excluding the Republic of South Africa) grew by about 6 percent in FY2010 and are projected to grow by another 6.6 percent in FY2012. In Africa Group I Constituency, seventy-five percent of the countries, which constitute a major part of the Sub-Saharan Africa region, grew at rates ranging from 4.6 to 8.1 percent and is expected to grow at rates ranging from 4.1 percent to 7.7 percent respectively over the same period. Despite this significant growth performance, general unemployment remains a major concern in the region.

It is implicit from this scenario that the growth achieved has not been conducive for productive jobs creation. Several reasons have been given for this situation and four of the major ones may be summarized as follows:

i. low labor absorptive capacity in the growth sectors since they are mainly concentrated in the traditionally capital-intensive extractive sector;

ii. the low productivity of agriculture, a sector in which the vast majority of the people are engaged for their livelihood basically at the subsistence level;

iii. inequality in the distribution of opportunities, particularly capacity to participate effectively in the economy either as investors, entrepreneurs or sources of productive labor; and

iv. high population growth and its youthful profile with profound skills gap and mismatch relative to the needs of the labor market.

The growth without job creation situation is not a new phenomenon. Authorities in the region and the World Bank Group (WBG) realize the importance of job creation for the youths as a major element of development programs. The regional authorities have initiated measures in the education sector as well as through vocational training and private sector development programs, among others. The WBG has also provided support. Over the period FY2001 to FY2011 its support is reported to fall into the following three broad categories: (i) labor market operations; (ii) private sector operations; and (iii) operations focusing on skills building for the labor market through education projects. The WBG also provides technical and operational support to the public and the private sectors through the Bank’s Private Sector Development Group, IFC and MIGA. Together these programs are intended to improve the education and skill levels, minimize the skills gap and mismatches, develop and expand the private sector and improve labor market operations. However, much more needs to be done particularly in ensuring that the nature of its support is delivered within a comprehensive cross-sectoral framework for enhanced effectiveness and focused-results.
TOWARDS A NEW DIRECTION FOR JOB CREATION

In an effort to ensure better results in the context of job creation, the WBG through the Independent Evaluation Group (IEG), has embarked on an evaluation of its support for youth unemployment over the period 2001 – 2011. The WBG is also in the process of preparing one of its flagship documents, the World Development Report for 2013, on the theme “Moving Jobs to Center Stage” It is anticipated that the findings of the IEG evaluation and the operationalization of the relevant recommendations expected from the World Development Report will inform future World Bank work on job creation.

In the process of exploring for new ways and means to identify and address the obstacles to job creation, it would be prudent for Sub-Saharan African countries to be more strategically engaged and to initiate innovative measures to capture the specificity of their particular countries’ socio-economic conditions and political economy contexts. Generally, in their engagement with the Bank, it may prove helpful to urge the Bank Management to:

i. ensure that all projects have a component for job creation or skills improvement, just as it is with gender equality;

ii. balance improvements in productivity in agriculture and non-farm activities especially in the informal sector;

iii. provide technical assistance in several areas including the building of robust databases, improve the regulatory frameworks for strengthening pension funds and PPPs, and prepare the youth’s orientation for a productive, creative and ethical working life; and

iv. increase investment in infrastructure to ease cost of doing business, and spur quality economic growth.

Sub-Saharan African countries should also strengthen their resolve towards enhanced commitment to creating a sustainable enabling environment characterized by peace; security; robust institutions; effective governance; and increased multi-sectoral infrastructure. Support for private sector development should include creation of a regulatory environment that is conducive to operating a business and promoting other aspects of entrepreneurship. These efforts should be buttressed by the sustainable development of human and physical resources. This necessitates, among other things, an efficient health, education and vocational training system. It should also include measures to address gender-based disadvantages including focused efforts to assist adolescent girls and young women to enter into wage-earning and self-employment activities through specialized programs. In addition, it would require economic diversification that would significantly deviate from the current overreliance on the mere production and export of primary commodities.

It is further important to note that identifying and overcoming the obstacles to job creation is much more problematic when done through a piecemeal and disjointed approach as has been the case in many instances. The missing link in these instances is the lack of a comprehensive multi-sectoral integrative framework inclusive of a job-centered development strategy. A job-centered development strategy should be built on pillars of dynamic sources and increasing rates of growth, the composition and dispersion of which could be conducive for job crea-
tion and youth employability. This can be facilitated through a transformative educational system and requisite skills training programs that are aligned as best as possible with the functioning, policies and related dynamics of the labor market.

This approach would have the potential to enhance accumulation of productive human capital and facilitate increased quality growth that would benefit the general population more widely. Such development is most likely to culminate in the creation of a virtuous cycle that galvanizes the economy to enhance its capacity in cultivating new ideas, acquiring relevant skills and stimulating more value-added production from the natural resource endowments and other physical resources.

**CONCLUSION**

There is a general consensus that the goal of reducing unemployment depends on the socio-economic environment, the pace and the quality of economic growth as well as the capacity to generate job opportunities. In the case of African youth unemployment, besides these factors, concerted and sustained measures are necessary to empower the youths to take advantage of the job opportunities available since there are significant gaps and mismatch in their skills and market demands. With appropriate policies and their effective implementation towards this end, the youths could be a valuable asset for sustainable development. However, this desired outcome cannot be achieved overnight. It is a process that requires sustainable results-focused actions through nationally-driven programs and effective partnership at the regional and international levels.
Update on Senior Management Changes in the World Bank Group

Following the resignation of Mrs. Ngozi Okonjo-Iweala as Managing Director (MD) at the World Bank at the end of July 2011 and retirement of some Vice Presidents, President Robert Zoellick announced on August 26, 2011 several senior management changes. These are as depicted in the table below.

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<th>Name</th>
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<td><strong>Managing Directors (MD)</strong></td>
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<tr>
<td>Ms. Sri Mulyani Indrawati1,2</td>
<td>MD for East Asia and Pacific (EAP), Latin America and the Caribbean (LAC), the Middle East and North Africa (MENA)</td>
<td>MD for Regional Operations (i.e., oversee all regions -- East Asia and Pacific (EAP), Latin American and the Caribbean (LAC), the Middle East and North Africa (MENA), South Asia Region (SAR), Europe and Central Asia (ECA), and Sub-Saharan Africa (AFR))</td>
</tr>
<tr>
<td>Ms. Caroline Anstey2</td>
<td>Chief of Staff, and Vice President of EXT</td>
<td>MD for Operational Services, Policy and Systems, comprising Operations Policy and Country Services (OPCS), Human Resources (HR), Information Solutions Group (ISG), and External Affairs Department (EXT)</td>
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<tr>
<td><strong>Vice Presidents (VP)</strong></td>
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<tr>
<td>Ms. Inger Andersen 2,3</td>
<td></td>
<td>VP, MENA</td>
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<tr>
<td>Ms Rachel Kyte2</td>
<td></td>
<td>VP, SDN</td>
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<tr>
<td>Ms. Nena Stoiljkovic2</td>
<td></td>
<td>VP, IFC Business Advisory Services</td>
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<tr>
<td>Mr. Michel Wormser4</td>
<td></td>
<td>VP and Chief Operating Officer – MIGA</td>
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<tr>
<td>Ms. Pamela Cox5,6</td>
<td>Regional VP, LAC</td>
<td>Regional VP, EAP</td>
</tr>
<tr>
<td>Mr. Hasan Tuluy6</td>
<td>VP, HR</td>
<td>VP, LAC</td>
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Notes:
1. Mrs. Ngozi Okonjo-Iweala was overseeing ECA, SAR, AFR, and HR. The six regions have since been consolidated under one MD office, while the Operational Services, Policy & Systems includes HR.
2. These changes were effective September 19, 2011.
4. This is a newly created position. Mr. Wormser replaced Mr. James Bond who retired as COO of MIGA. The appointment was effective October 1, 2011.
5. Ms Cox took over from Mr. Jim Adams, who retired at the end of 2011.
6. These appointments would be effective January 1, 2012.

The work involves, among other things, a series of global consultations with stakeholders, of which the first round was conducted earlier by the Bank’s management based on a related Concept Note approved by the Executive Board. The second round of consultations is ongoing, and it aims at ensuring broader outreach and includes stakeholders from client countries.

Through the Strategy, the Bank aims at strengthening its role in being responsive to different client demands and the need to focus on Low Income Countries (LICs) while engaging in Middle Income Countries (MICs), taking into account lessons learned and the nature of different clients’ demands. It also aims at leveraging knowledge and partnerships, both internally and externally.

The main messages from the first phase consultation include: a) a consensus on moving away from fragmentation toward systems through fiscally sustainable, country-led approaches both during normal times and crises periods; b) the need to focus on LICs and fragile states while not forgetting the central role of MICs as depository of knowledge and home to many of the poor; c) the important links to productivity, human capital, and skills with a strong focus on labor and job opportunities; and d) the critical role of the World Bank in transferring knowledge among countries and investing in results. Stakeholders also highlighted the need to strengthen partnerships, not only within the Bank, but also internationally, through better donor coordination at the country level so as to build consensus on sustainable and scalable social protection and labor programs. The final draft of the strategy will be considered for approval by the Board at the end of the third quarter of Fiscal 2012, with the plan to launch the strategy subsequently.

Thus, the Office of the Executive Director for Africa Group I Constituency would like to encourage member countries’ authorities to proactively engage during the second phase consultation process to ensure that their concerns and views on country specific situations would be appropriately reflected in the strategy.
Highlights of the African Governors Memorandum to the WBG/IMF during the 2011 Annual Meetings and President Zoellick’s Response

During the 2011 World Bank and the IMF Annual Meetings in Washington, DC, the African Governors submitted their Memorandum, as customary, to the Heads of these institutions. Among other things, the Memorandum highlighted their concerns about the energy deficit, low agricultural productivity, and food and fuel price volatility on the African economies. It also urged the Bank to enhance Africa’s representation at the Bank in line with its diversity objectives. To address these concerns, the Memorandum called for the enhancement and consolidation of the Bank’s partnership with and support for Africa.

The proposals highlighted in the Memorandum and President Robert Zoellick’s response is summarized below.

Summarized Proposals of the African Governors Memorandum

i. To accord “extra and urgent support” to four specified projects in the energy infrastructural sub-sector due to their high transformational and regional integration potential for the development of Africa. Also justifying the focus on these projects is their alignment with NEPAD priority infrastructure projects and the strong continental support they have received along with significant preparatory work that has already been done. This proposal also called for the establishment a Task Force to monitor the implementation of the four projects. The projects are namely, Inga III & Grand Inga, in the Democratic Republic of Congo (DRC), for the Southern Power Pool; Lom Pangar Hydro Power, in Cameroon, for the Central Africa Power Pool; Souapiti and Kaleta II, in Guinea, for the West Africa Power Pool; and the Menengui Geothermal Development Project in the Rift Valley in Kenya, for the Eastern Africa Power Pool

ii. To improve agricultural productivity and food security by allocating additional resources and undertaking concrete actions to support (i) the development of water supply and irrigation infrastructures; (ii) greater security of land tenure; and (iii) investment in agricultural research and training. It is suggested that these actions could be facilitated through the Bank’s increased investment, the leveraging of private sector contributions and catalyzing donor financing as well as adopting regional approaches to integration. It is also proposed to also encourage, on behalf of Africa, the swift and effective delivery of the G20 pledges under the Global Agriculture and Food Security Program, the elimination of developed countries’ trade protections and restrictions, increasing Africa’s access to international markets and building the capacities needed to meet importing countries’ standards. Further, to extend, as a precaution, the closing date for the Global Food Crisis Response Program. They also emphasized the need to put food first not only as an emergency response to crisis but also to disaster risk management and longer-term measures to address particularly reoccurring climate change-related challenges.
iii. To increase Africa's representation at the WBG, by reviewing the existing eligibility criteria determining the nationality of focus and to urgently initiate concrete measures with a view to making greater progress in the recruitment, promotion, and career development of the African staff in the Bank.

**President Zoellick’s Summarized Response**

In his response, President Robert Zoellick addressed issues pertaining to the World Bank’s support for Africa. On energy infrastructure he agreed that it is “one of the most serious constraints to the continent’s growth, competitiveness and development’. He welcomed the governors’ focus on the four transformative regional energy projects and the suggestions on moving forward including the creation of the Task Force to monitor progress. He indicated that the Bank is engaged with the host countries and other partners on the projects which are at varied stages of development and elaborated on the stages and the Bank’s involvement. He also indicated that the Bank is supporting regional power pools through financing and technical assistance. To help the Task Force in meeting its objectives he informed the Governors that he will establish a team under the Sustainable Development Network to serve as the Bank’s focal point for the Task Force. On financing resources, particularly the inadequacy of IDA in financing major infrastructure projects, he pointed out that the concerns were justifiable and that efforts were being made to expand the available options including enclave operations. He also elaborated on IFC and MIGA’s roles as well as the collaborative efforts in maximizing knowledge and resources.

On rising food and fuel prices, the President concurred with the Governors on the critical nature of the situation and the impact on the poor. He also agreed that the Global Food Crisis Response Program should be expanded and promised that he would continue to urge partner countries to contribute to the Program so as to make additional resources available. He noted that the Bank is working with the G20 on factors that contribute to rising food prices and underscored their cooperation with ECOWAS and WFP on establishing emergency food reserves at the regional level. He also elaborated on World Bank’s other initiatives including programs of the Africa Strategy particularly with respect to its vulnerability and resilience pillar. He also mentioned the IDA Crisis Response Window that has benefitted the Horn of Africa in meeting the challenges of the drought impact on agriculture. He informed the Governors that the programs from the strategy and instruments focus on both short-term emergency assistance and long-term recovery and resilience, including climate resilient agriculture.

Regarding other aspects of the agriculture sector, he indicated that the Africa Region has invested US$ 1 billion to the Comprehensive African Agriculture Program in FY11 constituting 50 percent increase over a few years ago. The strategy, he explained, is to work throughout the value chain, and to address constraints such as poor rural infrastructure. He also mentioned the Bank’s efforts in exploring for innovative ways and means to provide risk insurance. One of such efforts is being manifested through the implementation of African Risk Capacity Project to manage drought risk and provide different kinds of real time risk financing options in collaboration with other international partners. He elaborated on IFC
agri-business investments, farmer-related lending and technical assistance that link farmers and exporters who manage supply chains through lending. He promised to continue to advocate for the removal of protectionism and trade barriers as practiced mostly by developed countries in specific response for the elimination of these impediments to more equitable international trade, particularly in agriculture. He further pointed out that given the importance of intra-African trade, the Bank is providing technical input to the African Union Commission as it prepares for the 2012 African Union Summit that will be focusing on the acceleration of intra-African trade.

On the issue of increasing Africa’s representation at the WBG, he mentioned the addition of the third African Chair and the progress being made in the second phase of the Voice Reform that is on-going. He agreed that in terms of staff diversity more needs to be done to increase the representation of Sub-Saharan African and Caribbean nationals throughout the WBG. He then promised that efforts are continuing through a process that sets precise targets against which progress can be gauged. In conclusion he reassured the Governors of the Bank’s unflinching commitment to assist African countries sustain economic growth, reduce poverty and effectively manage their vulnerabilities.
Since the financial crisis in 2008 and the ensuing economic crisis, the global economy has been characterized by high risks and uncertainties. There have been unprecedented number and scale of natural disasters, debt distress in some OECD countries, mass uprisings in the Middle East and North Africa (MENA; the Arab Spring). All these have dimmed the prospects for rapid global economic recovery. However, as a result of years of continuous growth, underpinned by strong commitment to reform, Sub-Saharan Africa has exhibited some resilience.

The aforementioned notwithstanding, there are new challenges to the capacity of the Sub-continent to weather the sluggish global recovery. These include the growing uncertainty in the global economy as well as risks associated with the resurgence of food price volatility, acute food insecurity, especially in the Horn of Africa, and rising joblessness among the youth population.

While economic growth has proved to be a necessary condition in our development process and invaluable to our resilience to shocks, the Arab Spring has shown that if growth is not inclusive and broad-based it cannot be sustained. It is in this context that we welcome the agenda set for the Development Committee Meeting - moving jobs to the center stage, stepping up attention to food price volatility and food security and facilitating discussions on the findings of the flagship report on gender equality and development. To this agenda, we would add the need for addressing the capacity limitations prevalent in our countries and increased financing for development to ensure inclusive and transformative growth.

Moving Jobs to the Center Stage

Strategic and operational focus on job creation ranks on top of the current global priorities as social development and employment are intertwined and this can hardly be overemphasized. The recent sociopolitical upheaval in the MENA region, the violent mass outbursts in several developed countries and the poverty-induced frustration in many Sub-Saharan African countries are to a significant degree attributed to lack of employment and related sustainable income generating activities. In virtually all countries in our Constituency there is an urgent and overwhelming demand for job creation accompanied by increased job security, especially among the youth and women. These challenges are particularly acute in conflict and post-conflict countries, as they are critical ingredients for social cohesion and peace. From this perspective, we generally agree that the WBG’s support for moving jobs to center stage should be designed, at best, with a view to supporting increases in household expenditure over time; contributing to faster productivity growth; contributing to inclusive growth and social cohesion, addressing post-conflict needs and thus minimizing the risks of future conflicts.

We look forward to the elaboration of the Discussion Note on Moving Jobs to Center Stage through concrete, analytical evidence-based research for the preparation of the World Development Report (WDR) 2013 with its focus on “obstacles to job creation”. We trust that “moving jobs to center stage” should not be merely another fad in the development process. We urge the WBG to ensure that the Report informs the process of facilitating the development of a framework that considers possible solutions to the obstacles to job creation. This should be done with findings and lessons of the WDR 2011 on conflict, security and development in mind.

We welcome the indication that in preparing the WDR 2013 the WBG will consider the issues from an integrative perspective, within and across sectors as well as across countries inclusive of regional dimensions while maintaining country specificity. In this process, we urge the Bank to take a leading role in the promotion of public-private partnerships as well as foreign direct investments (FDIs) and support our countries in their efforts in this regard.
Food Price Volatility
We continue to face global food insecurity and increasing food price volatility. The key drivers, we note, relate to increasing demand, production shocks, and declining stocks. We are concerned that millions more people will fall into poverty globally, and in Africa, even food producing countries could see high import bills, reduced fiscal space, and unrest, amongst others.

We take note that the World Bank’s agriculture strategy intends to continue to focus on speedy provision of resources and advice in the short-run, through such investments as the Global Food Crisis Response Program (GFRP). However, we deem long-term interventions that focus on enhancement of agricultural productivity an imperative. In this regard, we welcome the Global Agriculture and Food Security Program (GAFSP) facility, especially its focus on providing support to improve farmers, particularly small holders, access to agricultural inputs and increasing investment in irrigation infrastructure.

We are pleased to note that targets have been set for IBRD/IDA lending to finance the Agricultural Action Plan. We hope that the financial resources together with the non-lending instruments, such as, Technical Assistance (TA), Economic and Sector Work (ESW), Analytical Research (AR) and the use of the Bank’s convening power are deployed timely. Furthermore, we believe that the Bank, beyond strengthening and collaborating within the Group, could also explore synergies with other international financial institutions and organizations, such as, the United Nations agencies and the Food and Agricultural Organization (FAO).

In view of the above, and given the importance of this matter for Africa and the rest of developing countries, we would support the Bank’s initiatives towards this end and to take our views and concerns to the G-20. We believe that the G-20 has a vital role to play in three key areas: (i) ensure sufficient investment in smallholders and women farmers, who are the foundation of rural communities’ food security and livelihoods, (ii) commit to political and material support for robust food reserve systems that promote and safeguard food security, while helping farmers manage price stability, and (iii) investments in research and extension services, especially in areas related to climate change to increase productivity and promote sustainable agricultural practices.

With regard to trade policy, we urge the Bank to accelerate the Doha Round favoring access to more markets by low income countries. In the same vein we call on the Bank to make the case on our behalf that developed countries should eliminate farm subsidies.

Further, we urge the WBG to remain committed to promoting South-South cooperation and knowledge exchange with a view to improve capacity building initiatives in agricultural productivity and agribusiness development.

World Development Report 2012: Gender Equality and Development
We welcome the World Development Report (WDR) 2012, on gender equality and development. We believe the report is timely. It is also an important report as it is being increasingly recognized that eliminating gender-based discriminations and empowering women are absolute necessities for reducing poverty, accelerating socio-economic progress and advancing sustainable development.

We concur with the Report’s emphasis on the identified areas where gender gaps are most significant and where policy interventions can make a difference, namely, (i) reducing female mortality; (ii) closing education gaps and enhancing gender-based education; (iii) improving access to economic opportunities for women and reducing earnings and productivity gaps between men and women; and (iv) increasing women’s voice and opportunities to make effective choices in the household and in society. We urge the Bank to use its communication channels effectively in disseminating the findings of this report. In areas, where the report appears inconclusive, we rec-
ommend that the Bank makes a fresh investigation with a view to take appropriate policy measures that will have a significant development impact.

While it is noted that WBG is promoting gender equality through policy-focused research, lending and technical assistance, we are pleased that the Report underscores that more needs to be done differently. In this context, we agree with the following five major directions that should be pursued as outlined in the Report: (a) informing country policy dialogue on gender equality; (b) enhancing country-level gender diagnostics; (c) scaling up lending for what works to reduce gender gaps; (d) increasing the availability of gender-relevant data and evidence; and (e) leveraging partnerships, at global and country-levels, to help implement priority actions.

As we support the strategic directions proposed in the Report, we urge the WBG to do things differently by adapting existing instruments to changing country situations and coming up with new ones in response to emerging challenges in the area.

Above all, development cannot be realized without security and sustainable peace. Thus, as emphasized in the WDR 2011 during the last Spring Meetings, we call for an all-inclusive development strategy to ensure the realization of state for all, security for all, justice for all, jobs for all, and services for all.

Need to Foster Innovation in Development Financing

As we approach 2015, the target date for the Millennium Development Goals (MDGs), it is clear that these targets will not be achieved everywhere. What is apparent and of major concern to us is that Sub-Saharan Africa will be the most lagging continent. While we acknowledge the progress made, much more could have been done and should be done in the remaining period albeit short, as materialization of this outlook would be another opportunity wasted for Sub-Saharan Africa. Indeed, faster growth than before the crisis and in a sustainable and inclusive manner are required for the region to be able to unlock the potential of its internal market of close to a billion people and reduce poverty meaningfully.

With the global economy undergoing fundamental realignment in the aftermath of the financial crisis and Overseas Development Assistance facing a credibility issue on account of shortfalls in commitments, the architecture for development financing yearns for innovation. In this regard, we urge the Bank to urgently explore synergy opportunities on a grand scale with other international financial institutions and the private sector that will address demand for resources and partnership from our countries. Increased emphasis should be placed on: (i) innovative ways to fund transformative infrastructure to achieve scale economies, especially in the energy sector; (ii) ways to address the issues around agricultural productivity and deepen efforts to manage volatility; and, (iii) means to address the capacity limitations relating to institutions and personnel. In the process, the WBG should place particular emphasis on increasing its focus on effectiveness, tangible results and sustainability over long-term perspectives within the specific areas of its core competence and comparative advantage.

Finally, with 2015 in sight, it is important to reflect on the post-MDGs, focusing on the current and emerging issues, not least, jobs, security, justice and gender mainstreaming which are outside and beyond the MDGs.

Conclusion

In conclusion, we reiterate the relevance of the agenda set for the Development Committee meeting. In our discussion of the agenda items we must be cognizant of the overarching view that economic growth that is not equitable, that is not broad-based, that does not create sustainable jobs, that does not provide more opportunities for women and the youths, has limited resilience and is therefore not sustainable. To this end, we urge that in opera-
tionalizing the proposals herein advanced, concerted efforts should be made to take these factors into consideration. Furthermore, we must ensure national ownership and that efficient and effective results-based mechanisms are developed and deployed.
The Development Committee met today, September 24, 2011, in Washington DC.

We note with concern the turbulence in global financial markets and widespread fiscal strains, which put at risk the robustness and sustainability of global economic recovery. Volatile commodity prices and pressures on food security are critical challenges. We are alert to the possible global impacts of these issues, particularly for the poor. While developing countries have been the main contributors to recent global economic growth, the economic crisis has reduced their capacity to withstand further shocks. We commit to do everything within our means to support strong, sustainable, balanced and inclusive growth in all our member countries. We reaffirm the need to work cooperatively to meet our development commitments to achieve the Millennium Development Goals by 2015 and to support the poor in developing and emerging countries through this period of instability, as well as in the long term. We commend the G20 for anchoring development in its agenda.

Jobs are vital in translating growth into lasting poverty reduction and broad-based economic opportunities. We reiterate our commitment to job creation, especially by supporting the expansion of a vibrant private sector. In this connection, we recognize the important role IFC and MIGA play in poorer countries and in challenging markets. We welcome and encourage the cooperation of the World Bank Group (WBG) with member governments and other partners, such as the G20, the International Labor Organization and the International Monetary Fund (IMF), to pursue a comprehensive approach to job creation for women and men. We look forward to discussing the next World Development Report (WDR) on jobs.

The WBG must continue to help member countries build resilience and respond to crises. To do this effectively, the WBG must remain prepared with human, knowledge and financial capacity. We welcome the WBG’s enhanced focus on innovative approaches to support countries in the Middle East and North Africa region to address the social and economic consequences of their current transition. We call on the WBG to scale up support and strengthen collaboration with all relevant stakeholders, in particular other Multilateral Development Banks.

We are saddened by the scale of human tragedy caused by the drought and famine in the Horn of Africa. We welcome the WBG’s $1.88 billion contribution to tackling the crisis and its underlying causes, including $250 million from the recently created IDA Crisis Response Window, as well as the steps the IMF is taking to provide additional concessional financing. An emergency of this magnitude needs swift, coordinated and effective international action to save as many lives and livelihoods as possible. We also need to build national capacity and resilience to speed recovery, reduce the risk of future disasters and create longer-term solutions. We must put agriculture and food security at the top of our development priorities. To do this, we need to harness the creativity and resources of the private sector. We call for continued innovation to tackle longer-term challenges, including climate change and infrastructure investment.
6. We strongly welcome the WBG’s World Development Report on Gender Equality and Development and its clear message that equality between women and men is smart economics and an essential ingredient in poverty reduction. We agree that the WDR has important lessons globally and that gender equality requires specific action from governments, the private sector and development partners. To this end, we endorse the recommendations for the WBG set out in the accompanying implications note and look forward to reviewing its implementation in a year. We urge the WBG to integrate further equality between women and men into its operations and reporting, working within its mandate and respecting national values and norms.

7. We welcome progress the WBG has made in institutional reform to meet new challenges. Greater transparency through the Open Data, Open Knowledge, Open Solutions Initiative and improved accountability via the new Corporate Scorecard will contribute to a more efficient and effective WBG. We call on the WBG to continue to promote staff diversity. We urge the WBG to maintain the momentum on its modernization agenda and look forward to discussing further progress at our next meeting.

8. We welcome the addition of the 25th Chair to the WBG Boards and look forward to a proposal in the spring to align the Development Committee with the new structure.

9. We thank Mr. Ahmed bin Mohammed Al Khalifa for his valuable leadership and guidance as Chairman of the Committee during the past two years.

10. The Development Committee’s next meeting is scheduled for April 21, 2012, in Washington DC.
The Executive Director, Mr. Hassan Taha, and his Senior Advisor, Mr. Felleke Mammo, participated the ‘4th High Level Forum on Aid Effectiveness (HLF4),’ in Busan, South Korea November 29 - December 1, 2011. The forum was organized jointly by the OECD-DAC and UNDP and hosted by the Korean Government.

The main objective of the Forum was to take stock of progress on the international aid effectiveness agenda and to forge a new consensus on development partnership going forward. It included plenary sessions and side events with the participation of over 3000 delegates from 160 countries and organizations, including Ministers from developing and donor countries, government representatives, parliamentarians, civil society organizations and private sector representatives. Also in attendance were world leaders, such as the President of Rwanda, H.E. Mr. Paul Kagame, Prime Minister of Ethiopia, H.E. Mr. Meles Zenwai, Queen of Jordan, Her Majesty Rania Al Abdullah, United States Secretary of State, Mrs. Hilary Clinton, United Nations Secretary-General, Mr. Ban Ki-Moon, OECD Secretary General, Mr. Angel Gurría and OECD-DAC Chair, Mr. Brian Atwood. The African Union (AU) was represented at the meeting by the AU Commissioner for Economic Affairs, H.E. Mr. Maxwell Mkwezalamba.

The official opening ceremony, which took place on Wednesday, November 30, 2011, featured key speeches by the world leaders in attendance. The President of the Republic of Korea, H.E. Mr. Lee Myung-bak, delivered the opening speech and welcomed the world leaders and the rest of the participants to the HLF4. At the ceremony, among others, President Kagame of Rwanda made an inspiring speech through which he addressed the following issues: the need to work towards translating aid commitments into effective development outcomes in order to help African countries’ graduate to self-sufficiency; donors’ resistance to channel aid through country systems, despite the commitments made in Paris and Accra; the need to remove barriers to effective use of aid; the need to urgently fulfill the commitments made and the targets set in the Paris Declaration; the need for strengthening the South-South Cooperation and integrating it with the international development frameworks. Finally, he called for clear commitments, actions, and targets to enhance mutual respect and inclusive global partnership.

At the closing ceremony held on Thursday, December 1, 2011, the AU Commissioner for Economic Affairs. H.E. Mr. Maxwell Mkwezalamba, made a speech through which he articulated the African position, which mainly calls for: development partners, in attending the unfinished Aid agenda, to align their support to Africa’s priorities and ensure that aid complements domestic financing and other alternative sources. He also urged African countries to scale up policies for effective and innovative use of domestic resources; and the development of appropriate implementing capacities. In conclusion he called for a shift in the global development cooperation from aid effectiveness to development effectiveness.

The Forum ended with an official declaration representing a joint position statement of all stakeholders called the Busan Partnership for Effective Development Co-operation.

The main messages of the Declaration can be put into two broad categories:
1. The promotion of shared principles to achieve common goals, including: ownership of development priorities, focus on results; inclusive development partnership; use of country systems; and transparency and accountability in line with those agreed in Paris and Accra.

2. Concerted efforts to deliver on agreed actions, including: operationalizing democratic ownership of development policies and processes, promoting a new and inclusive development agenda on the basis of “shared principles, but different commitments”, strengthening mutual efforts to achieve concrete and sustainable results, broadening support for South-South and triangular cooperation, broadening focus and attention from effective aid to cooperation for effective development, working to make development cooperation more predictable, and supporting developing countries in their efforts to facilitate, leverage and strengthen the impact of diverse forms of development finance and activities. It was also agreed, pursuant to the Accra Agenda for Action, to accelerate joint efforts to untie aid. To achieve this, it was agreed that development partners will review their respective plans during 2012.

Also captured in the Busan Declaration is the consensus among development partners to hold each other accountable for implementing their respective actions in developing countries and at the international level.

As follow-up actions, development partners pledged to deliver on the respective renewed commitments, which include:

- The establishment at the country level a new inclusive Global Partnership for Effective Development Cooperation to support implementation at the political level.

- The development of joint risk management frameworks aimed at managing risks by providers of development assistance, including, in particular, the international development institutions, in order to support developing countries’ efforts and plans to strengthen their institutions and policies.

- Development partners review of their respective plans during 2012 with a view to achieving the objective of efforts to untie aid.

- Those development partners committed, through the Accra Agenda for Action, to improve medium-term predictability, will provide, by 2013, regular and timely indicative expenditure and/or implementation plans to all developing countries with which they cooperate. Other actors also shall aim to provide developing countries with timely and relevant information on their intention with regard to future cooperation over the medium term.

- By 2013, development partners will make greater use of country-led coordination arrangements.
The Executive Director paid official visits to Rwanda, Zambia, Burundi, Seychelles and Zimbabwe over the period August - November 2011. He was accompanied by the Advisors responsible for these countries. These visits were to strengthen stronger relations with and enhance his representation of member countries at the Executive Board of the World Bank Group through firsthand experience of the progress, opportunities and challenges of these countries.

RWANDA (August 6 – 10, 2011)

The ED, accompanied by Advisor, Mr. Edouard Ngirente, met the Minister of Finance and Economic Planning, Honorable John Rwangombwa, the Minister of State in Ministry of Infrastructure in charge of energy Honorable Collette Ruhamya, the Minister of Agriculture and Animal Resources, Honorable Agnes Karibata, Minister of Commerce and Industry Honorable Francois Kanimba and other senior government officials. He also met with Mrs. Ladipo, the World Bank Country Manager and her staff. In addition the ED visited two Bank funded projects.

In their remarks, the authorities briefly presented the economic situation of Rwanda and elaborated on the country’s efforts towards resolving some of the major challenges. Overall, they indicated that macroeconomic indicators particularly GDP was promising with a current growth rate of 7 percent and that inflation was among the best in the region. They also highlighted better performance in agriculture production and the recovery from the initial decline caused by the global economic and financial crisis that adversely affected the industrial and services sectors.

With regards to challenges, they highlighted problems related to meeting the needs in the infrastructure sector particularly the increasing demand for energy. Other challenging areas mentioned were the construction and housing industries, health and related insurance services and the financial and private sectors. They informed the ED that the government intends to address some of the current development issues through the national “Vision 2020”, and the “Economic Development and Poverty Reduction Strategy. “Vision 2020” envisages the transformation of Rwanda from a low-income agriculture-based economy to a knowledge-based service economy by 2020. The Economic Development and Poverty Reduction Strategy is geared towards achieving sustainable real growth, notably through: (i) investing in major infrastructure (energy, transport, and ICT); and (ii) increasing agricultural productivity.

The ED also visited two World Bank funded projects, the “Energy Roll Out Program” and “Land Husbandry, Water Harvesting and Hillside Irrigation Project”. Following a presentation on the highlights of these projects the authorities requested the ED to convey their thanks to the WBG for its assistance. They also expressed appreciation for the ED’s efforts in representing Rwanda’s interest at the Executive Board.
In his remarks, the ED lauded the authorities for their achievements and promised to continue to promote Rwanda’s interests at the Board to ensure that progress achieved would be enhanced and sustained through strategic engagements. He also encouraged them to continue to play a leading role of project coordination among the multiple international and national development partners in the implementation of the Economic Development and Poverty Reduction Strategy towards realizing the “Vision 2020”.

In his meeting with the World Bank Country staff, the ED was briefed on their experience with project coordination and other field activities. Mrs. Ladipo, the World Bank Country Manager, indicated that the Rwanda experience may be useful to other countries. ED thanked the staff for meeting with him and briefly explained the role of the Executive Director’s Office and the nature of his work at the Bank. He also expressed appreciation for the successful project operations and their exemplary experience in Rwanda. He further noted their successful performance may be attributed to their commitment in general and, in particular, the competitiveness and capacity of the local staff.

BURUNDI (October 16-19, 2011)

The ED, accompanied by the Advisor, Mr. Dismas Baransaka, met the 2nd Vice President of the Republic, H. E. Gervais Rufyokiri, and several ministers including the Ministers of Finance, Honorable Clotilde Nizigama and the Governor of the Central Bank, Honorable Gaspard Sindayigaya. He also met the World Bank Country Of-
fice Staff and visited two World Bank–funded pro-
jects, one in the energy sector and the other in public works.

The authorities briefed the ED on a number of Bu-
rundi’s macroeconomic and sectoral challenges and
government’s efforts in addressing them. They
noted that the global economic crisis that began in
2008 affected growth and contributed to rising
food and fuel prices, heightened energy deficiency
and increased inflationary pressure. They also
pointed out some of the major problems in educa-
tion, health, telecommunications and infrastruc-
ture. They highlighted the challenges, most of
which were attributed to the war and civil strife,
such as providing increased access to and improved
quality of education as well as constraints in meet-
ing the educational targets of the Millennium De-
velopment Goals. In the health sector they ex-
plained that similar war-induced problems exacer-
bated health infrastructure and adversely affected
the system and human resource capacity. Conse-
quently, as an example, they indicated that existing
water supply and sanitation facilities are inade-
quate and infant mortality remains high. They also
said that the impact is similarly true for maternal
mortality, which is relatively high and well above
the MDG target. In terms of Energy, the Minister
said that Burundi has an energy deficit that con-
stains the development of the country.

For these and other socio-economic problems, the
authorities informed the ED of several macroeco-
nomic and sectoral reforms that government has
initiated which have improved the overall situa-
tion, but noted that much more needs to be done.
They informed the ED about Burundi’s CAS (2011-
2013) preparatory process and indicated that the
strategic objectives are to reconstruct the country,
reduce poverty, and make more progress in achiev-
ing the Millennium Development Goals. They re-
veal that the focus of the government during the
next 5 years would be to accelerate growth
through substantial investments in: (i) agricul-
ture; (ii) infrastructure (water, energy, roads,
and ICT); (iii) the private sector; and (iv) tour-
ism as well as strengthening Burundi’s mem-
bership in the East African Community. One
area of concern was the confirmation of the
financial feasibility and the sources of financ-
ing of some of these projects particularly the
large hydro power development initiatives
such as Kabu 16 (20 MW) and Rusumo Falls
Hydro power plants. These hydro power plants
have the potential to significantly address the
deficiency in Burundi power supply by 2017.
In the longer term, Burundi intends to rely on
regional power generation to supply its domes-
tic market.

Regarding telecommunications, the Minister
said that considerable efforts are being put in
this sector to meet the increasing demand. This
includes the implementation of a development
policy based on access to information in both
the public and private sectors. This effort is also
expected to improve the business climate
through a framework for consultation between
the private sector and government.

The authorities, while expressing their thanks
to the ED and the Bank, indicated their con-
cern that the Bank’s support to Burundi has
been relatively small. They expressed the hope
that it would increase and be delivered more
expeditiously.

The ED thanked the authorities for their kind
reception. He said that he understood the chal-
enges facing Burundi as a post-conflict country
and briefly explained the Bank’s modalities in
assisting such countries and Low Income Coun-
tries in general. He encouraged the authorities
to vigilantly pursue the nation’s development objectives and enhance its engagement with the regional organizations and the Bank. He promised to do his best in the interest of Burundi as its representative at the Board of the World Bank Group to help consolidate the achievements and unlock the enormous potential of the country.

**ZAMBIA (October 25 - 30, 2011)**

Mr. Hassan Taha, the Executive Director (ED), accompanied by Messrs, Denny Kalyalya and Peter Larose, Alternate Executive Director (AED) and Senior Advisor respectively met with the Minister of Finance, Honorable Alexander Bwalya Chikwanda; the Honorable Dr. Joseph Kasonde, the new Minister of Health; and the Bank of Zambia Deputy Governor for Operations, Dr. Bwalya K.E. Ng’andu and other senior government officials.

At the meetings, the ED and his delegation were warmly welcomed. In the meeting with the Minister of Finance, the ED was briefed on Zambia’s economic performance and the Government intention to maintain the development momentum with the support of the WBG and international donors.

The Minister briefly indicated that Government plans to revise taxation on mineral royalties, reprioritize expenditures in the new budget and diversify the economy while enhancing productivity of the tourism industry, especially the “Livingstone” district. He recognized that while the country is making progress, there are huge development challenges ahead. He noted that some of the major concerns are: high and widespread poverty; youth unemployment; high food and oil prices; low revenue from the mining sector; shortage of key infrastructure; and constraints faced by the social and energy sectors. He also mentioned inadequacies in economic and socioeconomic statistics and public finance management. The Minister believes that the WBG had a key leadership role to play with respect to Zambia’s development assistance. He said that he appreciated the WBG’s support, but noted that the resources allocated to Zambia were highly inadequate given the country’s developmental needs.

Concerning the health sector the Minister of Health pointed out that the new administration was focusing on fundamental changes to the health policy. This, he said, would involve the following: (i) a new health administration system placing emphasis on a combination of horizontal and vertical reforms; (ii) new actions to be taken to combat HIV/AIDS, tuberculosis, malaria, mental health and other communicable diseases; and (iii) a paradigm shift on how to deal with women and children’s health. The Minister expressed concern that the present healthcare system is under a lot of stress due to a shortage of healthcare professionals, inadequate pharmaceutical supplies and donors’ erratic support. He underscored the need for increased support including capacity building assistance and the continuation of the malaria booster project.

In another meeting, the Deputy Governor for Operations at the Bank of Zambia, gave an overview of the Bank’s current monetary policy macro targets including single digit inflation, a market based and stable exchange rate and interest rate reduction. He indicated that in spite of the current global economic uncertainty, the Bank of Zambia was satisfied that the banking sector was adequately capitalized.

In each meeting, the ED thanked the Ministers for their warm welcome and congratulated them on their appointments. He explained the purpose of his visit and briefed them on the Bank’s Post Crisis Directions and the new Af-
rica Strategy. He commended the economic and financial authorities for the country’s economic performance including the monetary policy. He also commended the government’s aspirations to diversify the economic base with the intention to reduce poverty. He congratulated the authorities for the recent classification of Zambia as a Lower Middle Income country and hastened to explain that it would take at least 6 years, involving 3 phases according to the Bank’s rules, for Zambia to become an IBRD borrower. He further indicated that both IFC and MIGA were expected to continue to support the new Country Assistance Strategy (CAS).

More generally, the ED informed the authorities that the WBG had embarked on a promising initiative to promote youth employment.

In his remarks during the meeting with the Minister of Health, the ED said that he recognized the health challenges faced by Zambia and was, in this regard, happy that the malaria booster project was doing well. He lauded the Government’s endeavor to include the pursuit of quality healthcare among other pressing issues and assured the Minister of his support to assist the Ministry of Health in that priority area and in other related ones such as capacity building and procurement of pharmaceutical supplies.

In his remarks the AED reiterated the congratulatory sentiments. On the economy he agreed with the Minister on the list of challenges faced by the country and advised him to take advantage of the WBG’s available resources, especially through the CAS. He urged the Government to put particular emphasis on energy, agriculture and food security, and the health, education, and tourism sectors in order to facilitate employment creation and promote inclusive growth. With respect to the agriculture sector, he advised the Minister to increase investment in research and extension services that will benefit small farmers given the growth prospects in that sector. He also informed Deputy Governor for Operations of a series of studies conducted by the WBG and urged him to make good use of the studies. He further implored the authorities to be proactive in the preparation of the new CAS which, it was hoped, would hinge on the productive sectors that will create more economic opportunities for the country. With particular reference to the health sector the AED advised the Minister to push for inclusion of all his Ministry’s projects in the new CAS and take advantage of the renewed engagement with the WBG including working in close collaboration with the new World Bank Country Director.

During the mission, especially the first meeting with the Minister of Finance, the ED acknowledged the excellent support received from the AED and introduced him as his successor due to take over as Executive Director next year, when his term comes to an end. In the meantime, he promised to continue to do his best to strengthen the existing relationship between Zambia and WBG. He encouraged them to keep in contact with his office.

SEYCHELLES (October 20 -24, 2011)

The Executive Director accompanied by Senior Advisor responsible for Seychelles, Mr. Peter Larose met with Vice-President, who is also the Minister of Finance, Trade and Commerce, His Excellency Danny Faure. Also in atten-
dance were the Governor of the Central of Bank of Seychelles, Mr. Pierre Laporte, and Principal Secretary of the Ministry of Finance, Trade and Commerce, Mr. Ahmed Afif and other senior officials.

The Vice-President welcomed and thanked the ED for his timely visit to Seychelles at an opportune time, when the country is embarking on its second generation of macroeconomic reforms and also in the process of finalizing a new Country Partnership Strategy (CPS) with World Bank Group (WBG).

Seychelles is making significant economic progress since it started with its first round of reforms with the support of the International Monetary Fund (IMF), WBG, AfDB and other international financial institutions. Mr. Faure, however, noted that in spite of the economic turnaround, the global uncertainty triggered by the crisis in the Euro Zone adds to the country’s development challenges given that Seychelles depends heavily on the European market for its tourism. He also expressed concerns that the country remains vulnerable to a variety of exogenous shocks such as; (i) piracy in the Indian Ocean, (ii) food and energy price volatility, (iii) rising uncertainty in global demand, and (iv) climate change. He further noted that Seychelles is trying its best to solicit support from the international community in order to deal with piracy activities, since it is now considered the most significant threat faced by the country.

In response, the ED thanked the Vice-President Faure and his officials for the very interesting meeting and the support given to him in discharging his duties as Executive Director representing Africa Group 1 Constituency at WBG. He congratulated him for the successful implementation of the macroeconomic reform program and took note of the development challenges faced by the country. He reassured the authorities that he is very supportive of the future development plan of the country and the new CPS, which will be discussed at the Board soon.

During the mission, ED visited the Government’s new Housing Project comprising more than 2,000 houses located in Ile Perseverance. He was met by Mr. Yves Choppy, Director General for Project Implementation Unit of Ministry of Land Use & Habitat, and his staff, who briefed him on the objective of the project as part of Government’s Housing Plan.

Land from the sea is currently being reclaimed for the new Fishing & Commercial Port Project on Praslin Island, and the tourism projects on La Digue Island.
ZIMBABWE (November 8-9, 2011)

The ED, accompanied by Senior Advisor Mr. Felleke Mammo held meetings with senior government officials, particular, the Right Honorable Morgan Tsvangirai, Prime Minister of Zimbabwe, Honorable Professor A. Mutambara, Deputy Prime Minister, Honorable T. Mashakada, Minister of Economic Planning and Investment Promotion, and the Governor of the Reserve Bank of Zimbabwe, Dr. G. Gono. Other persons met included the authorities of the Zimbabwe Chambers of Mines and the WB Country Manager, Mr. Nginya M. Lenneiye, together with his staff. The ED also visited a provincial health clinic, funded through a Multi-Donor Trust Fund-financing by the World Bank, the Zimbabwe Health Results-Based Financing Project.

The authorities expressed gratitude for the Bank’s support to Zimbabwe in financing the advisory and technical assistance services that are continuously helping in building public sector capacity as well as the support in the area of the maternal and child health services. This was followed by their concerns regarding the problem of a high level of external debt arrears. The authorities advised that the problem could be resolved through a debt strategy that focuses and stipulates the use of both traditional and non-traditional mechanisms, but indicated that progress is not being realized due to the creditors’ unwillingness to agree on a flexible approach. In addition to the overall political tension existing in the Coalition Government, they expressed concern about the global sanction against Zimbabwe which they claimed were undermining the country’s efforts to promote foreign trade and attract investment. They claimed the sanction has disproportionate adverse consequences on the vulnerable group of the society.

Other issues raised were: (i) government’s indigenization program intended to empower the indigenous population; and (ii) the adoption of a multiple-currency regime (US dollar and the South African Rand) to help stem the rising hyperinflation and stabilize the economy. They indicated that both efforts may not have the desired effect from a long term perspective. In the first case, they explained, that this is due to the business community’s perception that it would discourage private investment and negatively affect trade. Thus the policy has become controversial and lacks broad-based support. In the second case, the government believes that the continued dependence on this multiple-currency regime, which is causing an escalation of a liquidity problem, would undermine the role of the Reserve Bank of Zimbabwe as it relates to monetary policy.

The authorities, in seeking the ED’s assistance, indicated their determination towards a full-fledged reengagement with the WBG, and confirmed their commitment to deal with the socio-economic problems and policy bottlenecks currently facing the country. Most specifically they asked the ED to convey their message regarding the proposed strategy for the clearance of arrears. In this connection, they strongly advised that an appeal is made to the international community at large, to lift the sanctions in order to allow the country to use its potential to meet its debt obligations.

In the meeting with the Country Team, staff voiced their concerns regarding the differential treatment of local and international staff in terms of salary and benefits. They also commented on the status of the decentralization process and its impact on service delivery to client countries in general.
In response, the ED commended the authorities for their resolve to deal with the challenges of the country. He appreciated the views and concerns raised by the authorities and pledged to do his best to promote the causes of Zimbabwe in the appropriate fora, including engagement with the WB Board and management. To the country staff, the ED promised to take up their issues and concerns with management.
The Executive Director hosted a working lunch for the Ambassadors of the Constituency member countries on January 25, 2011.

Institute of International Relations - Mozambique

Construction site for a 6 km road - Mozambique

Curumana Dam - Mozambique
The Executive Director with Honorable Mustafa Mkulo, Minister of Finance and Economic Affairs, Tanzania

The Executive Director with Tanzania Government officials at an inland transport project, Dar-es-Salaam, Tanzania

The Executive Director with Kenya Vice President and Minister of Finance, Honorable Uhuru Kenyatta

The Executive Director and his Senior Advisor, Mr. Chris Hoveka with Kenya Country Director, Mr. Johannes Zutt
The Executive Director with World Bank country office staff in Lilongwe, Malawi

Likangala Irrigation Scheme, Zomba, Malawi

Kamuzu Dam, Lilongwe, Malawi

Executive Director with Minister of Agriculture Ms Agnes Karibata (on the left of ED), Mayors of Districts of Karongi and Rutsiro, Project Manager (on his right), and Director of External Finance in Ministry Finance and Economic Planning, Rwanda.

Visiting the project LWH in Western Rwanda. Beneficiaries are demonstrating how wheat is prepared after being harvested.
Visit to a road project outside Addis Ababa, Ethiopia

Meeting with H.E. State Minister of Industry, Ethiopia

Meeting with H.E. Sufian Ahmed, Minister of Finance, Ethiopia

Meeting with H.E. Efera Beribe, State Minister of Agriculture, Ethiopia
Executive Director with Mr. Mills Jones, Governor, Central Bank of Liberia

Meeting with Mr. Ontefetse Matambo, Minister of Finance, Botswana

Meeting with Ms. Saara Kuugongelwa-Amadhila, Minister of Finance, Namibia and Mr. Calle Scheletwein, Deputy Minister of Finance
<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>
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<tbody>
<tr>
<td>Burundi</td>
<td>December 15, 2011</td>
<td>Fifth Economic Reform Support Grant</td>
<td>IDA</td>
<td>35</td>
<td>To consolidate reforms already underway in public finance management with the aim to improve budget credibility, planning, and controls; and to reenergize the reform process in private sector development including improvements in the legislative framework and competitiveness in the coffee sub-sector and future budget support in the energy sector.</td>
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<tr>
<td>Lesotho</td>
<td>November 10, 2011</td>
<td>Credit for the Smallholder Agriculture Development Project</td>
<td>IDA</td>
<td>10</td>
<td>To increase marketed output among project beneficiaries in Lesotho’s smallholder agriculture sector</td>
</tr>
<tr>
<td>Lesotho</td>
<td>November 10, 2011</td>
<td>Water Sector Improvement Project-Phase 2 (APL 2) Additional Financing</td>
<td>IDA</td>
<td>13</td>
<td>To enable completion of the original project activities given an unanticipated cost overrun and to extend the benefits through additional project activities</td>
</tr>
<tr>
<td>Liberia</td>
<td>October 18, 2011</td>
<td>Fourth Re-engagement and Reform Support Program</td>
<td>IDA Credit</td>
<td>5</td>
<td>To support government-owned ongoing reforms to strengthen governance and improve the environment for private sector-led, inclusive growth.</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>Mozambique</td>
<td>September 15, 2011</td>
<td>National Water Resources Development Project</td>
<td>IDA</td>
<td>70</td>
<td>To strengthen the development of Mozambique's national water resources, and increase the yield from Corumana Dam to augment water supply for the Greater Maputo Metropolitan Area.</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>December 20, 2011</td>
<td>Decentralized Service Delivery Program II</td>
<td>IDA Grant</td>
<td>26</td>
<td>To support delivery of basic support services and further strengthen government's capacity to manage decentralized services; improve availability and predictability of funding for local councils as well as intergovernmental transfer system.</td>
</tr>
</tbody>
</table>
Too much tolerance paves the way for trouble
~Kenyan Proverb